2Q18 Earnings Release

Barretos, August 7, 2018 – Minerva S.A. (BM&FBOVESPA: BEEF3 | OTC - Nasdaq International: MRVSY) – the South American leader in the export of fresh beef and cattle byproducts, which also operates processed foods segment, announces today its results for the second quarter of 2018 (2Q18). The financial and operating information herein is presented in BRGAAP and Brazilian reais (R$), in accordance with International Financial Reporting Standards (IFRS).

2Q18 Highlights

Minerva (BEEF3)

Price on August 6, 2018:
R$7.45

Market cap:
R$1,666.0 million

223,618,459 shares

Free float – 50.4%

Conference Call
August 8, 2018

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- ✓ Operating cash flow reached R$395.8 million and free cash flow to equity was R$244.2 million in 2Q18. The consolidated capacity utilization rate remained stable at 75% in the quarter, while the cash conversion cycle reached 29.3 days and working capital variation was positive by R$210.8 million.
- ✓ Gross revenue totaled R$3,954 million in 2Q18, of which 43%, or R$1.7 billion, from the Brazilian Industry Division; 40%, or R$1.6 billion, from the International Industry Division; and 17%, or R$660 million, from the Trading Division. LTM gross revenue was once again an all-time high, at R$15,617 million, 49% higher than in the same period last year. This quarter, the dollar appreciated significantly against the real and the Argentinian peso, making export activities more attractive in those countries. Exports accounted for 64% of the Company's gross revenue in the quarter. As a result, Minerva's share of South American exports reached 25% in 2Q18, or 8% of the global exports, consolidating the Company's position as the leading beef exporter in the region
- ✓ Net revenue came to R$3,736 million in 2Q18 and R$14.7 billion in LTM2Q18, 49% more than in the same period last year. Including the pro-forma revenue of the new units acquired in Mercosur, net revenue totaled approximately R$14.9 billion in LTM2018, 52% higher than in the same period last year and above the guidance given to the market on June 6, 2017 of between R$13.0 billion and R$14.4 billion. One of the factors that contributed to the better-than-expected performance was local currency depreciation in both Brazil (R$3.32/US$ from our estimates of R$3.20/US$) and Argentina (ARS19.5/US$ from our estimates of ARS18/US$). Therefore, in this new exchange rate scenario, assuming a dollar for the second half of BRL3.70 and ARS27, we have updated the net revenue guidance for 2018 to between R$15.0 billion and R$16.0 billion.
- ✓ In 2Q18, adjusted EBITDA totaled R$353.4 million, 27% up on 2Q17, while the EBITDA margin came to 9.5%. In LTM2Q18, adjusted EBITDA amounted to R$1,359.9 million, 40% higher than in the same period in 2017, with an EBITDA margin of 9.1%.
- ✓ The cash position totaled R$4.2 billion and net debt stood at R$6.9 billion on June 30, 2018. At the close of 2Q18, financial leverage, measured by the net debt/LTM adjusted EBITDA ratio, was 5.0x, impacted by the appreciation of the dollar by approximately R$0.54.

Message from Management

The strong quarterly performance confirmed once again the importance of Minerva's growth strategy, focused on the long term and structured through geographic diversification in South America. The investments made last year began maturing at the same time as new market opportunities arose. This synchronicity, together with our excellence in risk management, has effectively complemented the investment of resources, making the assets more productive and enabling opportunistic geographic diversification. We will continue to pursue best operational and business practices by using efficiency programs across all units in order to produce even better and less volatile results.

In late May, during the Diesel Crisis, also known as the "Truckers' Strike", we were able to test the efficiency of the new platform. The crisis was limited to our Brazilian operations, which account for 45% of the consolidated operation. In addition, our diversification within Brazil (with presence in seven states) played a major role in reducing the specific impacts of this crisis. In the end, although slaughtering was suspended at the time, we were able to make up for the strike days on weekends and holidays, which almost fully offset the effects of the crisis on our results.

Our 2Q18 results attest to the importance of international operations and prove the effectiveness of the Company's strategy of geographic diversification.

Control over working capital was a main highlight in this quarter. We were once again able to use our operations to create value and generate R$244 million of free cash flow to equity. This, coupled with an adjusted EBITDA of R$1.4 billion in the last 12 months, limited the impact of the Company’s leverage on net debt to the exchange rate effect. We also recently canceled notes totaling approximately US$53 million due in 2026 and 2028, which we repurchased at market price during the quarter as they were trading significantly below face value. This move will help reduce future financial expenses.

The Company’s operations continue focused on further integrating international operations, increasing efficiency and producing good results, which will help the financial deleveraging process. Debt reduction is still the main goal to be pursued in the coming quarter, given that this is now the main value creation driver for our shareholders.

Fernando Galletti de Queiroz, CEO

Results Analysis

Key Consolidated Indicators

R$ Million	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Total slaughter ('000 head)	804.0	580.0	38.6%	855.7	-6.0%	3,333.3	2,172.0	53.5%
Slaughter - Brazil	385.0	358.6	7.4%	426.0	-9.6%	1,733.6	1,368.6	26.7%
Slaughter - International	419.0	221.4	89.2%	429.7	-2.5%	1,599.7	803.5	99.1%
Total sales volume ('000 tons)	247.4	186.6	32.6%	262.3	-5.7%	1,034.3	755.2	36.9%
Volume - Brazil	132.9	129.1	3.0%	145.7	-8.8%	588.6	535.1	10.0%
Volume - International	114.5	57.5	99.1%	116.7	-1.9%	445.6	220.1	102.4%
Gross revenue	3,953.6	2,767.4	42.9%	3,752.4	5.4%	15,617.1	10,494.3	48.8%
Export market	2,521.2	1,677.9	50.3%	2,346.1	7.5%	9,397.9	6,248.0	50.4%
Domestic market	1,432.4	1,089.5	31.5%	1,406.2	1.9%	6,219.2	4,246.3	46.5%
Net revenue(1)	3,735.7	2,579.3	44.8%	3,531.4	5.8%	14,913.7	9,811.3	52.0%
Adjusted EBITDA(1)	353.4	277.3	27.4%	285.0	24.0%	1,359.9	974.0	39.6%
Adjusted EBITDA margin(1)	9.5%	10.8%	-1.3 p.p.	8.1%	1.4 p.p.	9.1%	9.9%	-0.8 p.p.
Net debt/LTM adjusted EBITDA(1) (x)	5.0	4.1	1.0	4.5	0.5	5.0	4.1	1.0
Net income (loss)	-926.0	-55.6	1,565.0%	-114.7	707.2%	-1,268.2	6.6	n.a.

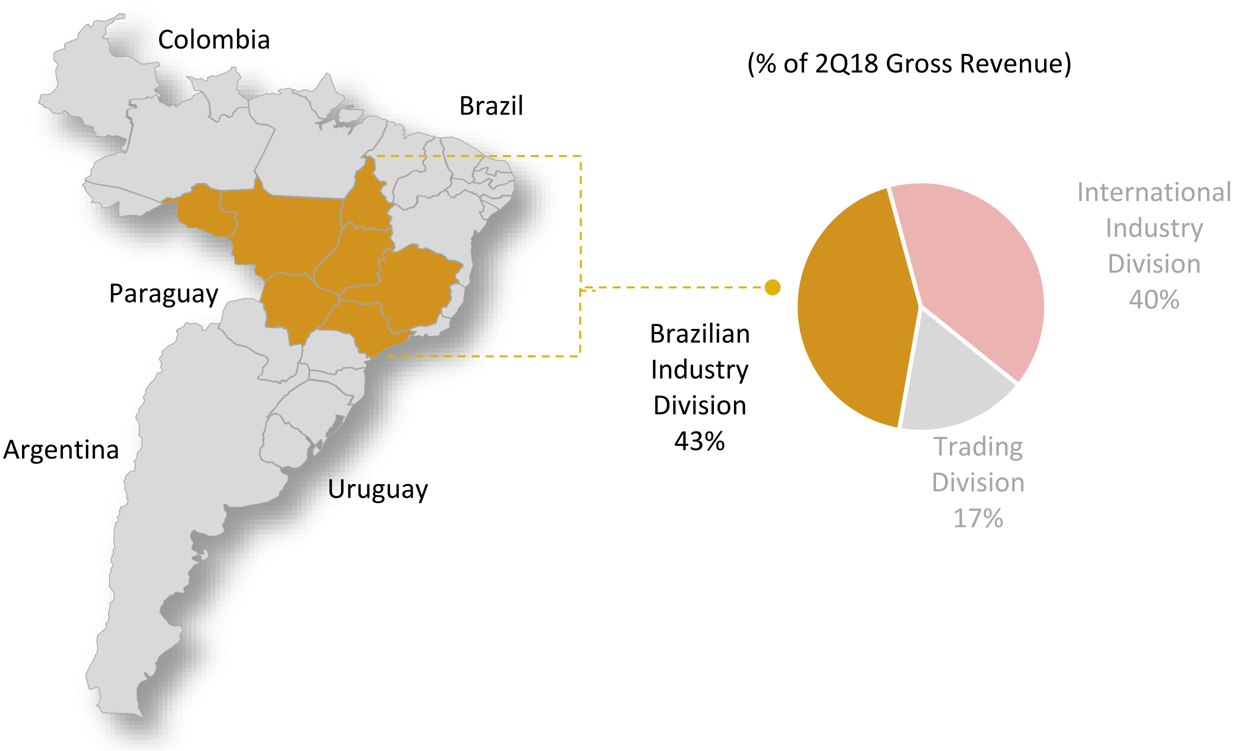
(1) LTM2Q18 includes pro-forma net revenue and EBITDA figures of the Mercosur assets acquired on August 1, 2017

New Areas of Operation

In order to improve communication with the market and facilitate the understanding of its business areas, Minerva has adopted, as of the 1Q18 earnings release, a new revenue reporting structure based on the areas of operation described below:

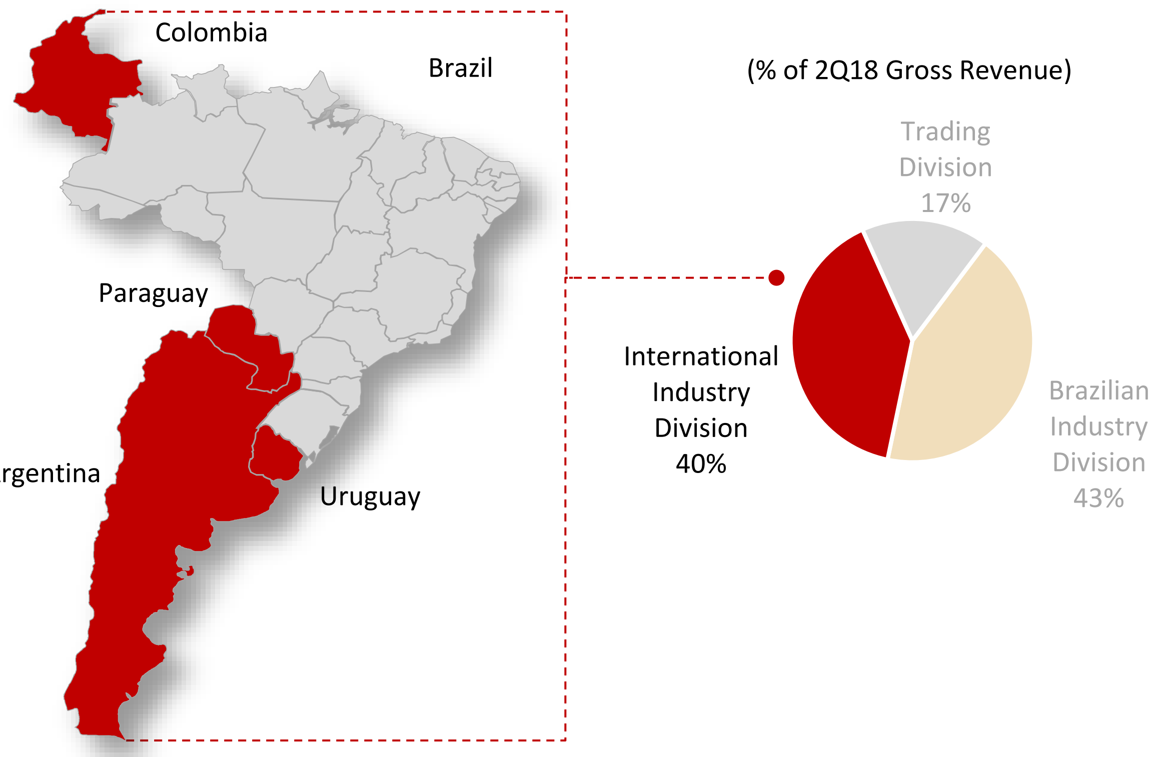
Brazilian Industry Division: It consists of the result from production of fresh beef, slaughter byproducts, such as offal, tripe, tallow, bone meal, biodiesel and leather, and processed foods, such as portioned meals and Minerva Fine Foods products, in Brazil, sold both in the domestic and the export market.

Figures 1 and 2 – Brazilian Industry Division and % of Gross Revenue



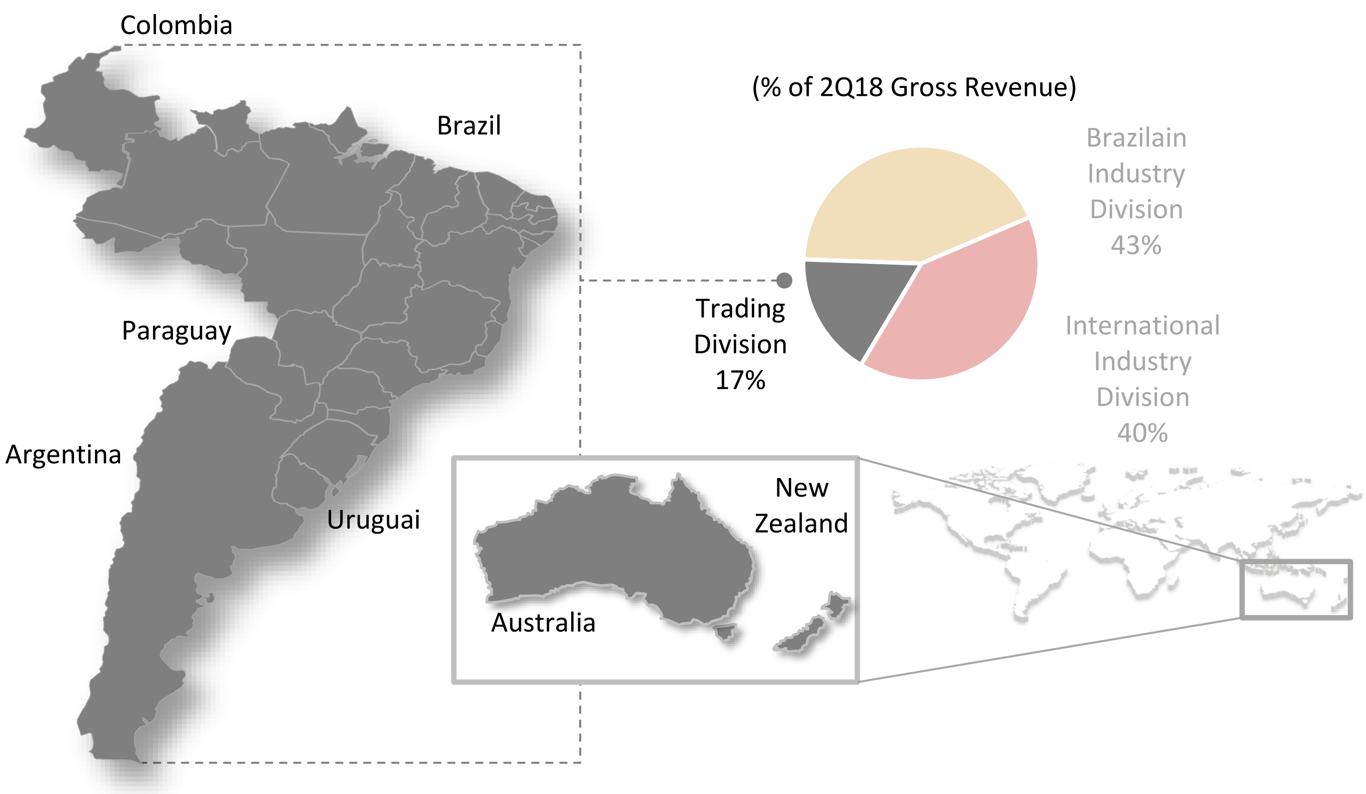
International Industry Division: It consists of the result from production of fresh beef, slaughter byproducts, such as offal, tripe, tallow, bone meal, biodiesel and leather, and processed foods, such as portioned meals and Swift products, in Paraguay, Argentina, Uruguay and Colombia, sold both in the domestic and the export market.

Figures 3 and 4 – International Industry Division and % of Gross Revenue



Trading Division: The production units of this division are spread across South America and Oceania. It consists of the result from the Live Cattle and Protein Trading segments in the export market, the Protein Trading and Resale of Third-party Products segments in the domestic market and the Energy Trading segment in the Brazilian market.

Figures 5 and 6 – Trading Division and % of Gross Revenue



You can find the new breakdown since 2015 in Excel at www.minervafoods.com/ri in Investor Services section – "Fundamentals and Spreadsheet".

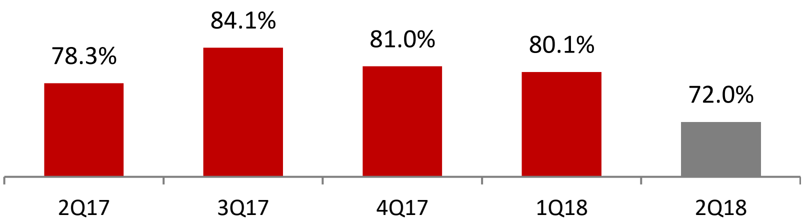
Results by Division

Slaughter

BRAZILIAN INDUSTRY DIVISION

In 2Q18, the Company's slaughter volume in Brazil came to 385,000 head of cattle, 7% more than in 2Q17. On the other hand, the capacity utilization rate of the Company's Brazilian units stood at 72.0%, down 6.3 p.p. year on year, due to the suspension of slaughtering during the truck drivers' strike in May. In order to offset the suspension of slaughter in May, the Company increased the capacity utilization rate of its units abroad and used Saturdays and holidays to make up for the strike days.

Figure 7 - Installed Capacity Utilization - Brazil

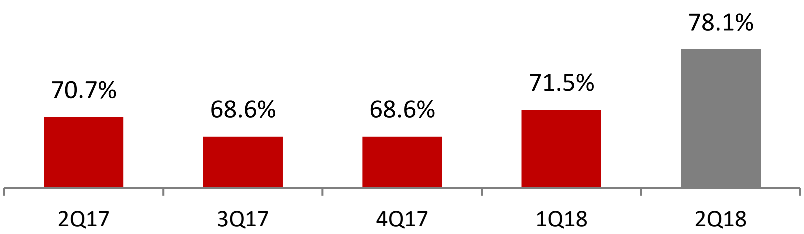


Source: Minerva

INTERNATIONAL INDUSTRY DIVISION

In 2Q18, slaughter volume in Paraguay, Argentina, Uruguay and Colombia came to 419,000 head of cattle, slightly lower than in 1Q18, but the capacity utilization rate of this Division reached 78.1%, 6.6 p.p. more than in 1Q18. As mentioned above, our operations in Paraguay, Argentina, Uruguay and Colombia helped offset the impacts of the truck drivers' strike in Brazil.

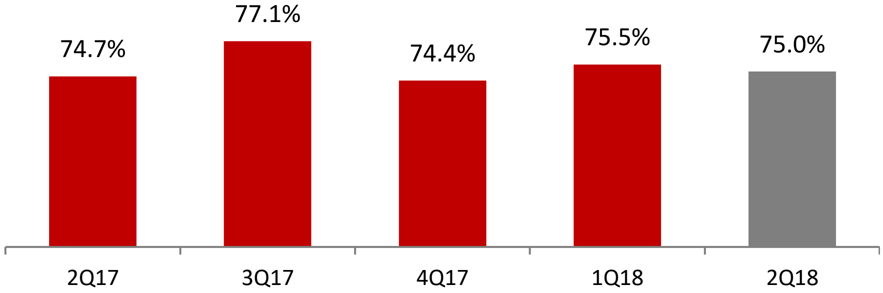
Figure 8 - Installed Capacity Utilization - International



Source: Minerva

Based on the above information, the Company's consolidated capacity utilization came to 75.0% in 2Q18, in line with 1Q18, as shown below:

Figure 9 - Installed Capacity Utilization - Consolidated



Gross Revenue by Division

BRAZILIAN INDUSTRY DIVISION

Gross revenue from the Brazilian Industry Division totaled R$1,713.2 million in 2Q18, 5.8% higher than in 2Q17 and 1.1% lower than in 1Q18. In the last 12 months ended June 2018, gross revenue from this division stood at R$7,294.5 million, up 10.1% year on year.

Export Market – 66.8% of Gross Revenue from the Brazilian Industry Division in 2Q18

Brazilian exports generated R$1,144.6 million in revenue in 2Q18, 9.7% more than in 2Q17 and in line with 1Q18. This result reflected increased consumption in Asia and the Middle East and the rerouting of a large share of the volume to Chile. In LTM2Q18, gross revenue totaled R$4,731.3 million, up 16% year on year.

We present below the Division's exports by region between LTM2Q17 and LTM2Q18:

Africa: In LTM2Q18, Africa's share of the Division's exports increased 2 p.p. year on year, accounting for 17% of the total.

Americas: In LTM2Q18, the Americas accounted for 12% of the Division's total exports, 4 p.p. more than in the same period of 2017, due to the increased rerouting of exports to Chile this quarter.

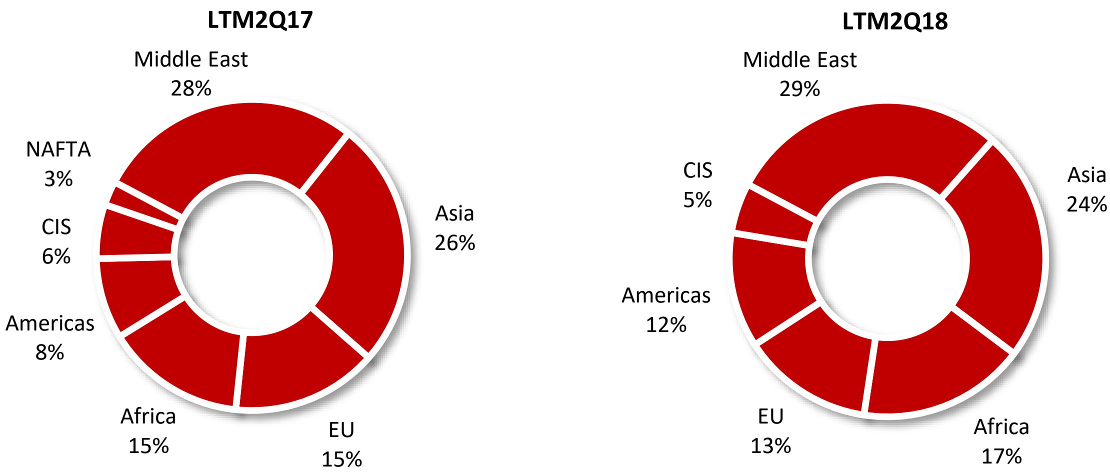
Asia: Asia's share of the Division's exports fell 2 p.p. between LTM2Q17 and LTM2Q18, accounting for 24% of the Brazilian Division's total exports.

CIS (Commonwealth of Independent States): The Commonwealth of Independent States, represented mainly by Russia, accounted for 5% of the Brazilian Division's exports in LTM2Q18, 1 p.p. less than in LTM2Q17. It is worth noting that Russia has banned Brazilian beef imports since December 2017. As a result, Minerva has used beef produced by the International Division, especially the Paraguayan units, to supply the Russian market.

Europe: Europe was the destination of 13% of the Division's exports in the last 12 months ended March 2018, down 2 p.p. year on year.

Middle East: The Middle East was the main destination of exports from the Brazilian Division in 2Q18, accounting for 29% of the total in LTM2Q18, 1 p.p. more than in the same period last year. The Middle East and North Africa are now receiving part the cuts that used to be exported to Russia.

Figures 10 and 11 - Breakdown of Exports by Region - Brazil



Source: Minerva

We present below a complete breakdown of the Brazilian Industry Division:

Gross revenue (R$ Million)	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Fresh beef – EM	1,015.4	857.8	18.4%	1,020.7	-0.5%	4,149.5	3,407.2	21.8%
Byproducts – EM	127.8	152.4	-16.1%	120.2	6.3%	548.8	583.9	-6.0%
Processed foods – EM	1.4	33.1	-95.8%	9.7	-85.6%	33.0	86.0	-61.6%
Subtotal – EM	**1,144.6**	**1,043.3**	**9.7%**	**1,150.6**	**-0.5%**	**4,731.3**	**4,077.1**	**16.0%**
Fresh beef – DM	411.1	408.1	0.7%	424.4	-3.1%	1,921.7	1,773.6	8.3%
Byproducts – DM	104.8	113.0	-7.2%	103.1	1.6%	421.3	529.8	-20.5%
Processed foods – DM	52.7	55.3	-4.8%	54.5	-3.4%	220.1	243.9	-9.8%
Subtotal – DM	**568.6**	**576.4**	**-1.4%**	**582.0**	**-2.3%**	**2,563.2**	**2,547.3**	**0.6%**
Total	**1,713.2**	**1,619.8**	**5.8%**	**1,732.7**	**-1.1%**	**7,294.5**	**6,624.5**	**10.1%**

Volume (‘000 tons)	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Fresh beef – EM	56.8	49.0	16.1%	65.7	-13.5%	253.8	187.8	35.2%
Byproducts – EM	22.3	23.6	-5.7%	23.4	-4.7%	96.8	97.6	-0.8%
Processed foods – EM	0.1	1.4	-96.5%	0.5	-89.2%	1.98	3.9	-49.3%
Subtotal – EM	**79.2**	**74.1**	**6.9%**	**89.6**	**-11.6%**	**352.6**	**289.3**	**21.9%**
Fresh beef – DM	29.3	32.1	-8.9%	31.2	-6.1%	141.20	134.3	5.1%
Byproducts – DM	21.1	19.4	9.0%	21.5	-2.0%	81.3	92.3	-11.9%
Processed foods – DM	3.3	3.5	-4.8%	3.4	-1.0%	13.6	19.2	-29.4%
Subtotal – DM	**53.7**	**55.0**	**-2.3%**	**56.1**	**-4.2%**	**236.0**	**245.8**	**-4.0%**
Total	**132.9**	**129.1**	**3.0%**	**145.7**	**-8.8%**	**588.6**	**535.1**	**10.0%**

Average price – EM (US$/kg)	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Fresh beef – EM	5.0	5.4	-9.0%	4.8	3.6%	4.9	5.6	-12.4%
Byproducts – EM	1.6	2.0	-20.7%	1.6	0.4%	1.7	1.9	-7.8%
Processed foods – EM	7.5	7.1	6.0%	6.3	19.7%	5.0	6.8	-26.4%
Total	**4.0**	**4.4**	**-8.5%**	**4.0**	**1.4%**	**4.0**	**4.4**	**-7.4%**
Average dollar (Source: BACEN)	3.60	3.21	12.1%	3.25	11.0%	3.32	3.23	2.8%

Average price – EM (R$/Kg)	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Fresh beef – EM	17.9	17.5	2.0%	15.5	15.1%	16.3	18.1	-9.9%
Byproducts – EM	5.7	6.4	-11.0%	5.1	11.5%	5.7	6.0	-5.2%
Processed foods – EM	27.1	22.8	18.9%	20.4	32.9%	16.7	22.0	-24.4%
Total	**14.5**	**14.1**	**2.6%**	**12.8**	**12.6%**	**13.4**	**14.1**	**-4.8%**

Average price – DM (R$/Kg)	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Fresh beef – DM	14.0	12.7	10.6%	13.6	3.2%	13.6	13.2	3.1%
Byproducts – DM	5.0	5.8	-14.9%	4.8	3.6%	5.2	5.7	-9.7%
Processed foods – DM	15.8	15.8	0.0%	16.2	-2.4%	16.2	12.7	27.9%
Total	**10.6**	**10.5**	**1.0%**	**10.4**	**2.0%**	**10.9**	**10.4**	**4.8%**

EM – Export Market, DM – Domestic Market

Domestic Market – 33.2% of Gross Revenue from the Brazilian Industry Division in 2Q18

In 2Q18, the domestic performance of this Division was slightly lower than in the previous quarter. Despite the weak sales performance in April and the impact of the truck drivers’ strike in late May, consolidated sales in the first three weeks of May (before the strike) and in June (after the strike) offset these effects. As a result, the division recorded revenue of R$568.6 million, 2.3% lower than in 1Q18 and virtually in line with 2Q17 (-1.4%). In the last 12 months ended June 2018, revenue from this division totaled R$2,563.2 million, in line with LTM2Q17.

INTERNACIONAL INDUSTRY DIVISION

Gross revenue from the International Industry Division, comprising units in Paraguay, Argentina, Uruguay and Colombia totaled R$1,580.8 million in 2Q18, 138.8% higher than in 2Q17 and 6.1% more than in 1Q18. In the last 12 months ended June 2018, gross revenue from this division totaled R$5,653.3 million, up 142.8% on LTM2Q17.

Export Market – 73.4% of Gross Revenue from the International Industry Division in 2Q18

In 2Q18, gross revenue from the International Industry Division's exports totaled R$1,159.7 million, 131.4% more than in 2Q17 and up 13.0% on 1Q18. This result was caused by the strong performance of Argentinian exports, due to the depreciation of the Argentinian peso against the dollar, and Paraguayan exports to Russia, which have grown consistently after the ban on Brazilian exports. In LTM2Q18, gross export revenue totaled R$3,896.6 million, 119.6% more than in LTM2Q17.

We present below the exports of the International Industry Division by region between LTM2Q17 and LTM2Q18:

Africa: Africa's share increased 1 p.p. between LTM2Q17 and LTM2Q18, accounting for 2% of total exports of the International Division

Americas: The Americas accounted for 26% of the Division's exports in the last 12 months ended June 2018, down 7 p.p. year on year. Chile, the main destination in the region, is now being served by the Company's Brazilian units, as previously mentioned.

Asia: In LTM2Q18, Asia's share of exports of the International Division increased 10 p.p. year on year, to 31% of the total, and the continent was the main destination of this division's exports in the period.

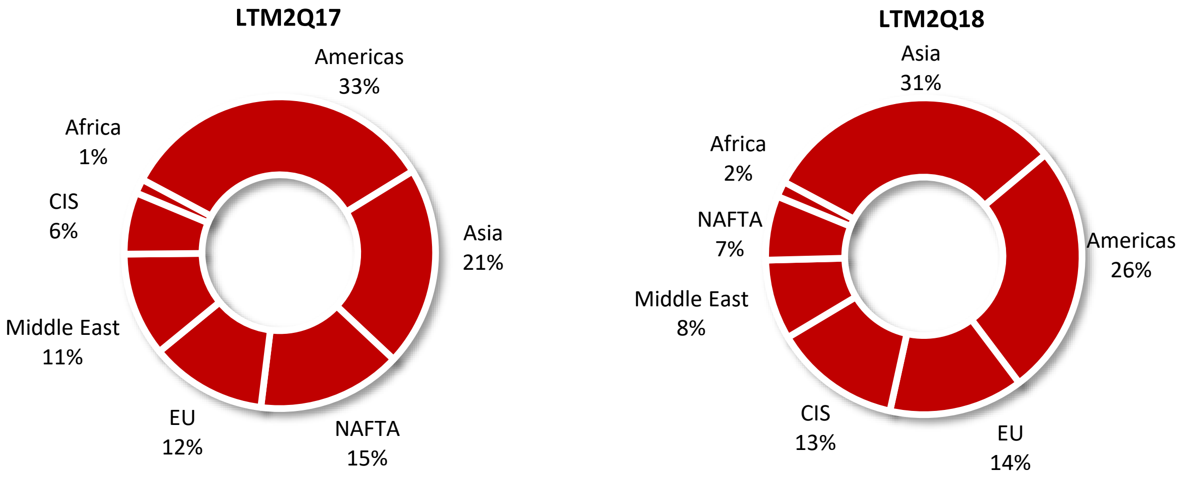
CIS (Commonwealth of Independent States): The Commonwealth of Independent States accounted for 13% of the International Division's exports in LTM2Q18, 7 p.p. more than in LTM2Q17. It is worth noting that because Russia has banned Brazilian beef exports since December 2017, the Company began serving this market with beef produced by the International Division, especially the Paraguay plants.

Europe: In LTM2Q18, Europe was the destination of 14% of the Division's exports, 2 p.p. more than in LTM2Q17.

NAFTA: NAFTA accounted for 7% of beef exports of the International Division in LTM2Q18, 8 p.p. less than in the same period last year.

Middle East: In LTM2Q18, the Middle East accounted for 8% of the International Division's total export revenue, down 3 p.p. year on year.

Figures 12 and 13 - Breakdown of Exports by Region – International



Source: Minerva

We present below a complete breakdown of the International Industry Division:

Gross revenue (R$ Million)	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Fresh beef – EM	1,025.9	456.2	124.9%	899.2	14.1%	3,444.1	1,606.1	114.4%
Byproducts – EM	132.8	44.9	195.6%	126.7	4.8%	449.9	168.7	166.7%
Processed foods – EM	1.0	0.0	n.a.	0.5	120.4%	2.5	0.0	n.a.
Subtotal – EM	**1,159.7**	**501.1**	**131.4%**	**1,026.4**	**13.0%**	**3,896.6**	**1,774.8**	**119.6%**
Fresh beef – DM	237.4	128.2	85.3%	243.8	-2.6%	1,033.6	443.3	133.2%
Byproducts – DM	49.3	32.2	53.1%	58.6	-15.8%	209.7	109.8	90.9%
Processed foods – DM	134.4	0.6	22473.5%	161.0	-16.6%	513.4	0.7	76153.5%
Subtotal – DM	**421.1**	**161.0**	**161.6%**	**463.4**	**-9.1%**	**1,756.7**	**553.8**	**217.2%**
Total	**1,580.8**	**662.1**	**138.8%**	**1,489.9**	**6.1%**	**5,653.3**	**2,328.6**	**142.8%**

Volume ('000 tons)	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Fresh beef – EM	61.4	32.4	89.1%	61.0	0.6%	224.3	113.1	98.3%
Byproducts – EM	11.9	5.9	101.2%	11.2	6.2%	45.5	19.2	136.9%
Processed foods – EM	0.1	0.0	n.a.	0.0	106.7%	0.2	0.0	n.a.
Subtotal – EM	**73.3**	**38.3**	**91.2%**	**72.2**	**1.5%**	**270.1**	**132.3**	**104.1%**
Fresh beef – DM	17.6	11.7	50.0%	20.1	-12.4%	83.2	45.6	82.3%
Byproducts – DM	12.6	7.4	71.0%	13.1	-3.5%	51.2	42.1	21.5%
Processed foods – DM	11.0	0.1	18407.8%	12.8	-14.4%	42.7	0.1	65756.9%
Subtotal – DM	**41.2**	**19.2**	**114.9%**	**46.0**	**-10.4%**	**177.1**	**87.8**	**101.6%**
Total	**114.5**	**57.5**	**99.1%**	**118.2**	**-3.1%**	**447.1**	**220.1**	**103.1%**

Average price – EM (US$/kg)	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Fresh beef – EM	4.6	4.4	6.0%	4.5	2.1%	4.6	4.4	5.2%
Byproducts – EM	3.1	2.4	31.0%	3.5	-11.1%	3.0	2.7	9.5%
Processed foods – EM	4.2	n.a.	n.a.	4.4	-4.0%	3.3	n.a.	n.a.
Total	**4.4**	**4.1**	**8.0%**	**4.4**	**0.2%**	**4.4**	**4.2**	**4.6%**
Average dollar (Source: BACEN)	3.6	3.2	12.1%	3.25	11.0%	3.32	3.23	2.8%

Average price – EM (R$/Kg)	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Fresh beef – EM	16.7	14.1	18.9%	14.7	13.4%	15.4	14.2	8.1%
Byproducts – EM	11.2	7.6	46.9%	11.3	-1.3%	9.9	8.8	12.6%
Processed foods – EM	15.1	n.a.	n.a.	14.2	6.7%	11.1	n.a.	n.a.
Total	**15.8**	**13.1**	**21.1%**	**14.2**	**11.3%**	**14.4**	**13.4**	**7.6%**

Average price – DM (R$/Kg)	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg

Fresh beef – DM	13.5	10.9	23.5%	12.2	11.1%	12.4	9.7	27.9%
Byproducts – DM	3.9	4.4	-10.4%	4.5	-12.8%	4.1	2.6	57.1%
Processed foods – DM	12.2	10.0	22.0%	12.6	-2.6%	12.0	10.4	15.8%
Total	**10.2**	**8.4**	**21.7%**	**10.1**	**1.4%**	**9.9**	**6.3**	**57.3%**

EM – Export Market, DM – Domestic Market

Domestic Market – 26.6% of Gross Revenue from the International Industry Division in 2Q18

Domestic gross revenue from the International Industry Division totaled R$421.1 million in 2Q18, 162% more than in 2Q17 and around 9% less than in 1Q18. The quarter-on-quarter revenue decline was due to the Company's risk management, which increased Argentinian exports after the depreciation of the Argentinian peso against the dollar. In the last 12 months, domestic revenue from this division totaled R$1,756.7 million, up 217.2% year on year. The continuous focus on growth in the food services segment, the brand architecture in niche markets and the expansion of the portfolio, through the origins geographic expansion, were essentials for this successful growth.

TRADING DIVISION

Exports accounted for 32.9% of gross revenue from this Division, bringing in R$216.9 million in revenue, 62.6% more than in 2Q17 and 28.3% higher than in 1Q18. Live Cattle exports, the main highlight of this division in the export market, have picked up the pace after slowing down at the end of 2015. In 2Q18, revenue from this segment climbed 48% over 2Q17. In the last 12 months, gross revenue from exports came to R$769.9 million, up 94.4% year on year.

Domestic sales accounted for 67.1% of gross revenue from the Trading Division, which totaled R$442.7 million in 2Q18, 25.7% higher than in 2Q17 and 22.7% more than in the previous quarter. This performance was driven by the constant improvement in strategies for the resale of third-party products (One-Stop-Shop concept) coupled with the strong performance of protein and energy trading companies and increased point-of-sale capillarity in the domestic market. In the last 12 months, gross revenue came to R$1,899.3 million, up 65.8% year on year.

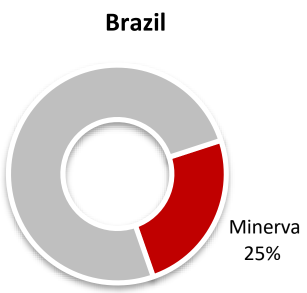
Gross revenue (R$ Million)	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Trading gross revenue	**659.5**	**485.5**	**35.8%**	**529.9**	**24.5%**	**2,669.2**	**1,541.2**	**73.2%**
Export market	216.9	133.4	62.6%	169.1	28.3%	769.9	396.0	94.4%
Domestic market	442.7	352.1	25.7%	360.8	22.7%	1,899.3	1,145.2	65.8%

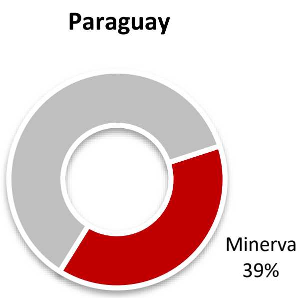
Consolidated Results Analysis

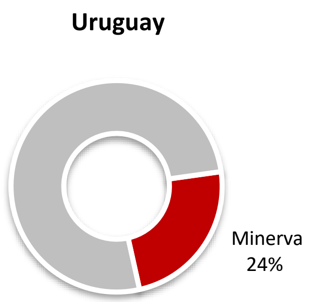
Exports - Market Share by Country

In 2Q18, Minerva remained one of the leading exporters in the countries where it operates. The Company reached an export market share of 25% in Brazil, 39% in Paraguay and 24% in Uruguay, 300 bps higher than in 1Q18. Minerva also accounted for 15% and 66% of exports in Argentina and Colombia, respectively.

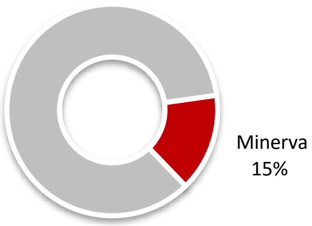
Figures 14, 15, 16, 17 and 18 – 2Q18 Market Share (% of Revenue)



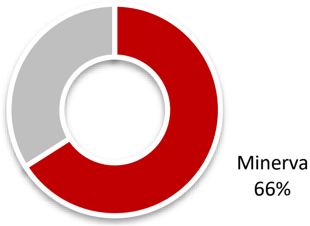




Argentina



Colombia

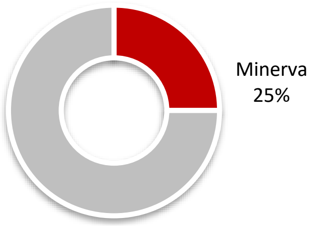


Source: Minerva, Secex, INAC, SENACSA, IPCVA and DANE

As shown above, Minerva remained as the leading South American beef exporter, with a market share of 25%. Taking into consideration South America' share in global export of 30%, Minerva corresponded for approximately 8% of the total exports around the world.

Figure 19 – 2Q18 Market Share (% of Revenue)

South America



Source: Minerva, Secex, INAC, SENACSA, IPCVA and DANE

Gross Revenue

Based on the performance of the Divisions, the Company's consolidated gross revenue totaled R$3,953.6 million in 2Q18, 42.9% more than in the same period last year, as described above. In the last 12 months ended June 2018, gross revenue stood at R$15,617.1 million, up 48.8% on LTM2Q17.

R$ Million	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Gross revenue	**3,953.6**	**2,767.4**	**42.9%**	**3,752.4**	**5.4%**	**15,617.1**	**10,494.3**	**48.8%**
Brazilian Industry Division	1,713.2	1,619.8	5.8%	1,732.7	-1.1%	7,294.5	6,624.5	10.1%
International Industry Division	1,580.8	662.1	138.8%	1,489.9	6.1%	5,653.3	2,328.6	142.8%
Trading Division	659.5	485.5	35.8%	530.3	24.4%	2,669.6	1,541.2	73.2%

Net Revenue

Second-quarter net revenue came to R$3,753.7 million, up 44.8% on 2Q17 and 5.8% more than in 1Q18. In the last 12 months ended June 2018, net revenue totaled R$14,649.7 million, up 49.3% on LTM2Q17.

R$ Million	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Gross revenue	3,953.6	2,767.4	42.9%	3,752.4	5.4%	15,617.1	10,494.3	48.8%
Deductions and discounts	-217.9	-188.1	15.8%	-221.0	-1.4%	-967.5	-682.9	41.7%
Net revenue (1)	**3,735.7**	**2,579.3**	**44.8%**	**3,531.4**	**5.8%**	**14,649.7**	**9,811.3**	**49.3%**
% Gross revenue	94.5%	93.2%	1.3 p.p.	94.1%	0.4 p.p.	93.8%	93.5%	0.3 p.p.

(1) LTM2Q18 excludes pro-forma net revenue figures of the Mercosur assets acquired on August 1, 2017

Cost of Goods Sold (COGS) and Gross Margin

In 2Q18, COGS came to 81.9% of net revenue, or 18.1% in terms of gross margin, up 170 bps on 1Q18. Despite the small impact on costs of the stoppage of plants during the truck drivers' strike in Brazil, the Company may benefit from the decline in cattle prices in Brazil, Paraguay and Argentina (in nominal terms) and the increase in beef prices in the local and international markets.

R$ Million	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Net revenue	3,735.7	2,579.3	44.8%	3,531.4	5.8%	14,649.7	9,811.3	49.3%
COGS	**-3,059.8**	**-2,074.8**	**47.5%**	**-2,952.2**	**3.6%**	**-12,073.1**	**-7,947.1**	**51.9%**
% Net revenue	81.9%	80.4%	1.5 p.p.	83.6%	-1.7 p.p.	82.4%	81.0%	1.4 p.p.
Gross profit	676.0	504.5	34.0%	579.1	16.7%	2,576.5	1,864.3	38.2%
Gross margin	**18.1%**	**19.6%**	**-1.5 p.p.**	**16.4%**	**1.7 p.p.**	**17.6%**	**19.0%**	**-1.4 p.p.**

Selling, General and Administrative Expenses

Selling expenses represented 7.0% of 2Q18 net revenue, 0.4 p.p. up on 1Q18 and 1.4 p.p. higher than in 2Q17, due to increased export levels and recovery of live cattle exports, which led to higher freight expenses. General and administrative expenses as a percentage of net revenue fell 0.5 p.p. year on year, but increased 30 bps over 1Q18.

In 2Q18, the Company recorded a non-cash operating expense of R$580.2 million after joining the Rural Tax Regularization Program to settle charges related to FUNRURAL (Rural Worker Support Fund), which was introduced by the Federal Revenue Service after the Federal Supreme Court declared this collection on March of 2017 to be in conformity with the constitution. This program comprises a cash payment of 2.5% of the principal debt and the use of tax credits to settle the remaining amount in order to offset retroactive payments, with a non-cash impact on the Company's result. For further information on FUNRURAL, please see the "FUNRURAL" section attached hereto.

R$ Million	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Selling expenses	**-259.7**	**-143.4**	**81.1%**	**-230.8**	**12.6%**	**-949.4**	**-589.8**	**61.0%**
% Net revenue	7.0%	5.6%	1.4 p.p.	6.5%	0.4 p.p.	6.5%	6.0%	0.5 p.p.
G&A expenses	**-152.1**	**-117.1**	**30.0%**	**-134.5**	**13.1%**	**-583.5**	**-385.4**	**51.4%**
% Net revenue	4.1%	4.5%	-0.5 p.p.	3.8%	0.3 p.p.	4.0%	3.9%	0.1 p.p.
Other Operating Expenses	**-580.2**	**5.5**	**n.a.**	**-1.5**	**n.a.**	**-579.8**	**-7.0**	**n.a.**

EBITDA

EBITDA adjusted for non-cash and non-recurring items (totaling R$613.9 million) came to R$353.4 million, 27.4% higher than in 2Q17 and up 24.0% on 1Q18. The non-recurring items this quarter refer to the non-cash adherence to the Rural Tax Regularization Program for payment of the Funrural with tax credits. Second-quarter adjusted EBITDA stood at 9.5%, 140 bps more than in 1Q18. In the last 12 months, EBITDA adjusted for non-recurring items and the pro-forma figures of the Mercosur assets totaled R$1,359.9 million, accompanied by a 9.1% adjusted EBITDA margin.

R$ Million	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Net income (loss)	-926.0	-55.6	1,565.0%	-114.7	707.2%	-1.268.2	6.6	-1,9362.3%
(+/-) Deferred income and social contribution taxes	-554.9	-16.8	3,212.1%	-9.1	5,995.9%	-505.0	-37.6	1,243.9%
(+/-) Asset impairment	0.0	0.0	n.a.	0.0	n.a.	0.0	21.9	-100.0%

(+/-) Financial result	1,164.8	321.9	261.8%	336.2	246.5%	2,237.1	891.2	151.0%
(+/-) Depreciation and amortization	55.5	27.7	100.2%	51.3	8.3%	198.9	92.0	116.3%
(+/-) Pro-forma EBITDA from Mercosur assets	0.0	0.0	n.a.	0.0	n.a.	46.3	0.0	n.a.
(+/-) Adjustments to other expenses	613.9	0.0	n.a.	21.4	2768.4%	650.8	0.0	n.a.
Adjusted EBITDA	**353.4**	**277.3**	**27.4%**	**285.0**	**24.0%**	**1,359.9**	**974.0**	**39.6%**
Adjusted EBITDA margin	**9.5%**	**10.8%**	**-1.3 p.p.**	**8.1%**	**1.4 p.p.**	**9.1%**	**9.9%**	**-0.8 p.p.**

Financial Result

The financial result was negative by R$ 1,164.7 million in 2Q18 and a negative R$2,237.1 million in the last 12 months ended June.

The main impact on the financial result was the FX variation line (non-cash), which was negative by R$957.4 million in 2Q18, influenced by the R$0.54 (or 16%) appreciation of the U.S. dollar against the real, over 1Q18.

Financial expenses totaled R$261.4 million in 2Q18, 24.7% more than in 2Q17 and up 16.4% from 1Q18.

“Other Revenue/Expenses” came in as revenue of R$36.3 million, thanks to result of the FX hedge adopted in late 2Q18, as explained below.

R$ Million	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Financial expenses (interest)	-261.4	-209.6	24.7%	-224.7	16.4%	-999.3	-843.9	18.4%
Financial income	17.8	38.7	-53.9%	16.2	10.0%	71.7	137.4	-47.8%
FX variation	-957.4	-124.3	670.1%	-48.4	n.a.	-1.204.3	53.0	n.a.
Other revenue/expenses	36.3	-26.7	-236.0%	-79.3	-145.8%	-105.2	-237.7	-55.7%
Financial result	**-1,164.7**	**-321.9**	**261.8%**	**-336.2**	**246.4%**	**-2.237.1**	**-891.2**	**151.0%**
Average dollar (R$/US$) (Source: BACEN)	3.60	3.21	12.1%	3.25	11.0%	3.32	3.23	2.8%
Closing dollar (R$/US$) (Source: BACEN)	3.86	3.31	16.6%	3.32	16.0%	3.86	3.31	16.6%

(*) Other Expenses (R$ Million)	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
FX hedge	95.2	7.5	n.a.	-15.2	-726.3%	82.6	-27.7	-398.2%
Commodities hedge	-15.4	-5.3	190.6%	-10.4	48.1%	-34.2	-48.6	-29.6%
Fees, commissions and other financial expenses	-43.5	-28.9	50.5%	-53.7	-19.0%	-153.5	-161.4	-4.9%
Total	36.3	-26.7	-236.0%	-79.3	-145.8%	-105.1	-237.7	-55.8%

The Balance Sheet Hedging Policy

Due to the nature of its operations, the Company's results are exposed to market risks, mainly those related to FX and interest rate variations, credit risk and beef and cattle prices. The Company’s risk management policy includes the use of derivative financial instruments to hedge against each of these risks.

In the case of the "exchange rate" variable, there are operational impacts related to the Company’s export nature and financial impacts related to its capital structure, with the latter affecting Balance Sheet accounts only. Therefore, in order to protect itself from the effects of FX variation, the Company has two policies: an operational flow hedging policy and a balance sheet hedging policy.

Minerva's current balance sheet hedging policy has existed since 2009 and takes into account the long-term net assets and liabilities exposed to FX variation, which together give the net foreign currency exposure of the Company's Balance Sheet. The main purpose of this policy is to protect this exposure in scenarios of extreme uncertainty. These discussions always take place within the scope of the Board of Directors on a monthly basis, with measures being suggested by Management and submitted for approval by the Board of Directors for further implementation.

In accordance with the balance sheet hedging policy, the Company may contract derivative financial instruments (NDF **LONG** position, futures contracts on the BM&F or SWAPS), retain cash in dollars or repurchase bonds in order to implement the financial strategies defined by the Executive Board and duly approved by the Board of Directors. The Chief Financial Officer is responsible for managing the Company's hedging policy and the Executive Risk Manager, subordinated to the CEO and the Risk Committee, is responsible for supervising and monitoring compliance with the guidelines established in the hedging policy. For further details on the balance sheet hedge please refer to the 2Q16 Earnings Release.

Net Result

In 2Q18, the Company posted a net loss before income and social contribution taxes of R$1,480.9 million. After income and social contribution taxes, the net loss totaled R$926.0 million, accompanied by a negative net margin of 24.8%. The main impact on the net result was the FX variation in the quarter (negative by R$957.4 million), due to the dollar debt exposure (approximately 77%), which is impacted by the closing exchange rate, as explained previously. In addition, 2Q18 also had a negative impact of R$580 million in the "Other Operating Expenses" line, related to the non-cash adherence to the Rural Tax Regularization Program for the payment of Funrural, as detailed in the “FUNRURAL” section. After adjusting the net result for these effects, the Company’s net result came to net income of R$611.7 million in the quarter, as highlighted in the tables below:

R$ Million	2Q18	2Q17	% Chg	1Q18	% Chg	LTM2Q18	LTM2Q17	% Chg
Net income (loss) before income and social contribution taxes	-1,480.9	-72.4	n.a.	-123.8	n.a.	-1,773.2	-31.0	n.a.
Income and social contribution taxes	554.9	16.8	n.a.	9.1	n.a.	505.0	37.6	n.a.
Net income (loss)	**-926.0**	**-55.6**	**n.a.**	**-114.7**	**707.2%**	**-1,268.2**	**6.6**	**n.a.**
% Net margin	**-24.8%**	**-2.2%**	**-22.6 p.p.**	**-3.2%**	**-21.5 p.p.**	**-8.7%**	**0.1%**	**-8.7 p.p.**

R$ Million	2Q18	LTM2Q18
Net income (loss)	-926.0	-1,268.2
FX variation	957.4	1,204.3
Other operating expenses	580.2	579.8
Adjusted Income/Loss	**611.7**	**515.9**

Cash Flow

Operating Cash Flow

In the second quarter of 2018, operating cash flow came to R$395.8 million, while the variation in working capital requirements was positive by R$672.1 million. Exceptionally in the second quarter, the line of deferred taxes returned R$470.3 million , due to the negotiation of the Funrural debt, as explained in the "Other Operating Expenses" section above. The other lines that contributed to the positive operating cash flow were: (1) "Receivables" (+R$11.8 million), given the larger share of exports in sales, which extended the payment terms; (2) "Inventories" and "Biological Assets", which together returned R$45.6 million to cash and, finally "Suppliers", which returned R$74.4 million to cash, due to longer payment terms in the acquisition of raw materials.

R$ Million	2Q18	2Q17	1Q18	LTM2Q18
Net income (loss)	-926.0	-55.6	-114.7	-1,268.2
(+) Net income adjustments	649.6	394.5	269.5	1,709.1
(+) Variation in working capital requirements (1)(2)	672.1	-281.4	32.8	493.1
Operating cash flow	**395.8**	**57.5**	**187.6**	**934.0**

(1) Excluding equity valuation adjustments and accumulated conversion amounts.
(2) Including the Deferred Taxes line totaling R$470.3 milhões in 2Q18

Free Cash Flow

Cash flow after capex, interest payments and working capital was positive by R$244.2 million in 2Q18, as shown in the table below. The Deferred Taxes line was excluded from the calculation of recurring free cash flow, as previously explained. As a result, working capital returned R$201.8 million to cash. In addition, the positive R$95 million impact of the FX hedge was excluded from the financial result (on a cash basis) because it is non-recurring. In the last 12 months ended June 30, 2018, free cash flow was positive by R$199.0 million.

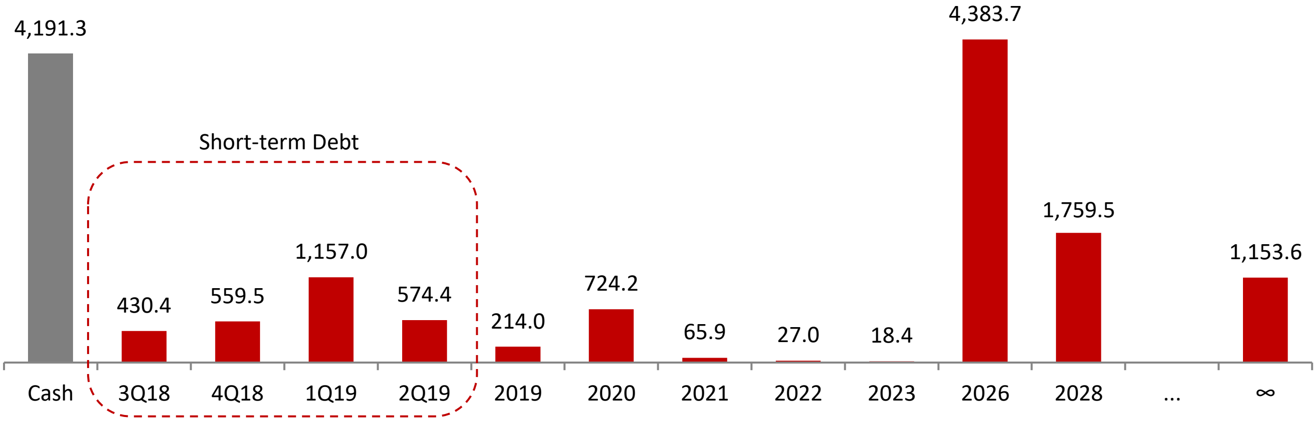
R$ Million	2Q18	1Q18	4T17	3T17	LTM2Q18
EBITDA	353.4	285.0	363.4	311.8	1,313.6
(+) Capex (on a cash basis - ex-Mercosur)	-50.8	-48.4	-72.7	-72.4	-244.3
(+) Financial result (on a cash basis)(1)	-260.1	-217.9	-226.0	-189.0	-893.0
(+) Variation in working capital requirements (2)(3)	201.8	32.8	-505.2	293.4	22.8
Free cash flow	**244.2**	**51.6**	**-440.5**	**343.7**	**199.0**

(1) Excluding the cash result from FX hedge
(2) Excluding equity valuation adjustments and accumulated conversion amounts.
(3) Excluding the Deferred Taxes line of R$470.3 million in 2Q18

Capital Structure

Minerva closed the second quarter of 2018 with cash and cash equivalents of R$4.2 billion, which is sufficient to amortize its debt through 2026. Approximately 77% of total debt was exposed to the exchange rate variation at the end of June 2018. Leverage measured by the net debt/LTM adjusted EBITDA ratio was 5.0x on 6/30/2018, with debt duration of 5.6 years. In the second quarter, the Compa ny repurchased approximately US$46.1 million in Bonds 2026, and around US$6.9 million in Bonds 2028; these notes remained in a cash position until the end of June. However, as announced via a Notice to the Market dated July 12, the Company completed the cancellation of these Bonds. It is worth noting that, in addition to recording the Bonds, the Company's cash position is in line with its policy of maintaining an amount of cash equivalent to at least three months of input purchases.

Figure 20 – Debt amortization schedule on 6/30/2018
(R$ million)



R$ Million	2Q18	2Q17	% Chg	1Q18	% Chg
Short-term debt	2,721.3	2,307.0	18.0%	2,700.4	0.8%
% Short-term debt	24.6%	27.6%	-3.0 p.p.	27.6%	3.0 p.p.
Local currency	957.3	1,422.0	-32.7%	1,502.5	-36.3%
Foreign currency	1,764.0	885.0	99.3%	1,197.9	47.3%
Long-term debt	8,346.3	6,054.8	37.8%	7,084.1	17.8%
% Long-term debt	75.4%	72.4%	3.0 p.p.	72.4%	3.0 p.p.
Local currency	865.6	309.3	179.9%	694.4	24.7%
Foreign currency	7,480.7	5,745.6	30.2%	6,389.8	17.1%
Total debt	11,067.6	8,361.9	32.4%	9,784.6	13.1%
Local currency	1,822.9	1,731.3	5.3%	2,196.9	-17.0%
Foreign currency	9,244.6	6,630.6	39.4%	7,587.7	21.8%
(Cash and cash equivalents)	-4,199.0	-4,376.8	-4.1%	-3,877.3	8.3%
Net debt(1)	6,861.5	3,980.8	72.4%	5,900.9	16.3%
Net debt/LTM EBITDA (x)	5.0	4.1	1.0	4.5	0.5

(1) Net debt includes FIDC subordinated shares totaling R$7.1 million in 2Q18, R$4.2 million in 2Q17 and R$6.3 million in 1Q18.

Investments

Investments in fixed assets totaled R$50.8 million in 2Q18, of which R$38.1 million went to operational maintenance, while R$12.7 million was allocated to expansion of operations.

See below the breakdown of investments (cash effect) by quarter in the last twelve months:

CAPEX (R$ Million)	2Q18	1Q18	4Q17	3Q17	LTM2Q18
Maintenance	38.1	34.5	50.6	51.7	174.9
Expansion	12.7	13.9	22.1	20.7	69.5
Acquisition				1,113.6	1,113.6
Total	**50.8**	**48.4**	**72.7**	**1,186.0**	**1,358.0**

Subsequent Events

Cancellation of Bonds

On July 12, 2018, the Company completed the buyback and cancellation of Bonds issued in the international market. Minerva cancelled the principal amounts of US$46,089,000.00 related to Bond 2026, at 6.500%, and US$6,877,000.00 related to Bond 2028, at 5.875%. The cancelled notes were recorded in assets under cash and cash equivalents and in liabilities under debt. The cancellation of Bonds did not change the Company’s net leverage, measured by the net debt/EBITDA ratio.

Guidance Update

In August 7, 2018, in accordance with CVM Instruction 358, of January 3, 2002, as amended, and with CVM Instruction 480, of December 7, 2009, as amended, the Company informed its shareholders and the market in general that the net revenue estimate for 2018 was updated. Such decision had as principle the exchange devaluation for real and Argentinian pesos in relation of the U.S. dollar. The estimate for 2018 fx rate which was R$3.40/US$ turns to R$3.70/US$ and for Argentinian pesos, which was ARS19/US$, turns to ARS27/US$. Thus, the Company's Net Revenue estimate for 2018 would be between R$15,0 billion and R$16,0 billion.

	Revenue Estimates (January to December 2018)	
R$ million	Minimum	Maximum
Estimated Net Revenue	15.000	16.000

We reiterate our transparent commitment by following the best corporate governance practices, to always provide accurate information on the events related to our operations.

FUNRURAL

Introduced by Complementary Law 11 in 1971, the Rural Worker Assistance Program (PRORURAL) was designed to provide retirement, health care and pensions to rural workers. Funding for such assistance was provided through the Rural Worker Support Fund, or FUNRURAL, as it is commonly called, and was collected at a rate of 2%, levied on the price of rural products and collected by buyers.

In 1991, Law 8,212 was enacted to regulate rural workers' contribution to social security. This Law transferred to companies the responsibility to pay for the contribution to social security related to employees at the rate of 2.1% of gross revenue from the sale of products. In 1996, for the first time, the Federal Supreme Court considered FUNRURAL to be unconstitutional. At that time, taxation of the agribusiness sector was no longer allowed. In 1998, Constitutional Amendment 20 was issued, amending Article 195 of the Federal Constitution and stating that the contribution to social security should be made by employers based on sales revenue and payroll.

Law 10,256 was passed in 2001, amending Law 8,212, of 1991, to regulate the contribution of rural workers. However, it forced the agribusiness sector to contribute to the financing of social security. Such contribution should be calculated based on gross revenue from the sale of products. Henceforth, the industry stopped collecting the payroll contribution and started to collect 2.5% of gross revenue from the sale of products.

In 2011, the collection of FUNRURAL was ruled unconstitutional by the Federal Supreme Court under Law 8,212, of 1991, which provided for the calculation of contribution based on gross revenue from the sale of agricultural products. However, this type of collection based on gross revenue was not provided for the Constitution at that time. In addition, Law 8,212 should have been sanctioned as a Complementary Law and submitted for approval by the National Congress, which did not occur; the Law was treated as an Ordinary Law and did not pass through Congress.

However, in March 2017, the Federal Supreme Court declared the collection of Funrural in compliance with the Constitution, based on Constitutional Amendment 20, of 1998, which allowed collection based on billing, pursuant to Law 10,256, of 2001.

In order to regularize fiscal situation of farmers with regards to FUNRURAL, in January 2018 Law 13,606 was enacted, creating the Tax Regularization Program. The need to create this Law was due to the fact that, as the collection was ruled unconstitutional, farmers stopped collecting the tax between 2011 and 2017. However, in 2017, the collection was declared to be in conformity with the Constitution and retroactive collection was applied, leaving many farmers in debt.

Athena Foods

Since the conclusion of the process for the Mercosur' Assets acquisition, at the end of July 2017, the Company has been focused in the integration process of the new units. After such period, the target changed to the deleveraging process, searched through the implementation of operational and commercial efficiency programs to unlock operational value.

Bearing in mind these goals, the Board of Directors approved a feasibility study for an Initial Public Offering of a non-operational holding in Chile, called Athena Foods which is wholly-owned for Minerva. Once the payment of shareholdings is concluded, the Holding will start to cover the results from the subsidiaries in Paraguay, Uruguay, Argentina, Colombia and Chile.

The Chilean market is one of the most important in South America, known to have a high governance standard in addition to many attractions. Furthermore, Chile has a high internal savings rate, that stimulate huge local pension funds to apply their investments in equities, which boost demand for Initial Public Offerings in Chilean market.

The Company estimate that, if such operation goes ahead, the deployment will occur within 12 (twelve) months.

About Minerva S.A.

Minerva Foods is the South American leader in beef exports and it also operates in the processing segment, selling its products to over 100 countries. Currently, the Company has a daily slaughtering capacity of 26,380 head of cattle and daily beef deboning capacity equivalent to 27,966 head of cattle. Present in Brazil, Paraguay, Argentina, Uruguay and Colombia, Minerva operates 26 slaughter and deboning plants and 3 processing plants. In the 12 months ended June 30, 2018, the Company recorded gross sales revenue of R$15.6 billion, 49% more than in the same period in 2017.

Relationship with Auditors

In accordance with CVM Instruction 381/03, we announce that our auditors did not provide services other than those related to the external audit in 2017 and the first six months of 2018.

Statement from Management

In compliance with CVM Instructions, Management declares that it has discussed, reviewed and agreed with the individual and consolidated accounting information related to the period ended June 30, 2018 and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.

APPENDIX 1 - STATEMENT OF OPERATIONS (CONSOLIDATED)

(R$ thousand)	2Q18	2Q17	1Q18
Revenue from domestic sales	1,432,406	1,089,499	1,406,242
Revenue from exports	2,521,205	1,677,899	2,346,138
Gross sales revenue	**3,953,611**	**2,767,398**	**3,752,380**
Revenue deductions – taxes and other	-217,869	-188,110	-221,027
Net operating revenue	**3,735,742**	**2,579,288**	**3,531,353**
Cost of goods sold	-3,059,785	-2,074,785	-2,952,232
Gross profit	**675,957**	**504,503**	**579,121**
Selling expenses	-259,733	-143,402	-230,752
General and administrative expenses	-152,114	-117,052	-134,475
Other operating revenues (expenses)	-580,212	5,489	-1,529
Result before financial expenses	**-316,102**	**249,538**	**212,365**
Financial expenses	-261,404	-209,587	-224,658
Financial income	17,834	38,691	16,208
FX variation	-957,441	-124,329	-48,413
Other expenses	36,229	-26,680	-79,326
Financial result	**-1,164,782**	**-321,905**	**-336,189**
Result before taxes	**-1,480,884**	**-72,367**	**-123,824**
Income and social contribution taxes - current	-1,796	14,348	-2,580
Income and social contribution taxes - deferred	556,705	2,406	11,683
Result before non-controlling interest	**-925,975**	**-55,613**	**-114,721**
Controlling shareholders	-925,975	-55,854	-114,721
Non-controlling shareholders	0	241	0
Net income (loss)	**-925,975**	**-55,613**	**-114,721**

APPENDIX 2 - BALANCE SHEET (CONSOLIDATED))

(R$ thousand)	2Q18	4T17
ASSETS		
Cash and cash equivalents	4,198,964	3,807,342
Accounts receivable from clients	1,108,341	1,385,460
Inventories	734,084	722,809
Biological assets	243,151	214,317
Taxes recoverable	840,894	863,515
Other receivables	277,091	358,408
Total current assets	**7,402,525**	**7,351,851**
Taxes recoverable	195,575	200,747
Deferred tax assets	212,250	95,148
Other receivables	13,912	11,514
Judicial deposits	26,799	21,792
Fixed assets	3,432,266	3,498,652
Intangible assets	709,132	725,621
Total non-current assets	**4,589,934**	**4,553,474**
Total assets	**11,992,459**	**11,905,325**
LIABILITIES		
Loans and financing	2,721,287	2,187,470
Suppliers	888,418	1,048,399
Labor and tax liabilities	186,457	191,970
Other payables	570,788	519,391
Total current liabilities	**4,366,950**	**3,947,230**
Loans and financing	8,346,288	7,419,538
Labor and tax liabilities	73,401	51,449
Provision for contingencies	66,301	147,343
Accounts payable	21,047	38,382
Deferred tax liabilities	192,169	230,306
Total non-current liabilities	**8,699,206**	**7,887,018**
Shareholders’ equity		
Capital stock	128,854	128,854
Capital reserves	120,182	187,504
Revaluation reserves	52,936	53,710
Accumulated profit (loss)	-1,174,603	-134,683
Treasury shares	-36,846	-99,679
Equity valuation adjustments	-164,220	-64,629
Total shareholders’ equity attributed to controlling shareholders	**-1,073,697**	**71,077**
Total shareholders’ equity	**-1,073,697**	**71,077**
Total liabilities and shareholders’ equity	**11,992,459**	**11,905,325**

APPENDIX 3 – CASH FLOW (CONSOLIDATED)

(R$ thousand)	2Q18	2Q17	1Q18
Cash flow from operating activities			
Net income (loss)	-925,975	-55,613	-114,721
Reconciliation of net income to net cash provided by operating activities:			
Depreciation and amortization	55,521	27,727	51,250
Estimated loss on doubtful accounts	1,864	0	1,419
Proceeds from the sale of fixed assets	1,393	0	324
Net income (loss) attributed to non-controlling shareholders	0	-241	0
Fair value of biological assets	-11,894	1,373	3,265
Realization of deferred taxes – temporary differences	-556,705	-2,406	-11,683
Financial charges	242,326	208,887	218,786
FX variation – not realized	962,299	159,242	41,973
Provision for contingencies	-45,171	-80	-35,871
Accounts receivable from clients and other receivables	11,766	-127,345	340,989
Inventories	67,606	-4,738	-78,881
Biological assets	-21,944	-3,640	1,739
Taxes recoverable	34,895	7,663	-7,102
Deferred taxes	470,344	0	0
Judicial deposits	224	128	-5,231
Suppliers	74,432	73,673	-234,413
Labor and tax liabilities	34,624	11,554	-18,185
Other payables	154	-238,676	33,910
Equity valuation adjustments and accumulated conversion amounts	0	2,758	0
Cash flow from operating activities	**395,759**	**60,266**	**187,568**
Cash flow from investing activities			
Acquisition of intangible assets	-3,950	-1,795	-2,433
Acquisition of fixed assets	-46,876	-75,999	-46,479
Cash flow from investing activities	**-50,826**	**-77,794**	**-48,912**
Cash flow from financing activities			
Loans and financing	1,058,461	1,793,534	182,596
Loans and financing settled	-937,195	-316,177	-280,675
Variation in minority interest	0	241	0
Dividends	0	-11,433	0
Treasury shares	0	-16,643	-4,489
Cash flow from financing activities	**121,266**	**1,449,522**	**-102,568**
FX variation on cash and cash equivalents	-144,550	0	33,885
Net increase/decrease in cash and cash equivalents	**321,649**	**1,431,994**	**69,973**
Cash and cash equivalents			
Beginning of period	3,877,315	2,944,801	3,807,342
End of period	4,198,964	4,376,795	3,877,315
Net increase/decrease in cash and cash equivalents	**321,649**	**1,431,994**	**69,973**

APPENDIX 4 – EXCHANGE RATE

	2Q18	2Q17	1Q18
(US$ - Closing)			
Brazil (BRL/USD)	3.88	3.31	3.31
Paraguay (PYG/USD)	5,693.20	5,555.00	5,548.30
Uruguay (UYU/USD)	31.49	28.52	28.39
Argentina (ARG/USD)	28.94	16.62	20.15
Colombia (COP/USD)	2,932.13	3,044.91	2,795.03