

# 1Q13 Earnings Release

*Minerva Foods*

Barretos, May 9, 2013 – Minerva S.A. (BOVESPA: BEEF3; Level 1 ADR: MRVSY; Bloomberg: BEEF3.BZ; Reuters: BEEF3.SA), one of the leaders in South America in the production and sale of fresh beef, live cattle and cattle byproducts, with operations also in the beef, pork and poultry processing segments, announces today its results for the first quarter of 2013 (1Q13). The financial and operating information herein is presented in BRGAAP and Brazilian real (R\$), in accordance with International Financial Reporting Standards (IFRS)



## 1Q13 Highlights

### Minerva (BEEF3)

Stok quote on 8-May-13:  
R\$12.20

Market Cap:  
1,788 million

146,575,057 shares

Free Float – 62.9%

### Conference Calls

#### Portuguese

Friday, May 10, 2013  
10:00 a.m. (Brasília)  
9:00 a.m. (US EDT)  
Phone: +55 (11) 3728-5971  
or +55 (11) 3127-4971  
Code: Minerva  
Replay: +55 (11) 3127-4999  
Code: 50034884

#### English

Friday, May 10, 2013  
12:00 p.m. (Brasília)  
11:00 a.m. (US EDT)  
Phone: +1 (412) 317-6776  
Code: Minerva  
Replay: +1 (412) 317-0088  
Code: 10027818

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- Minerva posted a solid Net Revenue growth of 26.6% over 1Q12, totaling R\$1,195.0 million. Exports grew 28.5% compared with 1Q12, representing 66.8% of the company's total sales in the period, while domestic sales expanded by a significant 21.9%.
- EBITDA came to R\$100.4 million in 1Q13, 30.0% higher than in 1Q12. The EBITDA margin moved up by 0.2 p.p. over 1Q12 to 8.4%.
- EBIT came to R\$86.3 million in the quarter, 32.0% up on 1Q12. Earnings before Income Tax totaled R\$14.3 million, versus a loss of R\$73 million in 1Q12.
- In 1Q13, Minerva reported financial leverage, measured by the net debt/Adjusted EBITDA ratio of 3.1x; ROIC of 17.5%; and cash and cash equivalents of R\$774 million, approximately two times higher than our short-term debt.
- Our capacity utilization stood at 74.8% in the quarter, 9.0 p.p. up on the 65.8% recorded in 1Q12, reflecting the maturation of our investments and our efficient cattle origination strategy;
- We announced recently the inauguration of two DCs located in Rolim de Moura, Rondônia state, and in Uberlândia, Minas Gerais state. Operations are scheduled to start up in 2Q13, reinforcing our strategy of focusing on small and medium retailers through the one-stop-shop concept.
- According to official data, Brazil increased its share in global beef exports, recovering its leading position in the segment, underpinning the natural competitive advantages of South America, especially as a beef producer and exporter.
- From the corporate governance viewpoint, Minerva is constantly seeking to improve its management. In the last Annual Shareholders' Meeting, the controlling shareholders and the majority of the representatives of non-controlling shareholders requested the installation of the new Fiscal Council. We believe this will further contribute to improving the Company's corporate governance and transparency.



## Key Indicators

R\$ Million	1Q13	1Q12	Chg.%	4Q12	Var.%	LTM1Q13	LTM1Q12	Chg.%
Slaughtering (1,000 heads)	485.6	396.2	22.6%	454.6	6.8%	1,802.6	1,681.4	7.2%
Sales Volume (1,000 tonnes)	110.6	86.5	27.9%	109.7	0.8%	427.5	404.1	5.8%
Gross Revenues	1,269.9	1,005.9	26.2%	1,286.6	-1.3%	4,921.1	4,324.4	13.8%
Domestic Market	421.8	346.0	21.9%	450.0	-6.3%	1,616.1	1,762.4	-8.3%
Export Market	848.1	659.9	28.5%	836.6	1.4%	3,305.0	2,562.0	29.0%
Net Revenues	1,195.0	944.1	26.6%	1,206.7	-1.0%	4,630.8	4,040.7	14.6%
EBITDA	100.4	77.2	30.0%	145.1	-30.8%	492.6	349.1	41.1%
EBITDA Margin	8.4%	8.2%	0.2%	12.0%	-3.6%	10.6%	8.6%	2.0%
Adjusted EBITDA	100.4	77.2	30.0%	121.5	-17.4%	491.6	364.3	35.0%
Adjusted EBITDA Margin	8.4%	8.2%	0.2%	10.1%	-1.7%	10.6%	9.0%	1.6%
Net Debt/Adjusted EBITDA	3.1x	3.8x	-0.7x	2.8x	0.3x	3.1x	3.8x	-0.7x

(\*) Pro-forma 2012 figures including Frigomerc



## Message from Management

The beginning of 2013 proved very favorable for beef producers in South America. According to official data and considering only the performance of the main beef exporters, in the first two months of 2013 Brazil accounted for 28.5% of global beef exports, 5.3% more than in the same period of 2012, recovering its leading position in the international market in the segment. Paraguay also increased its share by 1.6% to 6% of total beef exports. In this sample, the United States reduced its share by 4.9% to 28.3%, while Australia recorded a 1.5% drop, to 23.4%, underpinning the natural competitive advantages of South America, especially as a beef producer and exporter.

In this scenario, Minerva's exports were again a highlight, accounting for nearly 70% of the Company's total revenue from fresh beef sales in the first quarter, thanks especially to the risk management tools that support our decisions about the sales mix of our products. As a result, gross revenue from beef exports increased by 32.8% in 1Q13 over the same period last year.

Adding to the solid performance in exports was the substantial expansion of over 20% in domestic beef sales compared with 1Q12. In this context, we reinforced our commitment and growth strategy for the domestic market through the inauguration of two distribution centers located in Rondônia and Uberlândia-MG, scheduled to start up as of the second quarter of 2013.

The first quarter was also a milestone for Minerva in terms of capital structure management. In February the Company concluded a 10-year international notes issue worth US\$850 million at 7.75% p.a. Investor demand was extremely high, confirming the market confidence in Minerva's long-term fundamentals. The proceeds from the issue were fully used to repurchase the bulk of the notes issued by Minerva maturing in 2017, 2019 and 2022, in line with a debt management strategy aimed at continuously reducing the Company's capital cost, while keeping an extended debt maturity profile.

Lastly, we would like to reaffirm our commitment to transparency, value management and constant improvement of our internal processes, particularly regarding corporate governance. We remain very optimistic with the outlook for the sector, supported on one side by the high international beef demand and on the other side by the positive scenario for finished cattle supply in Brazil, thanks to the current positive momentum in the cattle cycle.

Fernando Galletti de Queiroz, CEO



## Industry Overview

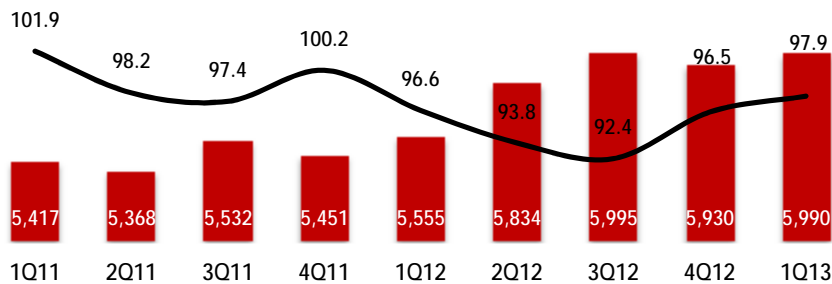
### Brazil

#### Cattle Supply

The 7.8% increase in slaughter volume in Brazil in 1Q13 over the same period last year is due to the solid performance of the country's exports, which expanded 33%, and the solid domestic demand in the quarter. The growth in Brazilian beef exports reflects the heated demand, especially from emerging countries, the difficulties faced by some competitors and high competitiveness in the country's beef industry.

The arroba price presented a nominal increase of 1.3% compared with 1Q12, due to the high slaughter volume mentioned above. It is also worth noting that the favorable weather conditions, especially in March, encouraged cattle producers to adopt a paced sales strategy, consequently supporting the market.

Figure 1 – Cattle slaughter trends - Brazil  
(thousand head) and average arroba price (R\$)



Source: Ministry of Agriculture, Livestock and Supply (MAPA), CEPEA/ESALQ

Note: Preliminary 1Q13 slaughter volume data

#### Export Market

Brazilian beef exports grew 33% in 1Q13 over the same period last year, reflecting the lower slaughter volume and beef production in the U.S., the continued solid demand from developing regions (in particular Hong Kong, Venezuela, Chile and certain Middle East countries) and a favorable exchange rate for exports compared with 1Q12.

Figure 2 - Fresh beef revenue and export volume

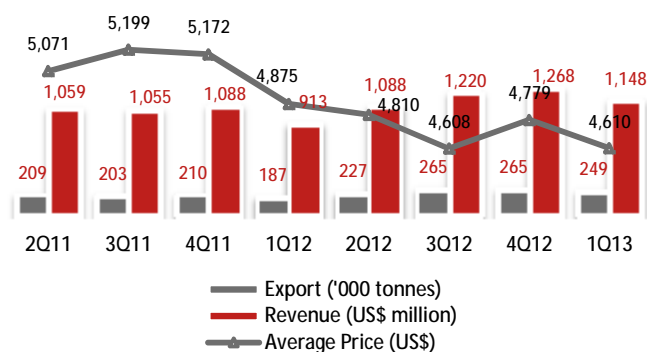
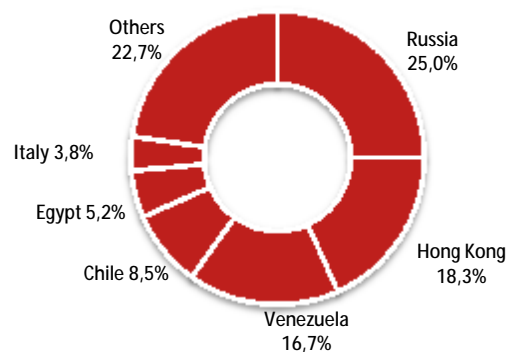


Figure 3 - Destination of Brazilian exports 1T13



Source: SECEX

Charts 4 and 5 below present the monthly evolution of Brazilian beef export volumes and average prices. Sales volume increased by a substantial 32.7% compared with 1Q12, while average prices in BRL grew 6.5%.

Figure 4 - Fresh beef sales volume

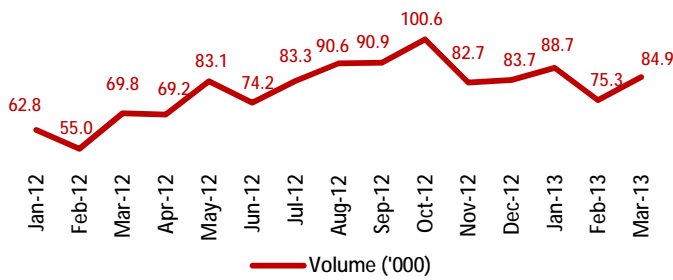
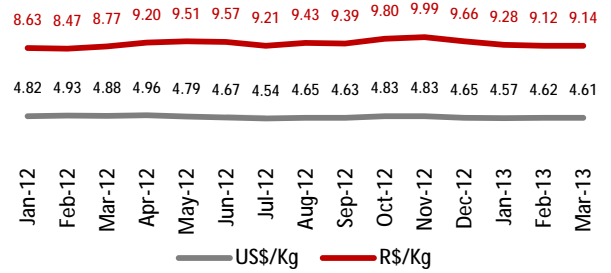


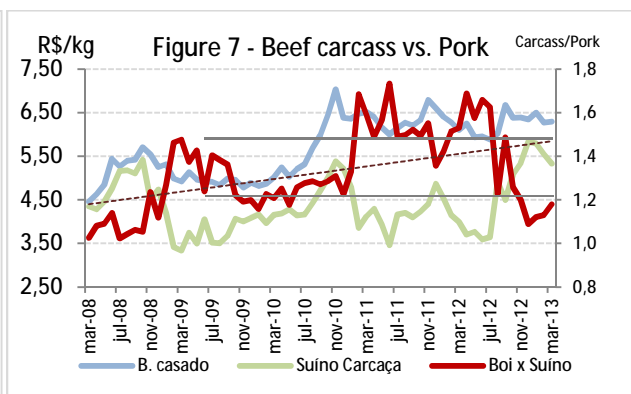
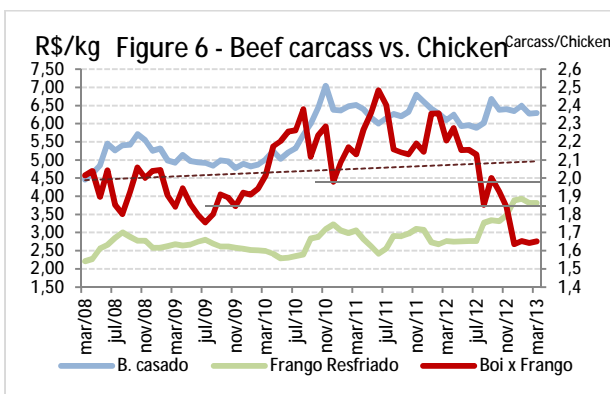
Figure 5 - Fresh beef average prices



Source: SECEX

**Domestic Market**

In Brazil beef demand is typically low in first quarters, due to the weak calendar effect and the impacts on consumers' budgets from the increased consumption in fourth quarters. However, in 4Q12 the prices of other proteins were very high, driven by the combination of an adjustment in production and heated demand, which led to significant differences in the spread between beef carcass prices and poultry and pork prices, as presented in the charts below. The beginning of the adjustment of these differences supported beef prices in 1Q13, which grew 1.5% from 1Q12, and impacted beef demand in a seasonally weak period, pointing to a replacement effect trend.

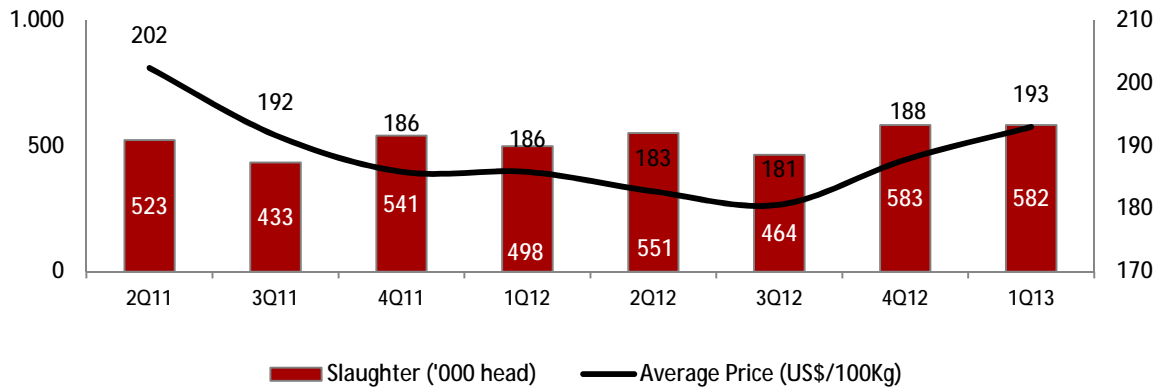


Source: CEPEA

**Uruguay**

The cattle arroba price in Uruguay contracted 3.9% in 1Q13, despite the 16.2% growth in slaughter volume. It is important to emphasize that Minerva's Uruguayan fresh beef has access to niche markets in the U.S. and Europe, especially in the organic beef segment, which helps diversify markets and increase export margins. Also worth highlighting is the integration process between raw material suppliers and Minerva. The company's partnership with integrated cattle raisers ensures an important competitive advantage in relation to the rest of the market and boosts operating margins.

Figure 8 – Cattle Slaughter Trends and Average Cattle Prices - Uruguay

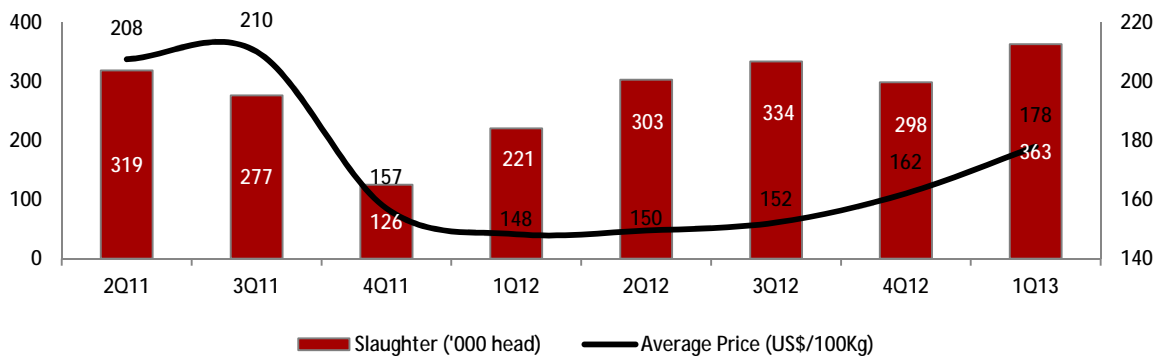


Source: INAC

**Paraguay**

Cattle prices in Paraguay presented an upward trend in 1Q13 (+20% over 1Q12). Nevertheless, they remained lower than in the period before the foot-and-mouth disease, confirming the continued high cattle supply, despite the increase in slaughter volume in the quarter (+64.3% compared with 1Q12). Note that the Paraguayan industry adjusted a difference in the prices of raw material and of export products by calculating export cattle prices in USD, thereby mitigating the mismatch risk. We believe this trend was another sign of the maturity achieved by the sector in the country, considering that more than 70% of beef production in the country is exported, with the destinations including Russia, the CIS countries and Asia.

Figure 9 – Cattle Slaughter Trends and Average Cattle Prices - Paraguay



Source: SENACSA

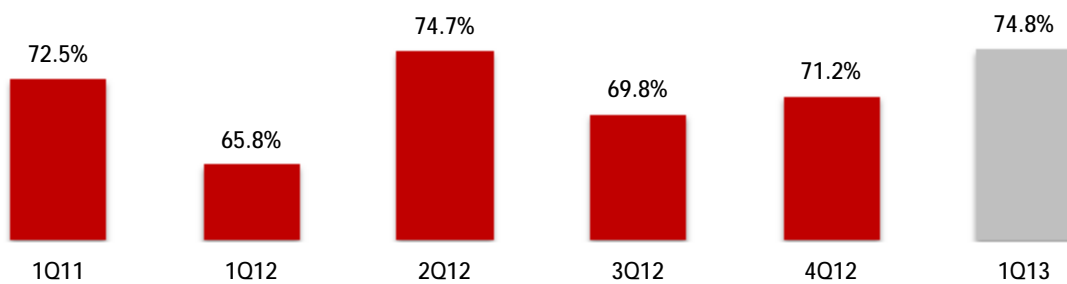


## Minerva – Analysis of Results

### Slaughter Volume

After the capacity maturation period, reflecting the investments made in recent years and the expansion of approximately 1,000 head of cattle/day due to the acquisition of Frigomerc, our average capacity utilization is returning to its historical average, an industry benchmark. Capacity utilization stood at 74.8% in 1Q13, 9.0 p.p. higher than in 1Q12.

Figure 10 - Slaughter Capacity Utilization



Source: Minerva

### Consolidated Gross Revenue

R\$ Million	1Q13	1Q12	Chg.%	4Q12	Chg.%	LTM1Q13	LTM1Q12	Chg.%
Gross Revenues	1,269.9	1,005.9	26.2%	1,286.6	-1.3%	4,921.1	4,324.4	13.8%
Beef Division	1,022.3	793.3	28.9%	1,037.3	-1.4%	3,874.9	3,475.0	11.5%
Others	247.6	212.6	16.5%	249.3	-0.7%	1,046.2	849.4	23.2%

R\$ Million	1Q13	1Q12	Chg.%	4Q12	Chg.%	LTM1Q13	LTM1Q12	Chg.%
Domestic Market (R\$ MM)	421,8	346,0	21,9%	450,0	-6,3%	1.616,1	1.762,4	-8,3%
% Gross Revenues	33,2%	34,4%	-1,2%	35,0%	-1,8%	32,8%	40,8%	-7,9%
Beef Division	335,7	276,2	21,5%	363,9	-7,7%	1.305,5	1.394,0	-6,4%
Others	86,1	69,9	23,3%	86,2	-0,1%	310,6	368,4	-15,7%

R\$ Million	1Q13	1Q12	Chg.%	4Q12	Chg.%	LTM1Q13	LTM1Q12	Chg.%
Export Market (R\$ MM)	848.1	659.9	28.5%	836.6	1.4%	3,305.0	2,562.0	29.0%
% Gross Revenues	66.8%	65.6%	1.2%	65.0%	1.8%	67.2%	59.2%	7.9%
Beef Division	686.6	517.1	32.8%	673.4	2.0%	2,569.5	2,081.0	23.5%
Others	161.5	142.8	13.1%	163.1	-1.0%	735.5	481.0	52.9%

Minerva posted a solid increase of 26.2% in gross revenue compared with 1Q12. Also worth highlighting was the performance of the leather and MDF divisions in the quarter.

Figure 11 - Breakdown of consolidated gross revenue 1Q13

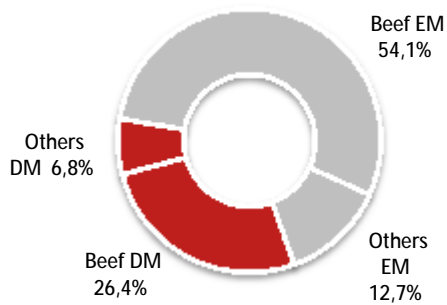
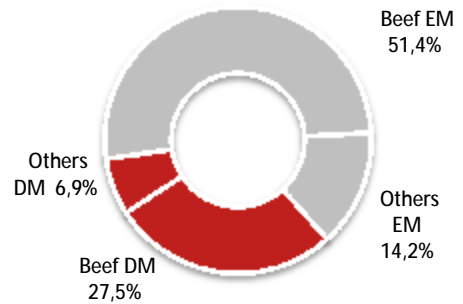


Figure 12 - Breakdown of consolidated gross revenue 1Q12



Source: Minerva

Our market share of exports remained solid in the three beef producing countries where we operate. In Paraguay, our share came to 19.0%. In Uruguay, we increased our market share by 150 bps to 10% compared with 1Q12. In Brazil, we remain the second biggest beef exporter, in addition to being among the country's 30 biggest exporters. According to the United States Department of Agriculture (USDA), Brazil recovered its position as the world's biggest beef exporter, occupied by Australia last year.

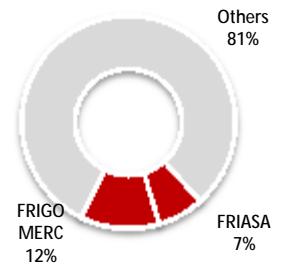
Figure 15 - Market Share - Brazil (Revenue in US\$ MN)



Figure 14 - Market Share - Uruguay (Revenue in US\$ MN)



Figure 13 - Market Share - Paraguay (Revenue in US\$ MN)



Source: Minerva, Secex, INAC and Inalca

## Beef Division

The highlights in 1Q13 were the solid fresh beef exports and domestic sales, which grew approximately 34.2% and 19.4% over 1Q12, respectively. Prices in BRL remained stable in both markets. Below is a complete breakdown of the beef division:

R\$ Million	1Q13	1Q12	Chg.%	4Q12	Chg.%	LTM1Q13	LTM1Q12	Chg.%
Fresh Beef – EM	643.7	483.3	33.2%	629.6	2.2%	2,412.7	1,942.7	24.2%
Processed Beef – EM	5.7	5.6	2.3%	6.4	-11.0%	23.4	21.1	10.8%
Others – EM	37.2	28.2	31.7%	37.4	-0.6%	133.4	117.2	13.8%
Subtotal – EM	686.6	517.1	32.8%	673.4	2.0%	2,569.5	2,081.0	23.5%
Fresh Beef – DM	269.9	224.6	20.1%	303.3	-11.0%	1,073.6	1,183.8	-9.3%
Processed Beef – DM	4.8	4.1	16.8%	0.4	1046.3%	7.3	18.2	-60.1%
Others – DM	60.9	47.4	28.6%	60.1	1.4%	224.6	192.0	17.0%
Subtotal – DM	335.7	276.2	21.5%	363.9	-7.7%	1,305.5	1,394.0	-6.4%
Total	1,022.3	793.3	28.9%	1,037.3	-1.4%	3,874.9	3,475.0	11.5%

Volume ('000 tonnes)	1Q13	1Q12	Chg.%	4Q12	Chg.%	LTM1Q13	LTM1Q12	Chg.%
Fresh Beef – EM	62.3	46.4	34.2%	62.0	0.4%	239.0	206.9	15.5%
Processed Beef – EM	0.4	0.5	-14.7%	0.4	-9.7%	1.7	2.0	-13.8%
Others – EM	5.1	4.0	26.6%	5.2	-2.7%	19.9	19.2	3.7%
Subtotal – EM	67.8	50.9	33.2%	67.7	0.1%	260.6	228.1	14.2%
Fresh Beef – DM	34.4	28.8	19.4%	34.3	0.3%	132.6	144.6	-8.3%
Processed Beef – DM	0.5	0.5	17.3%	0.1	760.2%	0.9	2.4	-61.6%
Others – DM	7.9	6.3	24.7%	7.7	2.8%	33.4	28.9	15.4%
Subtotal – DM	42.8	35.6	20.3%	42.0	1.9%	166.9	175.9	-5.1%
Total	110.6	86.5	27.9%	109.7	0.8%	427.5	404.1	5.8%

Average Price – EM (US\$/kg)	1Q13	1Q12	Chg.%	4Q12	Chg.%	LTM1Q13	LTM1Q12	Chg.%
Fresh Beef – EM	5.2	5.9	-12.2%	4.9	4.7%	5.0	5.5	-8.0%
Processed Beef – EM	7.3	6.8	6.1%	7.2	1.4%	6.9	6.3	9.9%
Others – EM	3.6	4.0	-7.9%	3.5	5.1%	3.3	3.5	-6.1%
Total	5.1	5.7	-11.7%	4.8	4.8%	4.9	5.3	-7.6%
Average FX (source: BACEN)	2.00	1.77	13.0%	2.06	-2.8%	2.01	1.72	16.9%

Average Price – EM (R\$/kg)	1Q13	1Q12	Chg.%	4Q12	Chg.%	LTM1Q13	LTM1Q12	Chg.%
Fresh Beef – EM	10.3	10.4	-0.7%	10.1	1.8%	10.1	9.4	7.5%
Processed Beef – EM	14.5	12.1	19.9%	14.7	-1.5%	13.8	10.8	28.5%
Others – EM	7.3	7.0	4.0%	7.1	2.2%	6.7	6.1	9.8%
Total	10.1	10.2	-0.3%	9.9	1.8%	9.9	9.1	8.1%

Average Price – DM (R\$/kg)	1Q13	1Q12	Chg.%	4Q12	Chg.%	LTM1Q13	LTM1Q12	Chg.%
Fresh Beef – DM	7.9	7.8	0.6%	8.9	-11.3%	8.1	8.2	-1.1%
Processed Beef – DM	9.0	9.0	-0.4%	6.7	33.3%	7.8	7.6	3.9%
Others – DM	7.7	7.5	3.1%	7.8	-1.4%	6.7	6.6	1.4%
Total	7.8	7.8	1.0%	8.7	-9.5%	7.8	7.9	-1.3%

EM - Export Market, DM – Domestic Market



Others Division

Gross revenue from this division came to R\$247.6 million in 1Q13, 16.5% up on 1Q12. Exports totaled R\$161.5 million in the quarter, while domestic sales amounted to R\$86.1 million, representing increases of 13.1% and 23.3% over the same period last year, respectively. A highlight in the quarter was the solid performance of the Leather and MDF divisions, which recorded revenue growth of 46.1% and 58.1%, respectively, in relation to 1Q12.

Also worth highlighting is the performance of the live cattle division, with a 10.4% expansion in revenue in the comparison period.

The performance of the leather division remains solid, led by the 86.5% upturn in gross revenue from exports compared with 1Q12. Since 2011, we've changed our strategy, focusing our efforts on two different niches: the wholesale segment in the domestic market and the automotive industry in the export market. The real to dollar exchange rate helped rebuild margins of the leather segment, making Brazilian leather more competitive in the international market.

MDF has been gradually reaching record production volume and revenue, supported by the change in the Brazilians' consumption habits in recent years. In this context, MDF, whose core business is the Food Service segment, is well positioned to reap the benefits of this hefty growth in domestic sales. The division posted a solid increase of 102.7% in gross revenue from domestic sales compared with 1Q12 and significant improvements in its operating margins.

Gross revenue from sales of third-party products remains solid, having expanded more than 20% in relation to the first quarter of 2012.

Brascasing registered a 57.1% increase in gross sales in 1Q13, due to the company's continuous efforts to expand its operations through organic growth and the increasing demand for cattle byproducts in the international market.

Net Revenue

First-quarter net revenue moved up by 26.6% over 1Q12, led by beef exports, fresh beef sales to the domestic market and the Leather and MDF divisions.

R\$ Million	1Q13	1Q12	Chg.%	4Q12	Chg.%	LTM1Q13	LTM1Q12	Chg.%
Gross Revenues (R\$ MM)	1,269.9	1,005.9	26.2%	1,286.6	-1.3%	4,921.1	4,324.4	13.8%
Sales Taxes and Deductions (R\$ MM)	-74.9	-61.8	21.1%	-79.9	-6.3%	-290.3	-283.8	2.3%
Net Revenues (R\$ MM)	1,195.0	944.1	26.6%	1,206.7	-1.0%	4,630.8	4,040.7	14.6%
% Gross Revenues	94.1%	93.9%	0.2%	93.8%	0.3%	94.1%	93.4%	0.7%

Cost of Goods Sold (COGS) and Gross Profit

COGS as percentage of net revenue increased slightly in 1Q13, reflecting the 1.3% increase in the cattle arroba prices in the period.

R\$ Million	1Q13	1Q12	Chg.%	4Q12	Chg.%	LTM1Q13	LTM1Q12	Chg.%
Net Revenues (R\$ MM)	1,195.0	944.1	26.6%	1,206.7	-1.0%	4,630.8	4,040.7	14.6%
COGS (R\$ MM)	-967.3	-759.7	27.3%	-955.3	1.3%	-3,671.7	-3,377.6	8.7%
% Net Revenues	80.9%	80.5%	0.5%	79.2%	1.8%	79.3%	83.6%	-4.3%
Gross Profit (R\$ MM)	227.7	184.3	23.6%	251.3	-9.4%	959.1	663.1	44.6%
Gross Margin	19.1%	19.5%	-0.5%	20.8%	-1.8%	20.7%	16.4%	4.3%

Selling, General and Administrative Expenses

Selling expenses as percentage of net revenue reduced from 9.6% in 1Q12 to 8.7% in 1Q13, while administrative expenses remained unchanged.

R\$ Million	1Q13	1Q12	Chg.%	4Q12	Chg.%	LTM1Q13	LTM1Q12	Chg.%
Sales Expenses (R\$ MM)	-103.9	-90.7	14.5%	-101.5	2.4%	-406.6	-266.3	52.7%
% Net Revenues	8.7%	9.6%	-0.9%	8.4%	0.3%	8.8%	6.6%	2.2%
G&A Expenses (R\$ MM)	-37.9	-28.0	35.3%	-41.6	-9.0%	-144.3	-113.9	26.7%
% Net Revenues	3.2%	3.0%	0.2%	3.5%	-0.3%	3.1%	2.8%	0.3%

EBITDA

EBITDA came to R\$100.4 million in 1Q13, 30% higher than in 1Q12. EBITDA margin stood at 8.4%, 20 bps higher than in 1Q12.

R\$ Million	1Q13	1Q12	Chg.%	4Q12	Chg.%	LTM1Q13	LTM1Q12	Chg.%
Result before Non-Controlling Interest	5.2	-66.7	-107.8%	-21.8	-123.9%	-126.9	-39.6	220.2%
(+)Deferred Income and Social Contribution Taxes	9.1	-6.3	-243.9%	46.9	-80.6%	12.8	-103.0	-112.4%
(+) Net Financial Result	72.0	138.4	-48.0%	106.3	-32.2%	553.4	446.4	24.0%
(+) Depreciation and Amortization	14.1	11.8	19.2%	13.8	2.3%	53.3	45.3	17.6%
(+) Non-Recurring Items	0.0	0.0	n.a.	-23.5	-100.0%	-19.0	15.2	-225.3%
(+)Pro-forma Frigomerc EBITDA 9M	n.a.	n.a.	n.a.	n.a.	n.a.	18.0	0.0	n.a.
EBITDA	100.4	77.2	30.0%	145.1	-30.8%	492.6	349.1	41.1%
EBITDA Margin	8.4%	8.2%	0.2%	12.0%	-3.6%	10.6%	8.6%	2.0%
Adjusted EBITDA	100.4	77.2	30.0%	121.5	-17.4%	491.6	364.3	35.0%
Adjusted EBITDA Margin	8.4%	8.2%	0.22%	10.1%	-1.7%	10.6%	9.0%	1.60%

Financial Result

In 1Q13, the net financial result, including gains from foreign exchange variation with no cash effect on our debt (R\$14.1 million), was a loss of R\$72.0 million. The table below details the 1Q13 financial result:

R\$ Million	1Q13	1Q12	Chg.%	4Q12	Chg.%
Financial Expenses	(86.5)	(79.3)	9.2%	(78.5)	10.2%
Financial Income	13.3	14.3	-7.5%	14.6	-8.9%
FX Variation	14.1	(11.6)	-221.1%	(15.4)	-191.4%
Other Expenses (*)	(12.8)	(61.9)	-79.4%	(26.9)	-52.5%
Net Financial Result	(72.0)	(138.4)	-48.0%	(106.3)	-32.2%

(\*) Includes FX Hedge, Commodities, Financial Discounts and Bank Commissions.

(*) Other Expenses (R\$ Million)	1Q13
Expenses with FX Hedge and Commodities	0.4
Financial Discounts, Rates, Commissions, Commercial Discount and Other Financial Expenses	(13.2)
Total	(12.8)

## Net Income

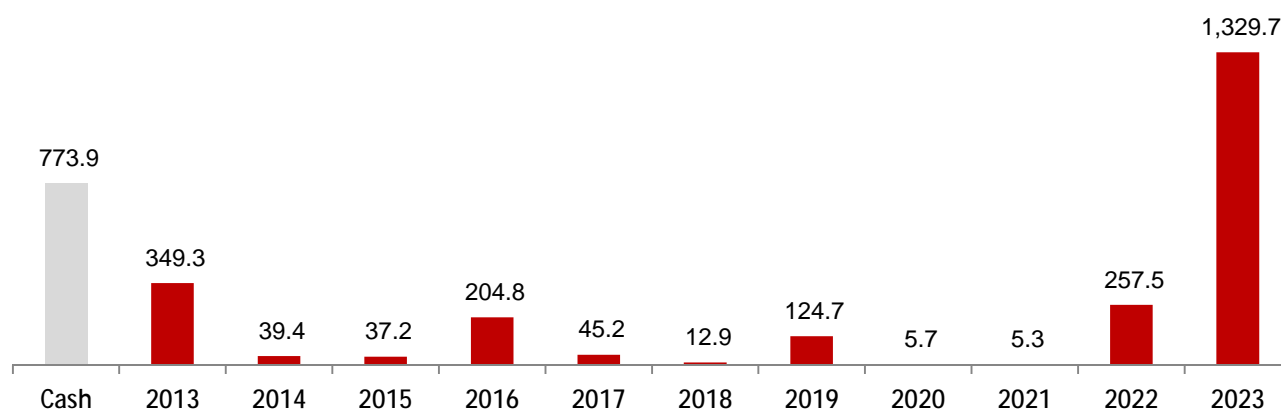
Minerva posted a net income of R\$5.2 million in 1Q13, higher than in 1Q12 and 4Q12.

R\$ Million	1Q13	1Q12	Chg.%	4Q12	Chg.%	LTM1Q13	LTM1Q12	Chg.%
Profit before income tax	14.3	-73.0	-119.6%	25.1	-43.0%	-114.0	-142.6	-20.0%
Net (Loss) Income	5.2	-66.7	-107.8%	-21.8	-123.9%	-126.9	-39.6	220.2%
Net Margin (%)	0.4%	-7.1%	7.5%	-1.8%	2.2%	-2.7%	-1.0%	-1.8%

## Capital Structure

Minerva closed the quarter with a cash balance of R\$774 million, which is enough to amortize its debt through 2019. Short-term debt represented 14.5% of total debt at the end of the quarter. In 1Q13, the Company's debt denominated in U.S. dollar represented 74% of total debt. The net debt/EBITDA ratio stood at 3.1x in the period, 0.7x lower than in 1Q12.

Figure 16 – Debt amortization schedule on March 31, 2013 (R\$ million)



R\$ Million	1Q13	1Q12	Chg.%	4Q12	Chg.%
Short Term Debt	349.3	282.7	23.6%	533.1	-34.5%
% Short Term Debt	14.5%	12.4%	2.1%	20.0%	-5.5%
Local Currency	95.1	143.1	-33.5%	164.8	-42.3%
Foreign Currency	254.2	139.6	82.1%	368.3	-31.0%
Long Term Debt	2,062.4	1,995.1	3.4%	2,133.2	-3.3%
% Long Term Debt	85.5%	87.6%	-2.1%	80.0%	5.5%
Local Currency	343.4	396.6	-13.4%	363.0	-5.4%
Foreign Currency	1,719.0	1,598.5	7.5%	1,770.2	-2.9%
Total Debt	2,411.7	2,277.8	5.9%	2,666.3	-9.5%
Local Currency	438.5	539.7	-18.8%	527.8	-16.9%
Foreign Currency	1,973.2	1,738.1	13.5%	2,138.5	-7.7%
(Cash and Cash Equivalents)	-773.9	-846.3	-8.6%	-1,288.8	-40.0%
Net Debt*	1,539.7	1,394.8	10.4%	1,331.2	15.7%
Net Debt/ EBITDA*	3.1x	3.8x	-0.7x	2.8x	0.3x

(\*) Net debt adjusted to convertible debentures, treasury stock at market value (R\$80 mn) and FDIC subordinated quotas (R\$17 mn).  
Adjusted EBITDA, including Frigomerc's pro-forma figure of R\$18.0 mn in 2Q12 and 3Q12.

LOCAL CURRENCY (R\$ thousand)		
	1Q13	4Q12
1Q13	0	49,602
2Q13	7,276	5,322
3Q13	37,398	104,797
4Q13	4,736	5,055
1Q14	45,710	0
2014	37,321	148,096
2015	37,208	103,986
2016	204,849	41,766
2017	20,663	28,202
2018	12,875	12,152
2019	9,746	9,023
2020	5,683	5,265
2021	5,313	4,924
2022	9,748	9,553
2023		
<b>TOTAL</b>	<b>438,526</b>	<b>527,743</b>

FOREIGN CURRENCY (R\$ thousand)		
	1Q13	4Q12
1Q13	0	81,060
2Q13	21,226	31,766
3Q13	213,135	203,145
4Q13	1,994	52,361
1Q14	17,779	0
2014	2,068	-4,118
2015	33	47,349
2016	0	0
2017	24,524	68,207
2018	0	0
2019	114,966	753,459
2020	0	0
2021	0	0
2022	247,778	905,291
2023	1,329,669	0
<b>TOTAL</b>	<b>1,973,172</b>	<b>2,138,520</b>



## Capex

Investments in fixed assets totaled approximately R\$36.7 million in 1Q13, the bulk of which represented maintenance capex.



## Subsequent Events

On April 5, the Company terminated the future financial flow exchange contract (swaps) with Credit Suisse Próprio Fundo de Investimento Multimercado ("Credit Suisse"). The Company disclosed a Material Fact to the market on April 3, 2012, announcing the execution of the swap agreement, which provided for that the yield to the Company would correspond to the variation in the Company share (BEEF3) price, while the yield to Credit Suisse will be equivalent to 100% of the CDI in the term agreed plus a pre-established spread, with a maximum term of two years.

On April 29, the shareholders attending the Annual Shareholders' Meeting approved the reelection of Mr. Norberto Lanzara Giangrande Júnior as a member of the Company's Board of Directors, with a term of office equal to that of the other Board members. The shareholders also approved the installation of the Company's new Fiscal Council, effective until the Annual Shareholders' Meeting that analyzes the financial statements for the fiscal year ending on December 31, 2013.

On May 2, Standard & Poor's upgraded Minerva's global scale rating from "B+" to "BB-" and national scale rating from "brBBB+" to "brA-", with a stable outlook.



## About Minerva S.A

Minerva S.A. is one of the leading producers and sellers of beef, leather, live cattle exports and cattle byproducts in South America, and one of Brazil's three largest exporters in the industry in terms of gross sales revenue, exporting to over 100 countries, with operations also in the beef, pork and poultry processing segments. On March 31, 2013, the company recorded a daily slaughtering capacity of 11,480 head of cattle and daily beef deboning capacity equivalent to 14,177 head of cattle. With a presence in the states of São Paulo, Rondônia, Goiás, Tocantins, Mato Grosso do Sul and Minas Gerais, as well as in Paraguay and Uruguay, Minerva operates ten slaughter and deboning plants, one unit to process proteins and ten distribution centers. In the 12 months ended March 31, 2013, the Company recorded net sales revenue of R\$4.63 billion, up 14.6% on the same period a year earlier.

### *Relationship with Auditors*

*In accordance with CVM Instruction 381/03, we inform that our auditors did not provide services other than those related to the external audit in fiscal years 2010, 2011, 2012 and in 1Q13.*

### *Statement from Management*

*In compliance with CVM Instructions, Management declares that it has discussed, revised and agreed with the individual and consolidated accounting information related to the quarter ended March 31, 2013, and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.*

**ANNEX 1 - CONSOLIDATED INCOME STATEMENT**

R\$ Million	1Q13	4Q12	1Q12
Revenue from Domestic Sales	421,785	450,020	346,012
Revenue from Exports	848,100	836,563	659,875
Gross Sales Revenue	1,269,885	1,286,583	1,005,887
Deductions from revenue – taxes and other	-74,898	-79,922	-61,823
Net Operating Revenue	1,194,987	1,206,661	944,064
Cost of Goods Sold	-967,259	-955,314	-759,744
Gross Profit	227,728	251,347	184,320
Selling Expenses	-103,926	-101,509	-90,726
General and Administrative Expenses	-37,873	-41,640	-27,984
Other Operating Revenues	354	23,116	-233
Result before financial expenses	86,283	131,314	65,377
Financial Expenses	-86,547	-78,543	-79,269
Financial Revenues	13,264	14,552	14,335
Exchange Rate Variation	14,052	-15,381	-11,608
Other Expenses (*)	-12,766	-26,883	-61,876
Financial Result	-71,997	-106,255	-138,418
Result Before Taxes	14,286	25,059	-73,041
Income and Social Contribution Taxes - Current	-8,752	-1,129	-829
Income and Social Contribution Taxes - Deferred	-318	-45,723	7,131
Net Income before Non-Controlling Interest	5,216	-21,793	-66,739
Net Income Attributed to Controlling Shareholders	5,571	-19,406	-65,743
Net Income Attributed to Non-Controlling Shareholders	-355	-2,387	-996
Net Income	5,216	-21,793	-66,739

**ANNEX 2 - CONSOLIDATED BALANCE SHEET**

R\$ Million	1Q13	4Q12
<b>ASSETS</b>		
Cash and Cash Equivalents	773,860	1,288,754
Accounts Receivable from Clients	267,432	189,393
Inventories	241,124	218,534
Biological Assets	38,964	40,763
Taxes Recoverable	494,256	472,102
Others Receivables	152,042	117,885
<b>Total Current Assets</b>	<b>1,967,678</b>	<b>2,327,431</b>
Other Credits	24,240	22,720
Related Parties	17,618	31,331
Taxes Recoverable	107,421	107,927
Deferred fiscal assets	223,579	223,579
Judicial Deposits	9,132	8,607
Investments	-	-
Fixed Assets	1,241,153	1,218,581
Intangible	426,928	426,897
<b>Total Non-Current Assets</b>	<b>2,050,071</b>	<b>2,039,642</b>
<b>Total Assets</b>	<b>4,017,749</b>	<b>4,367,073</b>
<b>LIABILITIES</b>		
Loans and Financing	349,276	533,110
Convertible Debentures	2,901	443
Suppliers	306,051	289,433
Labor and tax liabilities	82,440	62,856
Others Liabilities	153,483	198,544
<b>Total Current Liabilities</b>	<b>894,151</b>	<b>1,084,386</b>
Loans and Financing	2,062,445	2,133,154
Convertible Debentures	140,763	139,584
Labor and tax liabilities	34,005	36,208
Provision for Contingencies	33,693	32,944
Provision for Investments Lost	0	0
Related Parties	6,420	63,714
Accounts Payable	47,028	47,547
Deferred Tax Liabilities	75,218	75,229
<b>Total Non-Current Liabilities</b>	<b>2,399,572</b>	<b>2,528,380</b>
Capital Stock	715,911	712,984
Capital Reserves	155,671	156,802
Revaluation Reserves	72,531	73,168
Profits Reserve	48,366	48,366
Accrued Profit	-183,686	-190,223
Treasury Stock	-66,723	-29,693
Balance Sheet Evaluation Adjustments	-19,831	-19,515
<b>Total shareholders' equity attributed to controlling shareholders</b>	<b>722,239</b>	<b>751,889</b>
Non-Controlling Interest	1,787	2,418
<b>Total shareholders' equity</b>	<b>724,026</b>	<b>754,307</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,017,749</b>	<b>4,367,073</b>



**ANNEX 3 - CONSOLIDATED CASH FLOW STATEMENT**

R\$ Million	1Q13	4Q12	1Q12
<b>Cash Flow from Operating Activities</b>			
Net Income (Loss)	5,216	-66,739	-21,793
Reconciliation of Net Income to Net Cash provided by Operating Activities:			
Depreciation and Amortization	14,083	11,812	13,772
Net Income Attributed to Non-Controlling Shareholders	355	996	2,387
Fair Value of Biological Assets	-2,973	3,501	-1,753
Realization of Deferred Taxes – Temporary Differences	318	-7,131	45,723
Net Realization of Revaluation Reserve	0	967	0
Results from equity interest	0	0	0
Goodwill relating to business combination	0	0	0
Financial Charges	85,789	75,018	53,126
Foreign Exchange Variation – Not Realized	-30,059	-10,129	14,115
Contingency Allowances	749	-1	-6,846
Accounts Receivable from Clients and Other Receivables	-113,717	74,973	56,946
Inventories	-22,590	-31,852	-15,971
Biological Assets	4,772	7,284	-615
Taxes Recoverable	-21,648	-22,924	18,412
Accounts Receivable from Related Parties	0	-15,331	-28,688
Judicial Deposits	-525	-139	-900
Suppliers	16,618	-46,646	-19,439
Labor and Tax Obligations	17,381	-936	-6,022
Provision for losses from investments	0	0	0
Other Accounts Payable	-47,026	19,952	110,520
Net Cash Flow from Operating Activities	-93,257	-7,325	212,974
<b>Cash Flow from Investments</b>			
Acquisition of subsidiary minus cash equivalents as on the acquisition date			-8,166
Acquisition of Investments	0	0	0
Acquisition of Intangible Assets	-233	-846	-84,183
Acquisition of Fixed Assets	-36,453	-24,851	-48,534
Net Cash Flow from Investments	-36,686	-25,697	-140,883
<b>Cash Flow from Financing Activities</b>			
Loans and Financings	194,196	799,559	137,353
Loans and Financings Settled	-504,469	-622,700	-170,615
Convertible Debentures	3,672	-5,634	1,203
Receivable from Related Parties	-43,581	0	0
Variation in Minority Interest	-631	-1,100	-71,907
Cash Payment of Capital	2,892	5,634	412,500
Interest on Equity	0	-17,680	0
Dividends	0	-11,762	0
Treasury Stock	-37,030	-13,401	0
Cancellation of Treasury Stock	0	0	0
(-) Transaction Costs from Share Issue	0	0	-12,357
Related Parties - Net	0	0	0
Net Cash from Financing Activities	-384,951	132,916	296,177
Net Cash / Cash Equivalent Decrease	-514,894	99,894	368,268
<b>Cash and Cash Equivalents</b>			
Beginning of Period	1,288,754	746,382	920,486
End of Period	773,860	846,276	1,288,754
Reduction in Cash and Cash Equivalents	-514,894	99,894	368,268