2Q14 Earnings Release

Minerva Foods

Barretos, July 31, 2014 – Minerva S.A. (BM&FBOVESPA: BEEF3 | OTCQX: MRVSY), 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 second quarter of 2014 (2Q14). The financial and operating information herein is presented in BRGAAP and Brazilian real (R$), in accordance with International Financial Reporting Standards (IFRS).

2Q14 Highlights

Minerva (BEEF3)

Price on July 31, 2014:
R$11.54

Market Cap:
R$1,719 million

149,000,090 Shares

Free Float – 65.7%

Conference Calls
August 1st, 2014

Portuguese
2:30 p.m. (Brasília)
1:30 p.m. (US EST)
Phone: +55 (11) 2188-0155
Code: Minerva

English
4:00 p.m. (Brasília)
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- In 2Q14, Minerva posted net income of R$18.5 million, significantly greater than 2Q13's results. Net margin in 2Q14 was 1.1%. ROIC reached 21.0% in 2Q14, up 2.7 p.p. over the 18.3% ROIC in 2Q13, showing the Management's commitment to return from our operations. Operating cash flow in 2Q14 was positive R$101.3 million. If we adjust this for the non-recurring effect of the biological assets related to the purchase of cattle from BRF, operating cash flow would have been R$189.5 million (as described on page 15).
- In 2Q14, Net Revenue posted significant growth of 25.2% year-on-year to R$1.7 billion. Both sales from the Beef Division and the Others Division, which includes Live Cattle, Leathers, MFF and Resale, performed strongly with growth of 8.8% and 107.7% year-on-year, respectively. The highlight of the Beef Division was domestic revenue, up 20.0% over the same period of the previous year. Sales to the foreign market from the Others Division were up 167%, driven by Live Cattle and Leathers.
- 2Q14 EBITDA reached R$178.7 million, up 33% year-on-year, with a margin of 10.8%. Excluding the non-recurring item related to a reversal of a provision of fiscal contingency in the amount of R$15 million, Adjusted EBITDA totaled R$163.7 million, up 21.7% over 2Q13. Adjusted EBITDA margin stood at 9.9%, stable in comparison to the margin reported in the 2Q13.
- Financial leverage at the close of 2Q14, reported as Net Debt/EBITDA was 3.43x. Considering that the perpetual bonds issue in March may never be redeemed, the index Net Debt excluding the perpetual bonds/LTM EBITDA would be 2.42x at the close of 2Q14. The cash position at June 30, 2014 was R$1.9 billion, more than two times the short-term liabilities. At the close of 1Q14, the Company announced a perpetual note issue of US$300 million, yielding 8.75% p.a. The funds from this operation were settled at the beginning of April and, therefore, impacted the 2Q14 results.
- In 2Q14, Minerva advanced on important fronts in the current growth plan, which are in line with the geographic diversification of its operations in South America. In June, a Distribution Center was inaugurated in Asunción, Paraguay to capture growing demand in that region. The Carrasco plant in Uruguay began to be consolidated as of May, which positively impacted this quarter's numbers. It is worth mentioning that the acquisition of Janaúba, pre operational, and BRF's assets (under analysis by CADE), are not consolidated in Minerva's results.
- At the end of June, a slaughter contract was signed with BRF under which Minerva will provide cattle to BRF, which will slaughter and de-bone the animals, package them and provide beef in its plants for later distribution by Minerva. We believe that this contract is in line with our plan for geographic diversification in Brazil while CADE is reviewing the acquisition process.

Key Indicators

R$ Million	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Slaughtering ('000 heads)	512.6	531.3	-3.5%	444.1	15.4%	1,946.3	1,891.8	2.9%
Sales Volume ('000 tonnes)	121.4	123.0	-1.3%	104.7	16.0%	463.0	447.5	3.5%
Gross Revenues	1,759.9	1,400.6	25.7%	1,482.4	18.7%	6,364.7	5,180.6	22.9%
Domestic Market	568.2	470.6	20.8%	469.7	21.0%	2,037.8	1,713.6	18.9%
Export Market	1,191.7	930.1	28.1%	1,012.7	17.7%	4,326.9	3,467.0	24.8%
Net Revenues	1,656.2	1,322.7	25.2%	1,397.9	18.5%	5,993.0	4,876.4	22.9%
EBITDA(1)	178.7	134.4	32.9%	136.3	31.1%	655.5	522.4	25.5%
EBITDA Margin(1)	10.8%	10.2%	0.6 p.p.	9.7%	1.0 p.p.	10.9%	10.7%	0.2 p.p.
Net Debt/EBITDA(2)	3.43	3.31	0.12	3.58	-0.1	3.43	3.31	0.1
Adjusted EBITDA(3)	163.7	134.4	21.7%	136.3	20.1%	640.5	498.8	28.4%
Adjusted EBITDA margin(3)	9.9%	10.2%	-0.3 p.p.	9.7%	0.1 p.p.	10.7%	10.2%	0.5 p.p.
Net Debt/Adjusted EBITDA(2)	3.51	3.47	0.04	3.58	-0.07	3.51	3.47	0.04
Net (Loss) Income	18.5	-196.3	-	69.1	-73,2%	-35.5	-192.3	-
Net Margin	1.1%	-14.8%	-	4.9%	-	-0.6%	-3.9%	-

(1) LTM2Q14 includes proforma numbers for Carrasco (R$24 million) and LTM2Q13 includes proforma numbers of Frigomerc (R$8 million)
(2) 2Q14 and 1Q14 net debt, excluding the amount paid in the Janaúba acquisition (R$42 million)
(3) 2Q14 and LTM2Q14 EBITDA adjusted for reversal of provision for fiscal contingencies (R$15.0 million) and LTM2Q13 adjusted for non-recurring items (R$23.5 million)

Message from the Management

The second quarter was marked by very positive results for Minerva, both on the operating and financial fronts, as well as in the consolidation of the Company's expansion cycle. Net revenue increased more than 25% year-on-year with adjusted EBITDA margin stable at approximately 10%. Return on invested capital reached 21.0% (1Q14: 19.8%). In addition, we advanced in our goal of reducing leverage with the more than 20% growth in EBITDA. In May, we took over Frigorífico Carrasco's operations (acquired in March), benefiting from a very positive moment for the industry in Uruguay. It should be noted that the perpetual bond issue, a financial instrument used to help optimize the Company's capital structure and to reduce the cost of debt.

In our view, the strong results reported in 2Q14 are a combination of (i) consistent long term strategic planning, focused on the expansion of our operations in South America with an efficient distribution network both in the domestic and export markets, (ii) the continuous pursuit of higher operational efficiency and (iii) financial risk management.

The 2Q14 performance was also driven by more normal rains in Brazil beginning at the end of March, especially in the North and Mid-West regions. Thus, the second quarter was characterized by the gradual increase of cattle availability and thereby reducing the pressures seen at the end of the previous quarter due to the unseasonal drought. As a result, in addition to animals previously schedules for slaughter in 2Q14, part of the cattle that was not available to the industry in February and March due to the drought was also slaughtered. The greater availability of cattle reduced the arroba price, helped the working capital cycle and benefitted the slaughtering industry as well as feedlots. For the second half of 2014, especially in the first round of confinement this year, from July to September, strong growth is expected, which should reduce cattle price volatility in the small harvest period from July to November.

Currently, 25% of the Company's operations are originated in Paraguay and Uruguay. In these countries, as opposed to what has been seen in Brazil, the climate favored the growth of cattle for slaughter which, combined with the positive production cycle, especially in Uruguay, has also benefitted profitability for the slaughter industry in these countries.

From a commercial standpoint, is worth noting the strong performance of Brazilian exports, which grew 13% in terms of revenue in 2Q14 as compared to the same period of 2013. For Uruguay and Paraguay, this growth was even greater at 18% and 23%, respectively. These strong results of the key exporters of South America is explained by the slow weakening of the United States, Australia and Europe, which have consistently lost ground in the global market. Based on this new scenario, the USDA estimates that in 2014, the United States, Australia and Europe will reduce their exports by 2.6%, 2.1% and 1.6%, respectively, while Paraguay, Brazil and Uruguay will increase their volumes by 7.4%, 9.8% and 13.9%, respectively. This estimate confirms the assertiveness and coherence of the Company's long-term growth strategy. In the beginning of July, China removed the embargo to Brazil's beef, which may raise even more exports in the second semester.

The demand for beef was strong on the domestic market in the quarter, supported not only by seasonal effects, but also one-off events like the World Cup in Brazil, which positively impacted consumer choices toward beef in June, especially barbecue cuts.

In 2Q14, we also advanced in our investment plan. In May, we began operations at Frigorífico Carrasco, in Montevideo. These operations have already positively impacted numbers in the quarter. In addition, in July we inaugurated a Distribution Center (DC) in Asunción, Paraguay. This DC will help the Company capture beef demand in this country more efficiently and in a more coordinated manner. It should also be noted that, according to our investment plan announced approximately two years ago, in the second half of this year we plan to open an additional two new DCs in Brazil.

Finally, despite the fact that the acquisition of the BRF plants is still under CADE analysis, at the close of the quarter, Minerva executed a service contract with BRF under which Minerva will provide cattle to BRF, which in turn will slaughter and de-bone the animals, as well as package, ship and provide the beef in its factories. Then, Minerva will distribute these products on the internal and external markets, depending on commercial strategy. We believe that this contract is in line with our Brazilian growth plan, even more so as CADE reviews the acquisition, and is based on the Company's key focus: to generate value for our shareholders.

Fernando Galletti de Queiroz, Chief Executive Officer

Industry Overview

Brazil

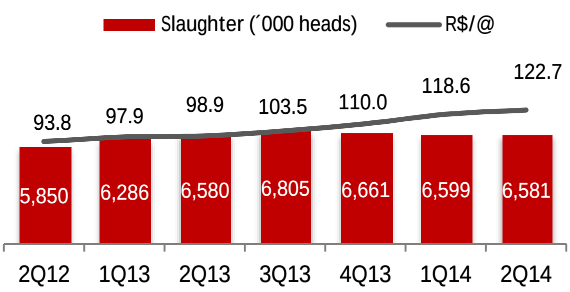
Cattle Supply

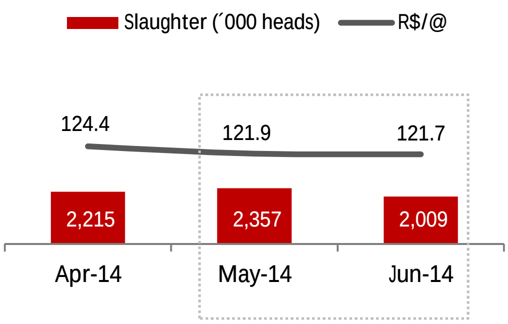
After an atypical drought in February and March, significantly reducing the availability of pasture and delaying cattle shipments, the second quarter saw increased rains, especially in the Brazilian North and Mid-West, allowing the recovery of pasture lands. With this, cattle retained due to the drought was also made available for slaughter. The first round of feedlot, which normally begins to arrive to market in July, was anticipated to June, in addition to semi-feedlot animals, as supplementation was cheaper this year with falling grain prices.

As expected, the average price of the arroba of cattle fell and, after reaching R$127.00 at the close of March, closed the quarter at R$121.70 in a falling trend that began in April, as shown in the graph below.

Throughout the second quarter, after record slaughter volumes, the industry showed more rational behavior, reducing demand for cattle, which also positively contributed to the reduction in the price of cattle. In 2QT14, 6,581 thousand head were slaughtered, stable over 2Q13.

Figures 1 and 2 – Cattle Slaughter in Brazil (in 1,000 head) and average arroba price (R$)





Source: Ministry of Agriculture and Ranching, CEPEA/ESALQ | 2Q14 preliminary slaughter data

External Market

2Q14 once again saw strong fresh beef exports, with revenue of US$1.4 billion, up 13% over 2Q13. In the first half of the year, export revenue totaled US$2.7 billion, up 15% over the same period of 2013. As shown in Figure 5, CAGR of Brazilian exports has delivered strong growth since 2009, of approximately 12%. The main drivers of this performance were: (i) reduced beef supply in key exporting countries like the United States, Australia and Europe; (ii) the depreciation of the real against the dollar that, even slowing in comparison with the previous quarter, is still favorable and benefits export industries and (iii) the growing demand from developing countries, especially in regions like Asia, North Africa and the Middle East. It should be noted that the average price of Brazilian beef in dollars increased from US$4.4 thousand/ton in 1Q14 to US$4.7 thousand/ton in 2Q14, mainly due to the greater sales volume to Europe, which has a product mix with higher-added value.

Figure 3 - Fresh beef exports

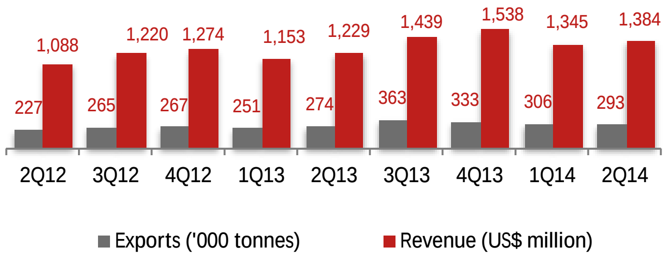
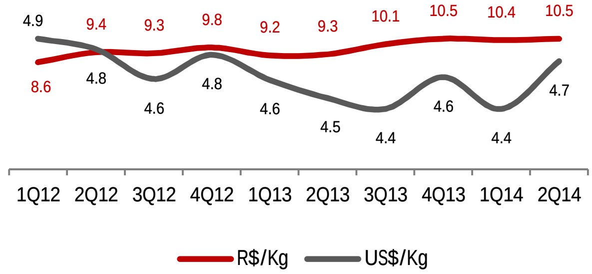
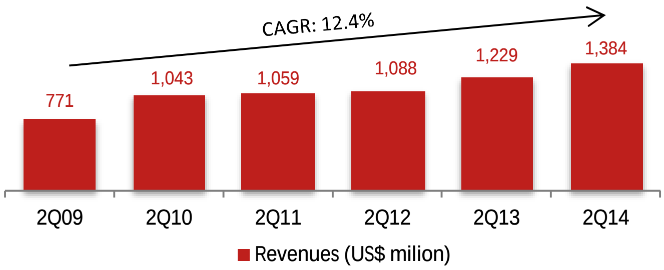


Figure 4 - Average fresh beef prices



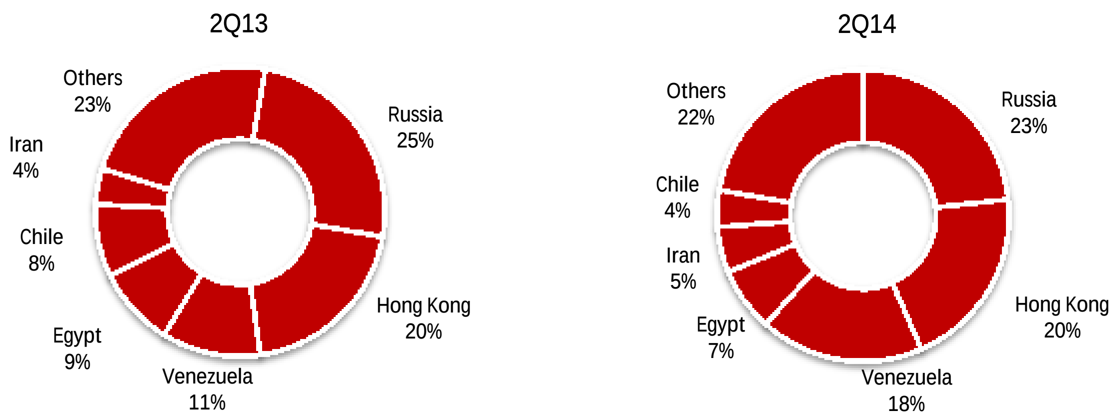
Source: Ministry of Development Industry and Commerce and Ministry of Agriculture and Ranching

Figure 5 - Brazilian Exports of fresh beef



According to the graphs below, we can see that in 2Q14, Russia remained the top imported of Brazilian fresh beef at 23% of total revenue, followed by Hong Kong at 20%. Venezuela stood out with an increase of 18% in total revenue in 2Q14, compared to 11% in the second quarter of the year.

Figures 6 and 7 – Brazilian export destinations (% of Revenue)



Source: Ministry of Development Industry and Commerce

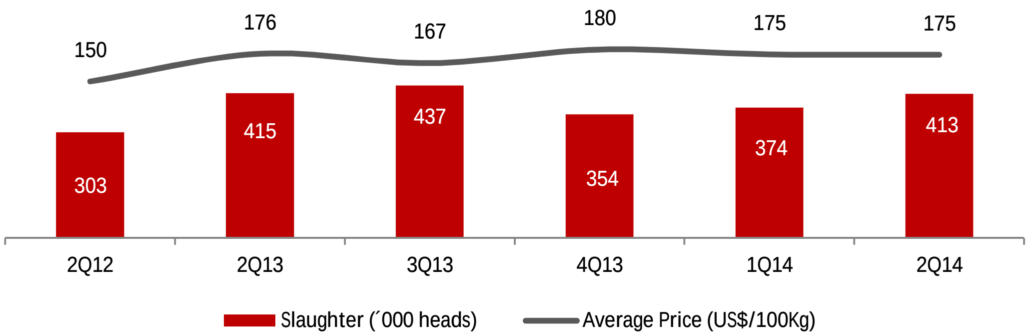
Domestic Market

Sales to the domestic market remained strong in 2Q14. In addition to Mother's Day, which is normally a period of high demand for beef, the World Cup in Brazil also positively impacted sales in June, especially in World Cup host cities. In addition, the rise in the weight equivalent (an indicator that shows the revenues from beef on the bone – small meat packers oriented market) was below the increase in the arroba price, which also helped reduce demand for cattle by small meat packers, driving cattle prices down over the quarter, extending into July.

Paraguay

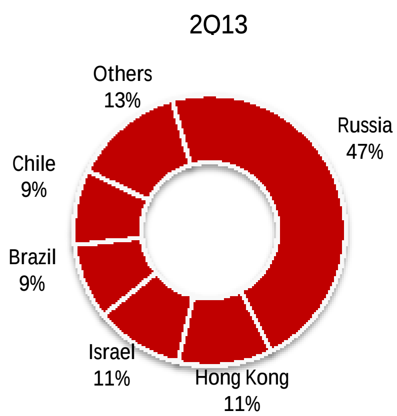
The performance of the Paraguayan operation was positive in 2Q14. After a period of adjustments, the number of cattle slaughtered in the quarter resumed growth, reaching a level similar to 2Q13 (413 thousand head). Even with the gradual increase in slaughter, greater market rationality helped stabilize the average cattle price. In addition, Paraguay has benefitted from a favorable moment of strong international demand for beef and achieved good pricing in countries to where it exports. In the quarter, the highlight was the Chilean market, which significantly increased the pace of imports of Paraguayan beef as compared to 2Q13.

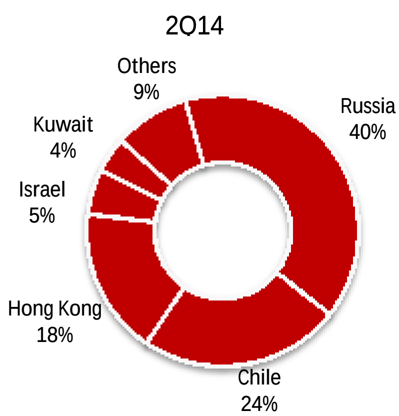
Figure 8 – Cattle Slaughter Trends and Average Cattle Prices in Paraguay



Source: SENACSA

Figures 9 and 10 – Destination of Paraguayan Exports (% of Revenue)



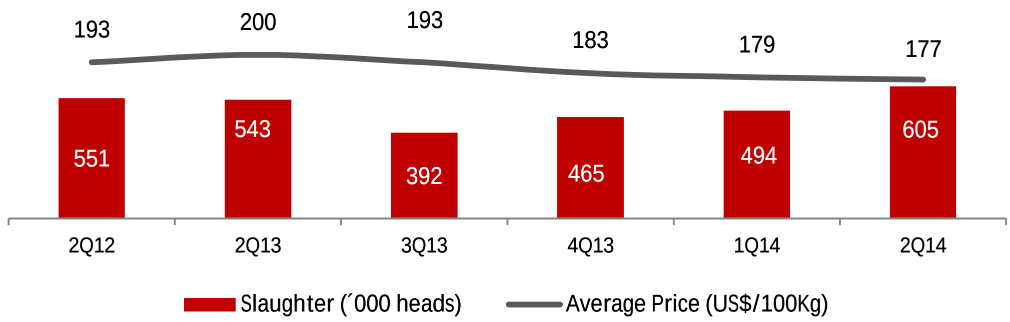


Source: SENACSA

<u>Uruguay</u>

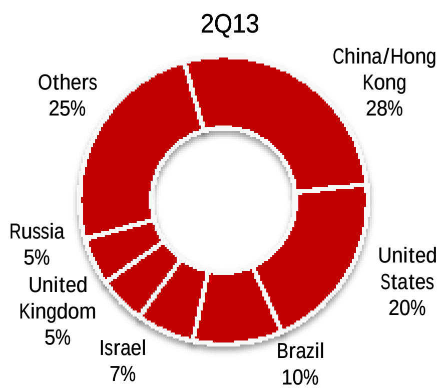
In 2Q14, the Uruguayan industry consolidated its process of recomposing margins that began at the end of 2013. The average cattle price was slightly lower quarter-on-quarter, following a falling trend seen in previous quarters as a result of the positive cycle that is beginning in the country, driving high cattle availability. On the other hand, reduced supply of beef on the international market, combined with the exceptional access of Uruguayan beef to niche markets has allowed for good pricing of Uruguayan beef internationally.

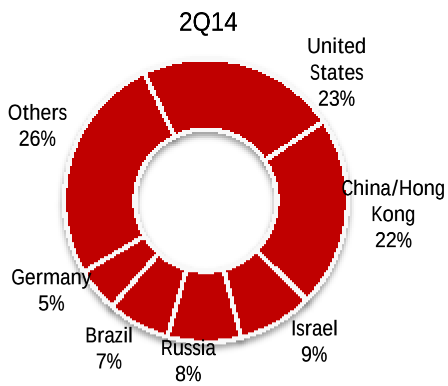
Figure 11 – Cattle Slaughter Trends and Average Cattle Prices in Uruguay



Source: INAC

Figures 12 and 13 – Destination of Uruguayan Exports (% of Revenue)





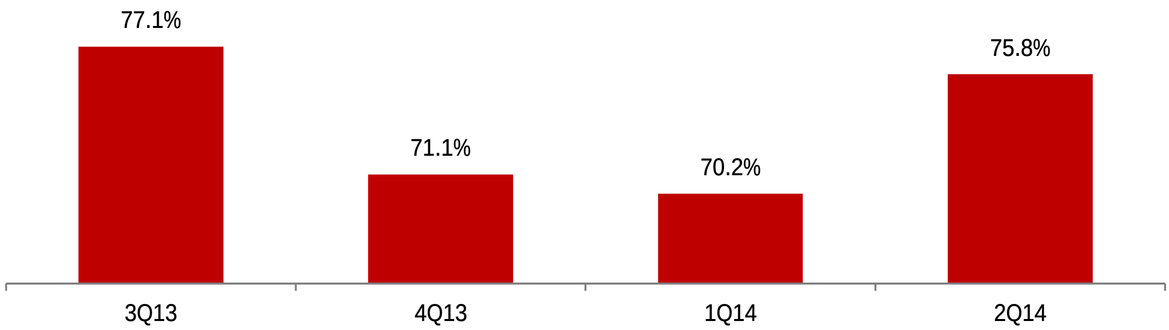
Source: INAC

Minerva – Results Analysis

Slaughter

Beginning in May, we increased our installed capacity by 900 head/day, from 11,480 head/day to 12,380 head/day with the start of operations at the Carrasco plant in Uruguay. Slaughtering totaled 512 thousand head in 2Q14, up 15% over the 1Q14 volume with a utilization rate of 75.8%. Driving 2Q14 results were the greater availability of cattle in Brazil, which positively impacted the utilization rate and the additional slaughter volume at the Uruguayan plant in May and June.

Figure 14 - Slaughter Capacity Utilization



Source: Minerva

Consolidated Gross Revenue

R$ Million	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Gross Revenues	1,759.9	1,400.6	25.7%	1,482.4	18.7%	6,364.7	5,180.6	22.9%
Beef Division	1,263.0	1,161.3	8.8%	1,172.9	7.7%	4,814.5	4,131.8	16.5%
Others	497.0	239.3	107.7%	309.5	60.6%	1,550.2	1,048.8	47.8%

R$ Million	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Domestic Market	568.2	470.6	20.8%	469.7	21.0%	2,037.8	1,713.6	18.9%
% Gross Revenues	32.3%	33.6%	-1.3 p.p.	31.7%	0.6 p.p.	32.0%	33.1%	-1.1 p.p.
Beef Division	445.7	371.4	20.0%	350.8	27.0%	1,550.4	1,372.7	12.9%
Others	122.6	99.2	23.5%	118.9	3.1%	487.4	340.9	43.0%

R$ Million	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Export Market	1,191.7	930.1	28.1%	1,012.7	17.7%	4,326.9	3,467.0	24.8%
% Gross Revenues	67.7%	66.4%	1.3 p.p.	6,3%	-0.6 p.p.	68.0%	66.9%	1.1 p.p.
Beef Division	817.3	790.0	3.5%	822.0	-0.6%	3,264.1	2,759.2	18.3%
Others	374.4	140.1	167.3%	190.6	96.4%	1.062.8	707.9	50.1%

In 2Q14, gross revenue totaled R$1,759.9 million for significant growth of 25.7% year-on-year. This result is explained by the combination of (i) the 8.8% increase in revenue from the Beef Division (72% of gross revenue) and (ii) 107.7% rise in revenue from the Others Division (28% of gross revenue), driven by the Live Cattle, Resale and Leathers operations.

Figure 15 - Breakdown of Consolidated Gross Revenue 2Q13

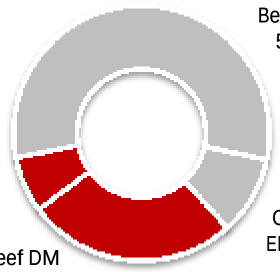
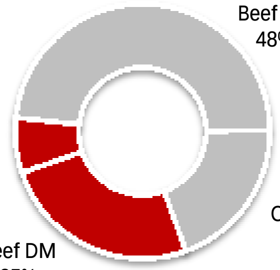


Figure 16 - Breakdown of Consolidated Gross Revenue 2Q14



Source: Minerva

In the last 12 months ended in June of 2014 (LTM2Q14), the Company remained on of the top beef exporters in the countries in which it operates. In Paraguay, we achieved a 16% market share. In Uruguay our market share increased to 14% in the 2Q14, resulting in the consolidation of the Frigorífico Carrasco operations. If we consider the pro-forma 12 month results of the new Uruguayan plant, the market share raises to 16%. In Brazil, we remain the second largest exporter with a market share of 16% of Brazilian beef exports.

Figure 17 - Market Share of Exports - Brazil (% of Revenues)

#2 Exporter

Figure 18 - Market Share of Exports - Uruguay (% of Revenues)

#2 Exporter

Figure 19 - Market Share of Exports - Paraguay (% of Revenues)

#1 Exporter

Source: Minerva, Secex, INAC and SENACSA

The graphs below show the evolution of the Company's exports by region. We highlight the more balanced distribution of our sales in the exports markets when compared to the same period last year. Due to the quarterly seasonality, we show the last 12 months ended in June of 2014 (LTM2Q14) and 2013 (LTM2Q13), as below:

Americas: the participation of this region in the mix of the Company's exports increased slightly to 17% in LTM2Q14 (LTM2Q13: 16%). This increase is partially explained by the increased sales to Venezuela in recent months, where we supply government and private companies. Again, we stress that all sales are made through letters of credit confirmed by ALADI, which is backed by the Brazilian Central Bank.

Asia: we again registered an increase in exports to this region, which represented 10% of the total in LTM2Q13 and rose to 13% in LTM2Q14. Hong Kong has been the main destination for Brazil's exports while China is supplied by our Uruguayan operations. It should be noted that at the beginning of July, the Chinese market was re-opened to Brazilian meat after being embargoed in December of 2012. Minerva will open in China in the short term in order to benefit from the strong performance of the Chinese market.

CIE (Commonwealth of Independent States): Russia is the largest market in this region and represents one of the main destinations of Brazilian and also Minerva's exports. The participation of the CIE in the

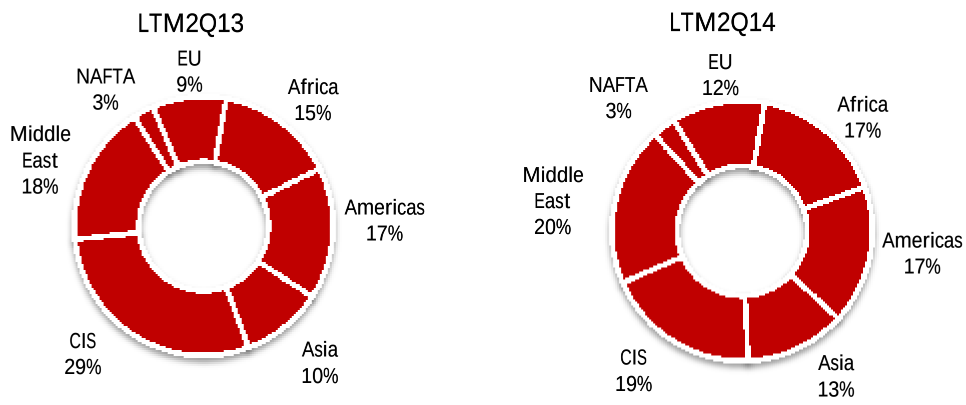
Company's exports was 19% in LTM2Q14. The 10 p.p. difference in its share in the mix as compared to LTM2Q13 can be partially explained by Russia's embargo of some Brazilian plants in 4Q13, which has been already suspended. Considering only 2Q14 exports, shipments to Russia are up and have reached 22% of the total.

Europe: the reduced supply of beef in Europe and demand for noble cuts (rumps and loins) has allowed for good pricing of South American beef in Europe. To capitalize on this trend, the Company has worked to increase exports to this region and as a result, the Europe's share in Minerva's exports mix increased from 9% in LTM2Q13 to 12% in LTM2Q14.

North Africa: the participation of this region in the Company's exports increased from 15% in LTM2Q13 to 17% in LTM2Q14. This increase is explained by the increased exports to markets like Egypt, Libya and Algeria, which have higher profitability and where demand for beef continues to grow.

Middle East: this region concentrates sales to niche markets, focusing on ethnic markets (Kosher and Halal) which have higher profitability. In the last twelve months, we have continued to show an increase in this region's participation in the mix increased from 18% in LTM2Q13 to 20% in LTM2Q14. The main destinations have been Iran, Israel, Lebanon and the United Arab Emirates.

Figure 20 and 21 – Consolidated Sales Breakdown by Region



Source: Minerva

<u>Beef Division</u>

Gross revenue for this division was up 8.8% year-on-year in 2Q14 with 20.0% growth in the domestic market and 3.5% in the foreign market, driven by higher average prices in real of fresh beef. On the foreign market, the price in dollars remained table as compared to 2Q13 even as it grew 7.4% in reais with the currency's depreciation against the dollar. On the domestic market, the price of fresh beef increased 25.7% as a result of strong demand and the higher price of cattle, strongly correlated to the price of beef. There was also the positive impact of Minerva's consolidation of the Frigorífico Carrasco operations, supporting the Company's results.

Below are full details of the beef division:

Gross Revenue (R$ Million)	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Fresh Beef – EM	783.2	738.1	6.1%	753.7	3.9%	3,069.5	2,588.3	18.6%
Processed Beef – EM	0.0	6.9	-99.8%	0.0	141.4%	3.4	23.6	-85.8%
Others – EM	34.0	45.0	-24.4%	68.3	-50.2%	191.2	147.2	29.9%
Subtotal – EM	817.3	790.0	3.5%	822.0	-0.6%	3,264.1	2,759.2	18.3%
Fresh Beef – DM	363.3	293.8	23.7%	295.0	23.1%	1,286.3	1.112.6	15.6%
Processed Beef – DM	3.4	6.7	-49.6%	2.2	56.0%	18.8	12.4	51.3%
Others – DM	79.0	70.9	11.4%	53.6	47.3%	245.3	247.6	-0.9%
Subtotal – DM	445.7	371.4	20.0%	350.8	27.0%	1,550.4	1,372.7	12.9%
Total	1,263.0	1,161.3	8.8%	1,172.9	7.7%	4,814.5	4,131.8	16.5%

Volume (‘000 tonnes)	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Fresh Beef – EM	68.3	69.1	-1.2%	62.5	9.4%	266.8	252.7	5.6%
Processed Beef – EM	0.0	0.5	-99.7%	0.0	131.4%	0.2	1.6	-86.8%
Others – EM	6.6	6.0	10.2%	5.1	30.1%	23.2	21.2	9.6%
Subtotal – EM	74.9	75.6	-0.9%	67.5	11.0%	290.2	275.5	5.4%
Fresh Beef – DM	37.6	38.2	-1.6%	30.9	21.6%	140.6	136.8	2.7%
Processed Beef – DM	0.3	0.7	-58.7%	0.2	33.6%	1.9	1.4	34.8%
Others – DM	8.6	8.5	1.5%	6.0	44.0%	30.3	33.8	-10.4%
Subtotal – DM	46.5	47.5	-1.9%	37.1	25.3%	172.7	172.0	0.4%
Total	121.4	123.0	-1.3%	104.7	16.0%	463.0	447.5	3.5%

Average Price – EM (US$/kg)	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Fresh Beef – EM	5.1	5.2	-0.3%	5.1	0.5%	5.0	5.0	0.1%
Processed Beef – EM	4.6	7.1	-36.1%	4.1	10.4%	6.8	7.1	-4.4%
Others – EM	2.3	3.6	-36.4%	5.7	-59.5%	3.6	3.4	5.5%
Total	4.9	5.1	-3.1%	5.2	-5.2%	4.9	4.9	0.0%
Average Dollar price (source: BACEN)	2.23	2.07	7.7%	2.36	-5.5%	2.29	2.04	12.3%

Average Price – EM (R$/kg)	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Fresh Beef – EM	11.5	10.7	7.4%	12.1	-5.0%	11.5	10.2	12.3%
Processed Beef – EM	10.2	14.8	-31.1%	9.8	4.3%	15.5	14.4	7.3%
Others – EM	5.2	7.5	-31.4%	13.5	-61.7%	8.2	7.0	18.5%
Total	10.9	10.5	4.4%	12.2	-10.4%	11.2	10.0	12.3%

Average Price – DM (R$/kg)	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Fresh Beef – DM	9.7	7.7	25.7%	9.5	1.3%	9.1	8.1	12.5%
Processed Beef – DM	11.2	9.1	21.9%	9.6	16.7%	9.9	8.8	12.3%
Others – DM	9.2	8.3	9.8%	9.0	2.2%	8.1	7.3	10.6%
Total	9.6	7.8	22.4%	9.4	1.4%	9.0	8.0	12.5%

EM – Export Market, DM – Domestic Market

Others Division

Gross revenue from this division grew 107.7% year-on-year in 2Q14, when compared to the 2Q13. This positive result was due to the strong performance of practically all of the Company's business units, especially the Live Cattle, Resale, and Leathers segments.

Gross revenue from live cattle exports in 2Q14 more than doubled year-on-year. This performance was due to the strong growth of the volume exported to Venezuela.

Resales to third parties continued to show significant growth in gross revenue in 2Q14, up more than 40% as compared to 2Q13. In this segment, Minerva has a "One Stop Shop" concept, allowing clients to access a broad line of perishables (other proteins like poultry, fish and frozen vegetables) from a single seller. In line with this strategy, in July the Company opened a new Distribution Center (DC) in Paraguay and plans to open an additional two new DCs in Brazil in 2014.

The performance of the Leathers segment remained strong in 2Q14, up 17% over 2Q13 with focus on processed leathers for niche markets both domestic and export.

Gross revenue from MFF was up 13% as compared to the same period of 2013, driven by the domestic market with a focus on the food service market.

Net Revenue

Consolidated net revenue totaled R$1,656.2 million in 2Q14, up 25.2% year-on-year. In the last twelve months, net revenue grew 22.9% over LTM2Q13.

R$ Million	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Gross Revenues	1,759.9	1,400.6	25.7%	1,482.4	18.7%	6,364.7	5,180.6	22.9%
Sales Taxes and Deductions	-103.7	-77.9	33.1%	-84.5	22.7%	-371.7	-304.2	22.2%
Net Revenues	1,656.2	1,322.7	25.2%	1,397.9	18.5%	5,993.0	4,876.4	22.9%
% Gross Revenues	94.1%	94.4%	-0.3 p.p.	94.3%	-0.2 p.p.	94.2%	94.1%	0.1 p.p.

Cost of Goods Sold (COGS) and Gross Margin

COGS in 2Q14 was R$1,325.1 million, equal to 80.0% of net revenue in the period, stable year-on-year. Gross margin remained at 20.0%, in line with 2Q13.

R$ Million	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Net Revenues	1,656.2	1,322.7	25.2%	1,397.9	18.5%	5,993.0	4,876.4	22.9%
COGS	-1,325.1	-1,056.0	25.5%	-1,115.1	18.8%	-4,747.6	-3,864.7	22.8%
% Net Revenues	80.0%	79.8%	0.2 p.p.	79.8%	0.2 p.p.	79.2%	79.3%	-0.1 p.p.
Gross Profit	331.2	266.7	24.2%	282.8	17.1%	1,245.3	1,011.7	23.1%
Gross Margin	20.0%	20.2%	-0.2 p.p.	20.2%	-0.2 p.p.	20.8%	20.7%	0.1 p.p.

Selling, General and Administrative Expenses

Selling expenses represented 7.8% of net revenue in 2Q14, down 0.9 p.p. over 2Q13. Administrative expenses remained stable in the period.

R$ Million	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Sales Expenses	-128.6	-114.8	12.0%	-115.0	11.8%	-505.3	-436.4	15.8%
% Net Revenues	7.8%	8.7%	-0.9 p.p.	8.2%	-0.5 p.p.	8.4%	8.9%	-0.5 p.p.
G&A Expenses	-54.7	-39.9	37.1%	-45.7	19.9%	-188.9	-154.0	22.7%
% Net Revenues	3.3%	3.0%	0.3 p.p.	3.3%	0.0 p.p.	3.2%	3.2%	0.0 p.p.

EBITDA

2Q14 EBITDA totaled R$178.7 million, up 32.9% over the same period of 2013, with margin at 10.8%. Excluding the non-recurring item related to reversal of provision for fiscal contingencies of R$15.0 million, adjusted EBITDA totaled R$163.7 million, up 21.7% over 2Q13. Adjusted EBITDA margin was 9.9%, practically stable over the 2Q13 margin. LTM EBITDA was R$655.5 million (including 10 months of pro-forma EBITDA from Frigorífico Carrasco, the operations of which began to be consolidated into Minerva's balance sheet in May of 2014), with margin at 10.9%. LTM EBITDA, adjusted for the effect of the reversal of provision, reached R$640.5 million with a margin of 10.7%.

R$ Million	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Net Income/Loss	18.5	-196.3	-109.4%	69.1	-73.2%	-35.5	-192.3	-81.5%
(+/-) Deferred Income and Social Contribution Taxes	-0.6	-6.8	-91.6%	10.6	-105.4%	6.1	49.4	-87.7%
(+/-) Reduction to recoverable asset value	-	-	-	-	-	34.2	-	-
(+/-) Financial Result	146.8	323.3	-54.6%	42.7	244.0%	569.7	602.5	-5.4%
(+/-) Depreciation and Amortization	13.9	14.3	-2.8%	13.9	-0.3%	57.1	54.8	4.2%
(+/-)Pro-forma Frigomerc EBITDA	-	-	-	-	-	-	8.0	-
(+/-)Pro-forma Carrasco EBITDA	-	-	-	-	-	24.0	-	-
EBITDA	178.7	134.4	32.9%	136.3	31.1%	655.5	522.4	25.5%
EBITDA Margin	10.8%	10.2%	0.6 p.p.	9.7%	1.0 p.p.	10.9%	10.7%	0.2 p.p.
(+/-) Nonrecurring Items	-15.0	-	-	-	-	-15.0	-23.5	-
Adjusted EBITDA	163.7	134.4	21.7%	136.3	20.1%	640.5	498.8	28.4%
Adjusted EBITDA Margin	9.9%	10.2%	-0.3 p.p.	9.7%	0.1 p.p.	10.7%	10.2%	0.5 p.p.

Financial Result

The financial result in 2Q14 was negative R$146.8 million, compared to the negative R$323.3 million in 2Q13 and R$42.7 million in 1Q14. Financial expenses totaled R$110.0 million in the quarter, up 25.8% over 2Q13, primarily due to the average dollar's 7.7% appreciation (2Q14: R$2.23 and 2Q13: R$2.07) over debt in foreign currency and the 300 bps increase in the CDI rate in the period.

The foreign exchange variation on dollar-denominated debt generated a non-cash revenue of R$13.9 million in 2Q14, compared to an expense of R$214.9 million in 2Q13. This reversal is due to the impact of the dollar's 2.7% depreciation on dollar-denominated debt (73% of the total) in the quarter, compared to 10% appreciation of the dollar against the real in 2Q13.

The main impact on the financial result of this quarter was the “other financial revenue/expense” line, which totaled an expense of R$69.2 million (compared to an expense of R$29.9 million in 2Q13). This result is explained by the mark-to-market of financial instruments used by the Company, totaling an expense of R$52.8 million in the quarter, with R$43.4 million relative to expenses with the foreign exchange hedge in 2Q14. Over recent years, the Company increased the notional value of NDF (non-deliverable forward) operations as part of its strategy to hedge its long-term debt, hedging approximately 1/3 of its long-term debt exposure.

It should be noted that financial instruments used for the hedge were contracted according to parameters established in the Company’s Risk Management Policy approved by the Company’s Board of Directors and are plain vanilla, conventional, unleveraged instruments.

R$ Million	2Q14	2Q13	Var.%	1Q14	Var.%
Financial Expenses	-110.0	-87.4	25.8%	-109.4	0.5%
Financial Income	18.5	8.9	107.6%	18.1	2.3%
FX Variation	13.9	-214.9	-106.5%	62.5	-77.7%
Other Expenses (*)	-69.2	-29.9	131.6%	-13.8	400.7%
Financial Result	-146.8	-323.3	-54.6%	-42.7	244.0%
Average Dollar (R$/US$) (Source: Bacen)	2.23	2.07	7.7%	2.36	-5.5%
Closing Dollar (R$/US$) (Source: Bacen)	2.20	2.22	-0.7%	2.26	-2.7%

(*) Other Expenses (R$ Million)	2Q14	2Q13	Var.%	1Q14	Var.%
Expenses with FX Hedge and Commodities	-52.8	-11.5	-557.3%	-3.6	1349.8%
Financial Discounts, Rates, Commissions, Commercial Discount and Other Financial Expenses	-16.4	-18.4	-189.4%	-10.2	61.0%
Total	-69.2	-29.9	-331.4%	-13.8	400.4%

Net Income

In 2Q14, the Company registered net income of R$18.5 million net of income tax and social contribution. Net margin reached 1.1%. Net income adjusted for foreign exchange variation and the payment of income tax and social contribution was R$4.0 million.

R$ Million	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Income (Loss) before taxes	18.0	-203.1	-108.8%	79.7	-77.5%	-29.5	-143.0	-79.4%
Income and Social Contribution Taxes	0.6	6.8	-91.6%	-10.6	-105.4%	-6.1	-49.4	-87.7%
Net (Loss) Income	18.5	-196.3	-109.4%	69.1	-73.2%	-35.5	-192.3	-81.5%
% Net Margin	1.1%	-14.8%	16.0 p.p.	4.9%	-3.8 p.p.	-0.6%	-3.9%	3.4 p.p.

R$ Million	2Q14	2Q13	Var.%	1Q14	Var.%	LTM2Q14	LTM2Q13	Var.%
Net (Loss) Income	18.5	-196.3	-109.4%	69.1	-73.2%	-35.5	-192.3	-81.5%
Reduction to recoverable asset value	-	-	-	-	-	-34.2	-	-
FX Variation	-13.9	214.9	-106.5%	-62.5	-77.7%	91.3	233.7	-60.9%
Income and Social Contribution Taxes	-0.6	-6.8	-91.6%	10.6	-105.4%	6.1	49.4	-87.7%
Adjusted (Loss) Income	4.0	18.6	-78.2%	6.6	-38.8%	21.6	41.4	-47.8%

Operating Cash Flow

In 2Q14, the operating cash flow was positive R$101.3 million and reached R$301.3 million in the last 12 months. In this quarter, working capital consumed R$4.1 million, directly impacted by the biological assets line (additional volume of 58 thousand heads of cattle), which negatively impacted this item by R$88.2 million. Adjusted for this non-recurring factor, operating cash flow would have been R$189.5 million. This result is explained by three factors:

i) the Company acquired most of the cattle owned by BRF, which will no longer have a beef operation in Brazil after the conclusion of the acquisition of two plants, under analysis by CADE. The cattle were acquired in 2Q14 but have not yet been slaughtered, impacting the working capital account;

ii) as part of the live cattle segment, the Company has focused on exporting dairy cattle to Asia. This operation has additional working capital needs but has good profitability as it serves niche markets, thereby differentiating itself from the traditional animal exports for ranching and beef;

iii) this quarter, the Company purchased cattle in partnerships to supply CAFO operations during the small harvest period in the second half.

On the other hand, the suppliers and receivables lines improved significantly in 2Q14, offsetting the abovementioned effects. The suppliers account was significantly impacted in 1Q14 by the increased purchases of cattle on the spot market to ensure supply of raw material to the plants. The reversal of this line positively impacted working capital needs by R$63 million in 2Q14.

R$ Million	2Q14	2Q13	1Q14	LTM2Q14
Adjusted (Loss) Income	18.5	-196.3	69.1	-35.5
Net income adjustments	86.8	321.7	50.5	542.0
(+/-) Variation in working capital needs	-4.1	63.5	-298.7	-205.1
Operating Cash Flow	101.3	188.9	-179.1	301.3

Free cash flow generation after capex, financial expenses and working capital was R$ 78.2 million negative and considers the negative impact of the biological assets as described above and also the payment of the first installment of the Carrasco acquisition. Excluding these two effects, the free cash flow would have been R$ 48.3 million in the quarter.

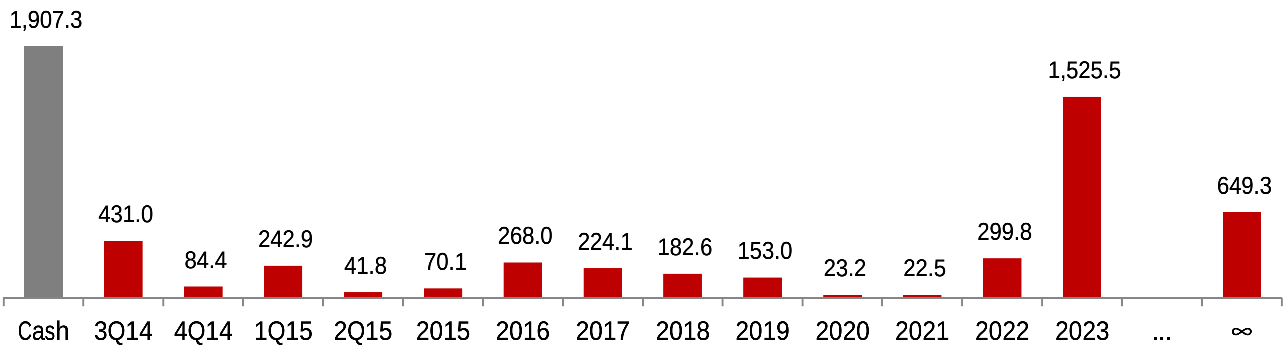
R$ Milhões	2Q14
Adjusted EBITDA	163.7
Capex (on a cash basis)	-77.9
Financial expenses (on a cash basis)	-116.0
(+/-) Working capital variation[1]	-48.0
Free cash flow	-78.2
(+) Biological assets	88.2
(+) Carrasco Payment (1st installment)	38.3
Adjusted free cash flow	48.3

(1) Adjusted by “Other accounts payable” related to Carrasco (just the first installment was paid in 2Q14)

Capital Structure

The Company closed 2Q14 with a cash and cash equivalents position of R$1.9 billion, enough to amortize debt through 2022. The cash position excluding the bonds repurchased in the second half of 2013 (as detailed in the following page) was R$ 1.6 billion. Short-term debt corresponded to 19.0% of the total. At the end of 2Q14, approximately 73% of total debt was exposed to foreign exchange variation, as per the financial policy. Net debt/EBITDA was at 3.43x at the close of 2Q14, down 0.15x than reported at the close of 1Q14.

Figure 23 – Debt amortization schedule 06/30/14
(R$ million)



R$ Million	2Q14	2Q13	Var.%	1Q14	Var.%
Short Term Debt	800.2	511.2	56.5%	659.9	21.3%
% Short Term Debt	19.0%	16.6%	2.4 p.p.	19.0%	0.0 p.p.
Local Currency	74.8	131.9	-43.3%	100.3	-25.4%
Foreign Currency	725.4	379.2	91.3%	559.5	29.6%
Long Term Debt	3,418.2	2,565.3	33.2%	2,814.3	21.5%
% Long Term Debt	81.0%	83.4%	-2.4 p.p.	81.0%	0.0 p.p.
Local Currency	818.9	639.6	28.0%	818.2	0.1%
Foreign Currency	2,599.2	1,925.7	35.0%	1,996.1	30.2%
Total Debt (1)	4,218.3	3,076.4	37.1%	3,474.2	21.4%
Local Currency	893.7	771.5	15.8%	918.6	-2.7%
Foreign Currency	3,324.6	2,304.9	44.2%	2,555.7	30.1%
(Cash and Cash Equivalents)	-1,907.3	-1,226.8	55.5%	-1,310.1	45.6%
Net Debt (2)	2,248.8	1,729.6	30.0%	2,102.2	7.0%
Net Debt/ EBITDA(x)	3.43	3.31	0.12	3.58	-0.15
Net Debt/ Adjusted EBITDA(x)	3.51	3.47	0.04	3.58	-0.07

(1) Total debt excluding convertible debentures
(2) Includes subordinate FDIC quotas in the amount of R$20.2 million in 2Q14 and excludes payment for the Janaúba plant (R$42 million)

The Company repurchased some of its international bonds. In the table below, we show the balance of gross debt and the cash position, excluding these repurchases, considering that we do not plan to re-sell the bonds acquired.

R$ Million	06/30/2014
Gross Debt	4,218.3
Bond buyback	318.9
2019	1.0
2022	31.7
2023	286.2
Gross Debt ex Bond Buyback	3,899.4
Cash ex Bond Buyback	1,588.4

At the close of 1Q14, the Company announced the issue of $300 in perpetual bonds at a cost of 8.75% p.a. The proceeds from this operation were received on April 3 and therefore, impacted the 2Q14 results. Below, we show the calculation of the Company's leverage considering that the perpetual bonds never need to be redeemed. In this scenario, Net Debt/LTM EBITDA would be 2.48x at the close of 2Q14.

R$ Million	2Q14
Net Debt (1)	2,248.8
EBITDA LTM 2Q14	655.5
Net Debt/EBITDA LTM (x)	3.43
Adjusted EBITDA	640.5
Net Debt/Adjusted EBITDA LTM (x)	3.51
Net Debt excluding Perpetual Bond	1,585.4
EBITDA LTM 2Q14	655.5
Net Debt excluding Perpetual Bond/EBITDA LTM (x)	2.42
Adjusted EBITDA	640.5
Net Debt excluding Perpetual Bond/ Adjusted EBITDA LTM (x)	2.48

(1) Includes subordinate FDIC quotas and excludes the payment of the Janaúba plant

Domestic currency (R$ ´000)	Jun/14	Mar/14
2Q14	0	55,044
3Q14	45,055	26,098
4Q14	10,037	9,819
1Q15	9,853	9,386
2Q15	9,865	11,837
2015	66,099	65,108
2016	264,583	262,514
2017	193,769	191,817
2018	182,636	180,436
2019	30,582	28,663
2020	23,198	23,038
2021	22,528	22,528
2022	26,926	23,662
2023	8,607	8,607
∞	0	0
TOTAL	893,738	918,558

Foreign currency (R$ ´000)	Jun/14	Mar/14
2Q14		112,621
3Q14	385,943	206,274
4Q14	74,389	2,251
1Q15	233,086	238,401
2Q15	31,946	7,965
2015	4,013	2,134
2016	3,375	679
2017	30,334	53,340
2018	0	0
2019	122,424	125,717
2020	0	0
2021	0	0
2022	272,834	279,951
2023	1,516,920	1,526,336
∞	649.325	0
TOTAL	3,324,589	2,555,669

Investments

Investments in property, plant and equipment in 2Q14 totaled R$77,6 million, with R$39.6 million allocated to operation maintenance and small investments in expansion of current operations (MFF, launch of a Distribution Center in Paraguay and acquisition of equipment to improve current operations). Approximately R$38 million was relative to the payment of the first payment for Frigorífico Carrasco (Uruguay). The Company began operating Carrasco on May 2nd.

Execution of the Contract with BRF S.A. (BRF)

On June 26, the Company announced the approval by the Administrative Economic Defense Council (CADE) of the Slaughter Contract executed between Minerva and BRF through which BRF will provide slaughter and de-boning services to Minerva at the Várzea Grande and Mirassol D'Oeste plants. Under this contract, Minerva will provide cattle to BRF, which will slaughter and debone them, as well as package, ship and provide at its meat packing plants. Then, Minerva will distribute these products. This contract is valid for 6 months.

It should be noted that this process is independent from the process regarding the Investment Agreement executed by Minerva, its controlling shareholder VDQ Holdings S.A. and BRF on November 1, 2013, which regulates the terms and conditions for Minerva's acquisition of the slaughter and de-boning operations currently held by BRF at the Várzea Grande and Mirassol D'Oeste plants. The process in question is still under analysis by CADE, which has not yet decided on the operation.

Based on 2Q14 results, we present below a sensitivity analysis of leverage based on four EBITDA margin scenarios after the recent consolidation of the Company's acquisitions (BRF beef plants and the Janaúba plant). It should be noted that EBITDA from Frigorífico Carrasco is already consolidated into the Company's LTM EBITDA.

Scenarios of EBITDA Margin	BRF EBITDA (1) (R$ mm)	Janaúba EBITDA (2) (R$ mm)	Consolidated EBITDA (3) (R$ mm)	Consolidated Net Debt(4)/ EBITDA
5.0%	59	25	740	3.1x
7.5%	89	38	782	2.9x
10.0%	118	50	824	2.8x
12.5%	148	63	866	2.6x

(1) Estimated based on BRF asset revenues in 2012
(2) Annual net revenue estimated at R$500 million for the Janaúba Plant
(3) Considers LTM2Q14 EBITDA for Minerva of R$655.5 million
(4) Minerva's net debt as at 06/30/2014 + R$35 million (estimated working capital for Janaúba)

Capital Markets

Below is a statement of the outstanding shares issued by the Company, as well as the current value of convertible debentures.

Outstanding shares	
Total of shares issued on 06/30/2014	149,000,090
Total of open convertible debentures	93,507
Approximate number of shares to be converted (maximum price R$ 7.6064)	12,293,265
Total Shares (fully diluted)	161,293,355

Opening of the Chinese Market

On July 18th, 2014 China removed the embargo to Brazil's beef. Brazil currently has eight plants in operation and qualified to export to China, among which Minerva's plant in Barretos. According to USDA data, China tripled its beef imports between 2012 and 2013 and is one of the markets with the highest potential to increase beef consumption in the coming years. The reopening of this market strengthens Brazil's position as one of the world's main beef exporters and reinforces the country's capacity to technically prove its products' sanitary safety.

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 June 30, 2014, the Company had a daily slaughtering capacity of 12,380 head of cattle and daily beef deboning capacity equivalent to 15,077 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 twelve slaughter and deboning plants, one processing plant and twelve distribution centers. In the last 12 months ended on June 30, 2014, the Company recorded net sales revenue of R$6.4 billion, growing by 23% in relation to the same period of 2013.

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, 2013 and 2Q14.

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 fiscal year ended June 30, 2014, and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.

APPENDIX 1 – INCOME STATEMENT (CONSOLIDATED)

(R$ ´000)	2Q14	2Q13	1Q14
Revenue from Domestic Sales	568,242	470,578	469,743
Revenue from Exports	1,191,705	930,054	1,012,664
Gross Sales Revenue	1,759,947	1,400,632	1,482,407
Deductions from revenue – taxes and other	-103,711	-77,892	-84,503
Net Revenue	1,656,236	1,322,740	1,397,904
Cost of Goods Sold	-1,325,074	-1,055,999	-1,115,118
Gross Profit	331,162	266,741	282,786
Selling Expenses	-128,573	-114,776	-115,023
General and Administrative Expenses	-54,741	-39,918	-45,666
Other Operating Revenues (Expenses)	16,955	8,137	286
Result before financial expenses	164,803	120,184	122,383
Financial Expenses	-109,980	-87,430	-109,406
Financial Revenues	18,474	8,899	18,066
FX Variation	13,924	-214,888	62,489
Other Expenses	-69,250	-29,900	-13,830
Financial Result	-146,832	-323,319	-42,681
Result Before Taxes	17,971	-203,135	79,702
Income and Social Contribution Taxes - Current	5,106	8,669	-7,351
Income and Social Contribution Taxes - Deferred	-4,535	-1,852	-3,255
Net Income before Non-Controlling Interest	18,542	-196,318	69,096
Net Income Attributed to Controlling Shareholders	18,589	-196,146	68,914
Net Income Attributed to Non-Controlling Shareholders	-47	-172	182
Net Income	18,542	-196,318	69,096

APPENDIX 2 – BALANCE SHEET (CONSOLIDATED)

(R$´000)	2Q14	4Q13
ASSETS		
Cash and Cash Equivalents	1,907,277	1,563,849
Accounts Receivable from Clients	255,318	184,221
Inventories	316,508	291,773
Biological Assets	187,964	79,341
Taxes Recoverable	596,303	522,030
Other assets	161,984	196,898
Total Current Assets	3,425,354	2,838,112
Related Parties	444	9,278
Taxes Recoverable	138,301	138,512
Deferred fiscal assets	221,350	222,313
Other assets	29,731	26,394
Judicial Deposits	13,021	11,902
Investments	0	0
Fixed Assets	1,477,093	1,305,769
Intangible	462,424	425,856
Total Non-Current Assets	2,342,364	2,140,024
Total Assets	5,767,718	4,978,136
LIABILITIES		
Loans and Financing	800,173	515,533
Convertible Debentures	88,965	504
Suppliers	351,481	376,883
Labor and tax liabilities	88,635	69,907
Other Liabilities	308,414	374,361
Total Current Liabilities	1,637,668	1,337,188
Loans and Financing	3,418,150	2,913,726
Convertible Debentures	0	116,166
Labor and tax liabilities	24,443	26,351
Provision for Contingencies	23,772	36,607
Related Parties	0	109
Accounts Payable	33,165	36,503
Deferred Tax Liabilities	75,405	67,858
Total Non-Current Liabilities	3,574,935	3,197,320
Shareholders' equity		
Capital Stock	774,142	744,142
Capital Reserves	253	253
Revaluation Reserves	69,606	70,737
Accumulated profit (loss)	-267,379	-356,596
Equity pick-up adjustments	-22,382	-15,647
Total shareholders' equity attributed to controlling shareholders	554,240	442,889
Non-Controlling Interest	875	739
Total shareholders' equity	555,115	443,628
Total liabilities and shareholders' equity	5,767,718	4,978,136

APPENDIX 3 – CASH FLOW (CONSOLIDATED)

(R$ ´000)	2Q14	2Q13	1Q14
Cash Flow from Operating Activities			
Net Income (Loss)	18,542	-196,318	69,096
Reconciliation of Net Income to Net Cash provided by Operating Activities:			
Depreciation and Amortization	13,854	14,254	13,901
Net Income Attributed to Non-Controlling Shareholders	47	172	-182
Fair Value of Biological Assets	-10,474	-2,005	-6,603
Realization of Deferred Taxes – Temporary Differences	4,535	1,852	3,255
Financial Charges	108,923	85,868	108,498
FX Variation – Not Realized	-16,577	221,593	-69,117
Contingency Allowances	-13,547	-8	712
Accounts Receivable from Clients and Other Receivables	45,241	41,564	-32,001
Inventories	642	-35,564	-3,083
Biological Assets	-88,225	-2,963	-3,321
Taxes Recoverable	-34,533	-26,178	-36,871
Judicial Deposits	-162	-686	-957
Suppliers	62,788	2,044	-121,675
Labor and Tax Obligations	-1,404	-12,371	8,183
Other Accounts Payable	11,600	97,620	-108,981
Net Cash Flow from Operating Activities	101,250	188,874	-179,146
Net Cash Flow from Investments			
Acquisition of subsidiary less cash and cash equivalents on the acquisition date	-46,321	0	0
Acquisition of Investments	0	0	0
Acquisition of Intangible Assets	-37,041	-11,579	5
Acquisition of Fixed Assets	-39,616	-36,511	-83,607
Net Cash Flow from Investments	-122,978	-48,090	-83,602
Cash Flow from Financing Activities			
Loans and Financings	1,270,396	506,995	318,273
Loans and Financings Settled	-659,234	-149,734	-312,687
Convertible Debentures	-1,074	-1,264	-26,631
Related Parties	8,822	-8,029	-97
Variation in Minority Interest	-47	-1,272	183
Capital payment in cash	0	0	30,000
Treasury Stock	0	-34,570	0
Net Cash from Financing Activities	618,863	312,126	9,041
Net Cash / Cash Equivalent Decrease	597,135	452,910	-253,707
Cash and Cash Equivalents			
Beginning of Period	1,310,142	773,860	1,563,849
End of Period	1,907,277	1,226,770	1,310,142
Reduction in Cash and Cash Equivalents	597,135	452,910	-253,707