Earnings Release 3Q13

Minerva Foods

Barretos, November 13, 2013 – 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 third quarter of 2013 (3Q13). The financial and operating information herein is presented in BRGAAP and Brazilian real (R$), in accordance with International Financial Reporting Standards (IFRS).

3Q13 Highlights

- Minerva once again reported solid results in the quarter, led by free cash flow of R$19.6 million and operating cash flow of R$99.9 million. ROIC grew from 18.3% in 2Q13 to 19.0% in 3Q13, confirming Management's commitment to generating returns from our operations. Capacity utilization remained stable at 77% in the quarter, an industry benchmark.
- Financial leverage, measured by the Net Debt/LTM EBITDA ratio, stood at 3.4 times at the close of the quarter. On September 30, 2013, our cash balance was R$1,240.1 million, 3 times our short-term maturities and enough to amortize debt through 2019.
- In 3Q13, exports accounted for 70% of the Company's total revenue, reflecting the growing demand and reduced beef supply in the international market. Our focus on risk management and efficient distribution is reflected in our export performance. Minerva was among the largest fresh beef exporters in South America in 3Q13.
- Net Revenue once again climbed by a significant 30% over 3Q12 to a record R$1,495.1 million. The Beef Division continued to record solid sales growth, with domestic sales and exports climbing 28.9% and 41.3%, respectively, over 3Q12.
- EBITDA amounted to R$163.3 million in 3Q13, 21.4% up on 3Q12, with an EBITDA margin of 10.9%. Last-twelve-month EBITDA was R$543.2 million, with a margin of 10.4%.
- In September, Minerva contracted a 10-year loan worth R$137,7 million from the IFC, which was disbursed in October. Moreover, IFC acquired approximately 3% of Minerva's capital. The proceeds of the loan will be used to finance the company's expansion plan through a long-term partnership.
- On November 1, Minerva announced the acquisition from BRF of two slaughtering and deboning plants located in Várzea Grande and Mirassol D'Oeste, with slaughtering capacity of 2,600 head/day. As part of the transaction, BRF will hold 15.2% of the Company's capital through a Shareholders' Agreement signed with VDQ. This transaction confirms Minerva's focus on geographical diversification, sustained growth and financial discipline, and represents the beginning of a long-term partnership with BRF. The transaction is subject to approval by CADE, Brazil's antitrust authority.

Minerva (BEEF3)

Stock quote on 12-Nov-13:
R$ 10,20

Market Cap:
R$ 1,468.5 million

143,973,903 shares

Free Float – 64.5%

Conference Call
November 14, 2013

Portuguese
2:00 p.m. (Brasília)
11:00 a.m. (US EDT)
Phone: +55 (11) 3728-5971
or +55 (11) 3127-4971
Code: Minerva
Webcast: click here

English
4:00 p.m. (Brasília)
1:00 p.m. (US EDT)
Phone: +1 (412) 317-6776
Code: Minerva
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Key Indicators

R$ Million	3Q13	3Q12	Chg.%	2Q13	Var.%	LTM3Q13	LTM3Q12	Chg.%
Slaughtering (1,000 heads)	532.8	420.3	26.8%	531.3	0.3%	2,004.4	1,664.4	20.4%
Sales Volume (1,000 tonnes)	128.7	104.1	23.5%	123.0	4.6%	472.0	395.1	19.5%
Gross Revenues	1,587.5	1,223.5	29.7%	1,400.6	13.3%	5,544.6	4,536.6	22.2%
Domestic Market	499.3	371.2	34.5%	470.6	6.1%	1,841.7	1,541.7	19.5%
Export Market	1,088.2	852.3	27.7%	930.1	17.0%	3,702.9	2,995.0	23.6%
Net Revenues	1,495.1	1,152.0	29.8%	1,322.7	13.0%	5,219.4	4,265.8	22.4%
EBITDA	163.3	134.5	21.4%	134.4	21.5%	543.2	446.5	21.7%
EBITDA Margin	10.9%	11.7%	-0.8 p.p.	10.2%	0.8 p.p.	10.4%	10.5%	-0.1 p.p.
Dívida Líquida/EBITDA (x)	3.41	3.70	-0.28	3.31	0.10	3.41	3.70	-0.28

Message from Management

The main industry highlight this quarter was the strong performance of Brazilian beef exports, which grew by 23% over 3Q12 and by 19% over 2Q13. This performance was driven by the recent appreciation of the dollar against other currencies but mainly by heated international demand for beef from emerging countries, in a scenario in which certain competitor countries are facing great difficulties in regard to beef production and sales.

Amid this favorable environment, Minerva recorded a sharp increase in exports, which represented around 70% of period gross revenue, reflecting the risk management instruments that helped us make the best decisions on the destination of our products. In 3Q13, the Beef division posted a 41% growth in exports compared with 3Q12.

Average domestic beef consumption was higher in 3Q13 compared with that in the first half of the year. This trend was supported by seasonal factors, the improvement in key domestic consumption indicators (lower unemployment rate and higher real income), adjustments in hog production, which reduced supply and increased pork prices in the quarter, and high grain prices (mainly corn and soybean), which directly affect the prices of other proteins. In 3Q13, domestic sales from the Beef division grew by 29% over 3Q12.

As a result, in addition to the 30% increase in consolidated revenue in the quarter, we recorded ROIC 19%, free cash flow of around R$20 million and EBITDA margin of 10.9%. On September 30, 2013, Minerva's cash position was R$1,240 million, enough to amortize our debt through 2019. The company's current capital structure is duly adjusted to weather any adverse macroeconomic conditions and it will allow Minerva to benefit from disruptions in the sector and take advantage of market opportunities.

With regard to opportunities, at the beginning of November we announced the acquisition of two plants from BRF located in Mato Grosso State, which will allow Minerva to enter the state with the largest herd in Brazil and will increase its slaughtering capacity by 23% to 14,080 head/day. More than just an acquisition, the transaction represents a strategic long-term partnership with BRF, which will hold 15.2% of Minerva's capital.

It is also aligned with the investment plan announced to the market during the capital increase in 2012, based on the expansion of our domestic market share, with the inauguration of six Distribution Centers within three years, investments in expanding the capacity of our ready-to-eat meal plant (MFF) and the expansion of our operations in South America, mainly in Mato Grosso State, in Paraguay, Uruguay and Colombia. In 2013, we inaugurated two DCs in Rolim de Moura and Uberlândia, and we are investing in the expansion of MFF's operations, while we await the conclusion of the transaction with BRF, which will add two plants to our operations, expanding our geographical diversification. These moves demonstrate the consistency of our operations as well as our strategic approach and financial discipline, a milestone in Minerva's sustainable growth.

Lastly, in September Minerva contracted a 10-year loan worth R$137.7 million from the IFC, the World Bank's investment arm, which in turn acquired approximately 3% of Minerva's capital, the proceeds of which will be used to finance our expansion plan. The partnership with the IFC underpins our commitment to transparency, value creation and the continuous improvement of internal processes, mainly in terms of corporate governance and sustainability, which are Minerva's historical objectives.

Fernando Galletti de Queiroz, CEO

Industry Overview

Brazil

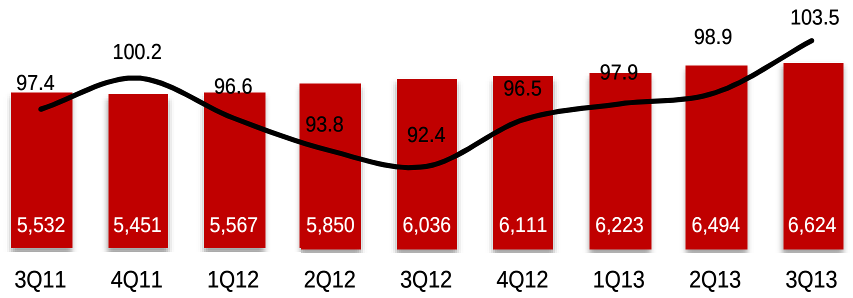
Cattle Supply

The third quarter was marked by the typical seasonality during this period of the year, with low rainfall and beginning of the offseason reducing cattle supply. Added to that was the volume of feedlot cattle slightly below estimates. On the other hand, the solid beef demand in the domestic and export markets, which reached a peak since 2007, increased slaughtering by 9.8% over 3Q12, boosting demand for cattle.

In this context, the arroba price rose 5% over the prior quarter. Note that, in the same period last year, atypical weather conditions (rainfall extended for a longer than expected period) benefitted the industry, increasing cattle supply and reducing the arroba price, countering the trend usually observed this time of the year and consequently disrupting the comparison basis.

Note also that, despite the 11% growth in slaughtering in 9M13 over the same period in 2012, the arroba price grew by just 6%, confirming the higher cattle supply resulting from the industry's favorable cattle cycle.

Figure 1 – Cattle slaughter trends - Brazil
('000 heads) and average arroba price (R$)



Source: Ministry of Agriculture, Livestock and Supply, CEPEA/ESALQ | 3Q13 Preliminaryslaughtering figures

Export Market

In 3Q13, Brazilian beef exports reached a peak in the last years, increasing by 23% over 3Q12 and by 19% over 2Q13, reflecting:

- The solid demand from Asian markets: Led by Hong Kong (China), which consolidated its position as the second largest market for Brazilian exports, representing 19% of total exports in 3Q13, only behind Russia, which accounted for the lion's share, with 23%. From January through September 2013, exports to Asia climbed 148% over the same period last year.

- The appreciation of the dollar against the real: The average dollar gained 11% compared to the real in the quarter, favoring exports. According to the USDA, Brazil should remain the world's largest beef exporter in 2013, benefitted also by the depreciation of the real.

- The continued weakening of our main international competitors: The world's largest beef producing countries have faced difficulties in production (drought, reduced subsidies and cow retention), benefitting South American producers/exporters.

Figure 2 - Fresh beef revenue and export volume

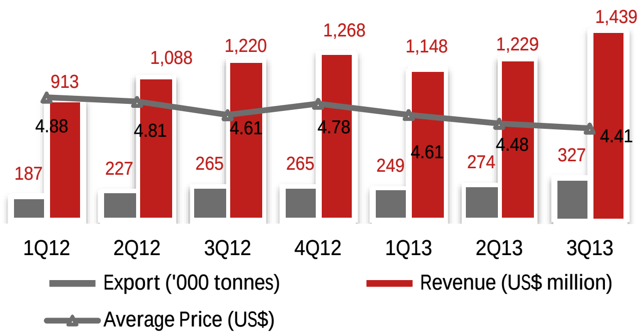
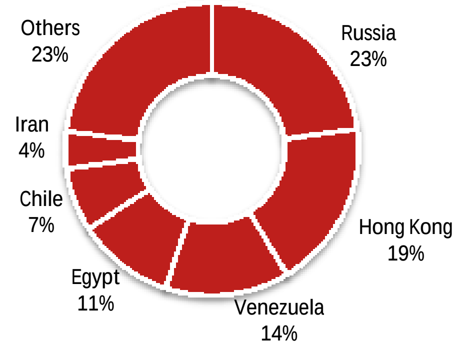


Figure 3 - Destinations of Brazilian exports - 3Q13 (% of revenue in US$)



Source: Ministry of Trade, Industry and Development and Ministry of Agriculture, Livestock and Supply

Figures 4 and 5 below show the monthly evolution of Brazilian beef export volumes and average prices. In September, fresh beef exports totaled 112 thousand metric tons, a monthly record since May 2007. Average fresh beef prices in reais were positively impacted by the appreciation of the dollar against the real.

Figure 4 - Fresh beef sales volume

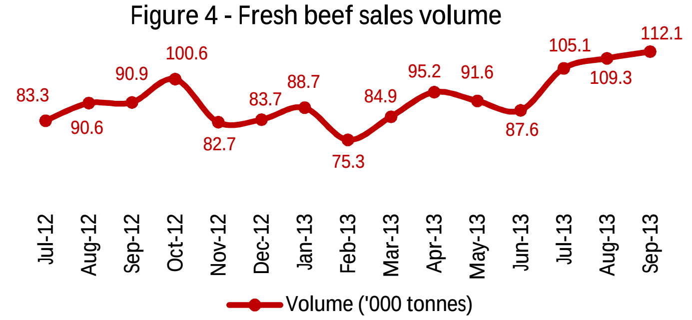
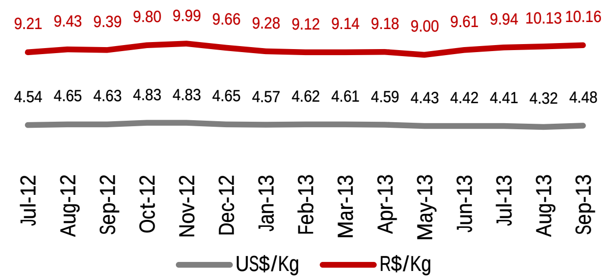


Figure 5 - Fresh beef average prices



Source: Ministry of Trade, Industry and Development and Ministry of Agriculture, Livestock and Supply

<u>Domestic Market</u>

Domestic beef demand continues to expand significantly, reflecting the increased income of the "C" and "D" income groups. The quarter was also marked by a solid increase in the prices of other proteins (mainly pork), due to the adjustments in raw material production. As a result, the spread between beef carcass (an indicator of revenue from the sale of beef on the bone) and other proteins (poultry and pork) decreased, directly impacting beef demand growth.

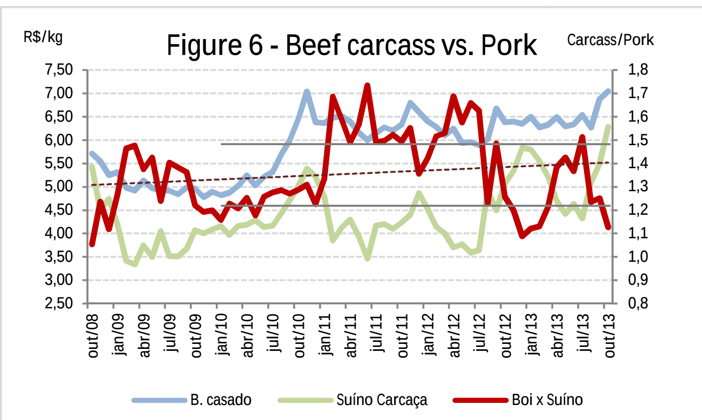


Figure 6 - Beef carcass vs. Pork

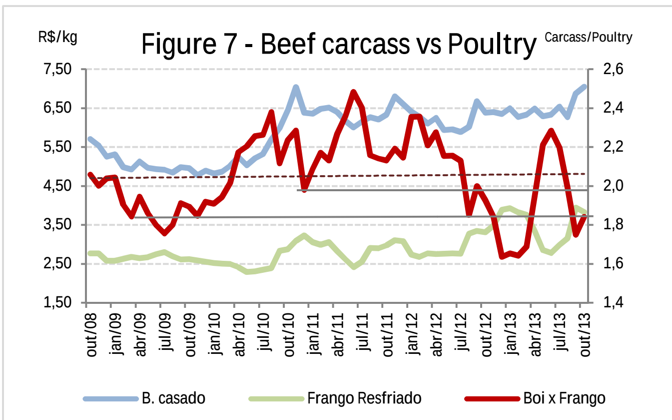
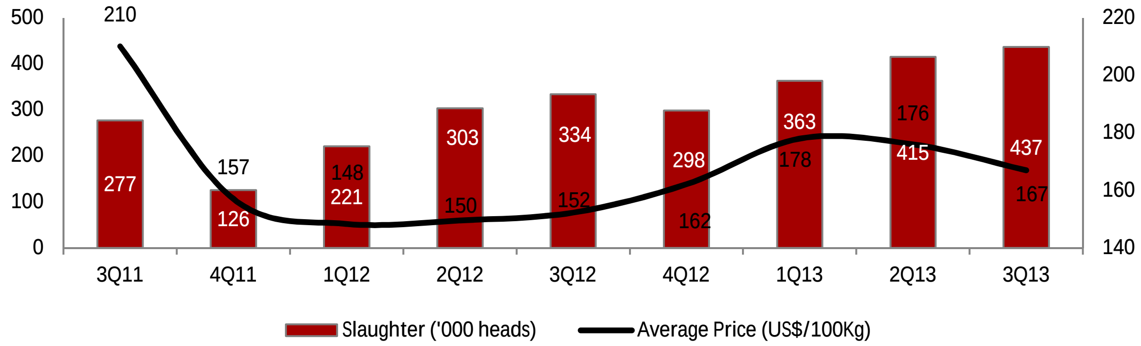


Figure 7 - Beef carcass vs Poultry

Paraguay

Paraguay once again delivered record figures for the industry. Cattle slaughtering reached a historical record in 3Q13, primarily driven by exports, which increased by a hefty 23% (+29% in 9M13 over 9M12). Despite this solid demand, cattle prices contracted by 5% in Paraguay compared with 2Q13. Note that cattle prices are currently even lower than before the outbreak of foot-and-mouth disease (3Q11), confirming the high finished cattle supply, despite the acceleration in slaughtering.

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

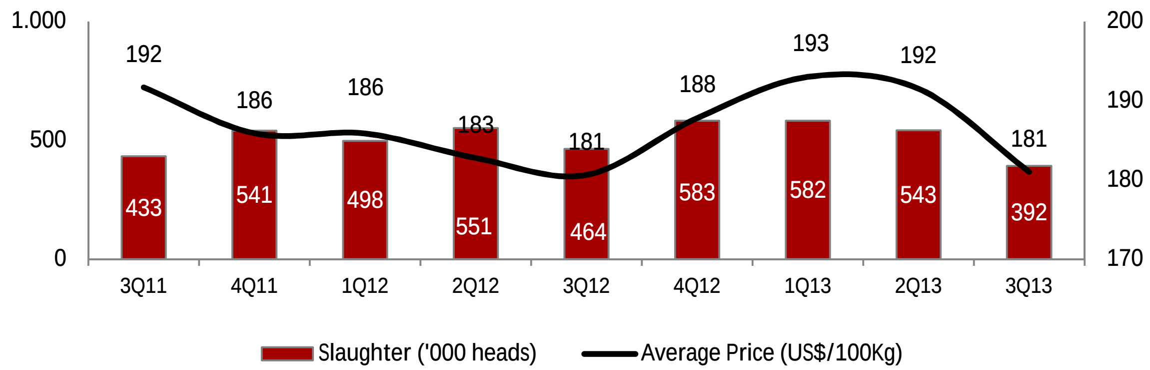


Source: SENACSA

Uruguay

After a period of sharp increase in slaughter volume, which pressured the industry's margins and forced certain local plants to halt production, performance remained stable in the third quarter, with reduced slaughter volume and consequently lower cattle prices. This new scenario, combined with higher beef prices in USD in the export market compared to 2Q13, benefitted Uruguayan beef producers/exporters. We once again highlight the Company's increasing focus on niche markets and the process of integration between cattle suppliers and Minerva. The partnership between the Company and producers guarantees relevant competitive advantages in relation to other players, consequently generating higher operational margins.

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



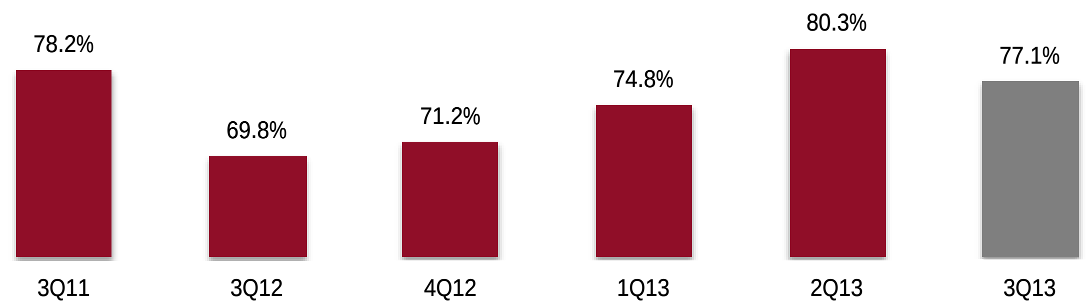
Source: INAC

Minerva – Analysis of Results

Slaughter Volume

Slaughter volume totaled 532.8 thousand heads in 3Q13, stable in relation to the prior quarter (531.4 thousand heads) and 26.8% higher than in 3Q12. Capacity utilization stood at 77.1%, above the last-twelve-month average.

Figure 10 - Slaughter Capacity Utilization



Source: Minerva

Consolidated Gross Revenue

R$ Million	3Q13	3Q12	Chg.%	2Q13	Chg.%	LTM3Q13	LTM3Q12	Chg.%
Gross Revenues	1,587.5	1,223.5	29.7%	1,400.6	13.3%	5,544.6	4,536.6	22.2%
Beef Division	1,250.1	911.1	37.2%	1,161.3	7.6%	4,471.0	3,564.9	25.4%
Others	337.4	312.4	8.0%	239.3	41.0%	1,073.6	971.7	10.5%

R$ Million	3Q13	3Q12	Chg.%	2Q13	Chg.%	LTM3Q13	LTM3Q12	Chg.%
Domestic Market (R$ MM)	499.3	371.2	34.5%	470.6	6.1%	1,841.7	1,541.7	19.5%
% Gross Revenues	31.5%	30.3%	1.1%	33.6%	-2.1%	33.2%	34.0%	-0.8%
Beef Division	384.9	298.6	28.9%	371.4	3.6%	1,459.0	1,246.4	17.1%
Others	114.4	72.6	57.5%	99.2	15.3%	382.7	295.3	29.6%

R$ Million	3Q13	3Q12	Chg.%	2Q13	Chg.%	LTM3Q13	LTM3Q12	Chg.%
Export Market (R$ MM)	1,088.2	852.3	27.7%	930.1	17.0%	3,702.9	2,995.0	23.6%
% Gross Revenues	68.5%	69.7%	-1.1%	66.4%	2.1%	66.8%	66.0%	0.8%
Beef Division	865.2	612.5	41.3%	790.0	9.5%	3,011.9	2,318.5	29.9%
Others	223.0	239.8	-7.0%	140.1	59.2%	691.0	676.4	2.2%

Minerva recorded gross revenue of R$1,587.5 million in 3Q13, 29.7% up on 3Q12, reflecting the solid performance of the Beef Division, which registered a 37.2% upturn in revenue and was strongly impacted by the increase in exports in the period. Gross revenue from the Others division, which includes Leather, Live Cattle, Minerva Fine Foods – MFF, Brascasing and Resale of Third-Party Products, grew by 8.0%, led by the Leather segment and MFF, which recorded revenue expansion of over 50%.

Figure 11 - Breakdown of consolidated gross revenue 3Q13

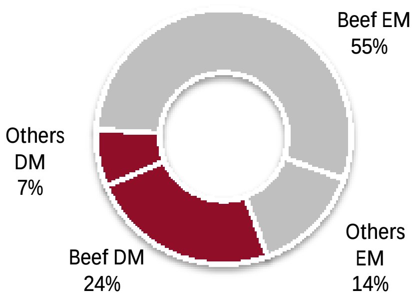
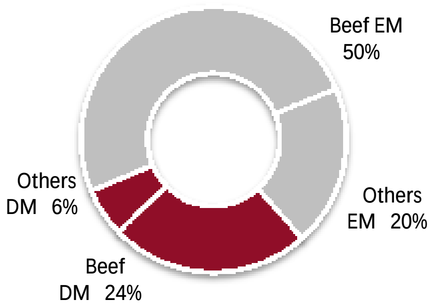


Figure 12 - Breakdown of consolidated gross revenue 3Q12



Source: Minerva

In 3Q13, Minerva maintained its leading position among the main beef exporters in the three countries where it operates. In Paraguay, our share in exports increased to 18% with the acquisition of Frigomerc in 4Q12. In Uruguay, it increased 300 bps to approximately 11% compared with 3Q12. In Brazil, we remain the second biggest beef exporter.

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

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

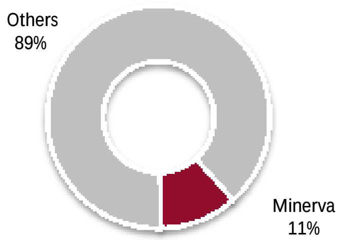
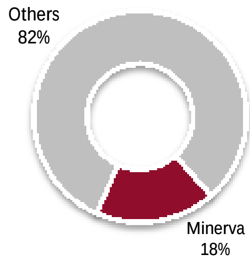


Figure 15 - Market Share - Paraguay (Revenue in US$ MN)



Source: Minerva, Secex, INAC and Inalca

The charts below present a breakdown of revenue from Minerva's consolidated exports by region in 3Q12 and 3Q13. Below are the main highlights in the quarter by region:

America: In the second quarter of 2013 the Chilean market reopened for the Paraguayan beef. Based on a routine of assessment on the mix of exports from our operations in Uruguay, Paraguay and Brazil, the company decided to partially shift the volumes of the Brazilian plants to our plants in Paraguay, getting better margins.

Asia: In 2013, the Asian market has shown a strong growth of importing beef. Hong Kong was again the main destination in the 3Q13, reaching over 200% of growth in Minerva sales, compared to the 3Q12. As demand has been increasing during the year, the Asian stake in our volumes has risen considerably, from 4.8% in 3Q12 to 13.6% in the 3Q13. We remain confident on the strength and growth of the Asian demand for beef and intend to open a sales office in the region in the short term.

CIS: The Commonwealth of Independent State countries, particularly Russia, have been the main destination of Minerva's exports. As the result of our risk management analysis and the Russian embargo to some Brazilian meatpackers at the end of the quarter, our exports from Brazil to Russia were transferred to our plants in Uruguay and Paraguay.

Europe: The European beef price rose considerably due to the combination of lack of local supply and the subject related to illegal sale of horse meat at the beginning of this year. In this environment, the price of the South American beef showed greater competitiveness. Therefore, the stake of Europe in Minerva's export rose roughly 300 bps from 8.6% in 3Q12 to 11.4% in 3Q13.

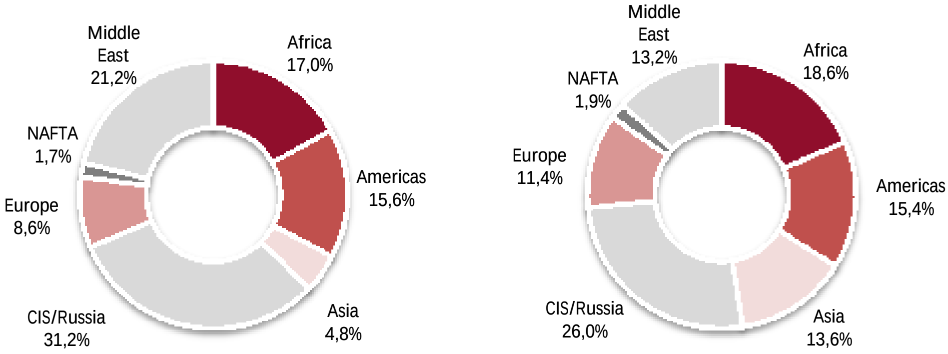
North Africa: The South American meat has been gaining ground in North Africa. In the 3Q13, the highlight in this region was the greater demand from Egypt. We have maintained constant focus on opening new markets and increasing our customer base through our offices in the region.

Middle East: This region has been an important export destination to Minerva. In the recent quarters, we have worked further into niche markets, focusing on ethnical cuts, with better margins. Additionally, there was a redirection to other markets, especially after the embargo of Saudi Arabia in late 2012 to the Brazilian meat, and increased sanctions on Iran.

Breakdown of Consolidated Gross Revenue by Region

Figure 16 - Breakdown 3Q12

Figure 17 - Breakdown 3Q13



Source: Minerva

Beef Division

The third quarter was highlighted by solid exports of Brazilian beef, driven by the appreciation of the dollar and the increasing global demand, mainly from Asia. In line with this trend, the Company prioritized export volume, which, combined with a stronger dollar, increased export revenue by 41.3%. The domestic market also performed notably well, with a 28.9% upturn in revenue compared to 3Q12 due to the higher sales volume (+30.1%). Fresh beef prices remained stable in the domestic market, while climbing 11% in the export market, due to the appreciation of the dollar. Another highlight was the Others segment (beef byproducts), whose combination of higher sales volume (+31.6% in exports) and higher prices led to a 34.9% increase in gross revenue. Below is a complete detailing of the beef division:

Gross Revenue R$ Million	3Q13	3Q12	Chg.%	2Q13	Chg.%	LTM3Q13	LTM3Q12	Chg.%
Fresh Beef – EM	812.5	580.0	40.1%	738.1	10.1%	2,820.8	2,175.2	29.7%
Processed Beef – EM	3.3	4.6	-28.1%	6.9	-51.5%	22.3	25.5	-12.4%
Others – EM	49.4	27.9	77.1%	45.0	9.7%	168.7	117.9	43.1%
Subtotal – EM	865.2	612.5	41.3%	790.0	9.5%	3,011.9	2,318.5	29.9%
Fresh Beef – DM	315.6	242.7	30.1%	293.8	7.4%	1,185.6	1,038.3	14.2%
Processed Beef – DM	6.3	0.5	1234.9%	6.7	-5.5%	18.2	11.3	62.0%
Others – DM	63.0	55.4	13.6%	70.9	-11.2%	255.2	196.8	29.7%
Subtotal – DM	384.9	298.6	28.9%	371.4	3.6%	1,459.0	1,246.4	17.1%
Total	1,250.1	911.1	37.2%	1,161.3	7.6%	4,470.9	3,564.9	25.4%

Volume (‘000 tonnes)	3Q13	3Q12	Chg.%	2Q13	Chg.%	LTM3Q13	LTM3Q12	Chg.%
Fresh Beef – EM	74.5	59.2	25.9%	69.1	7.8%	268.0	214.6	24.9%
Processed Beef – EM	0.2	0.3	-37.8%	0.5	-53.8%	1.5	2.1	-26.7%
Others – EM	6.4	4.9	31.6%	6.0	7.0%	22.7	18.8	21.1%
Subtotal – EM	81.1	64.4	26.0%	75.6	7.4%	292.2	235.4	24.1%
Fresh Beef – DM	39.0	30.0	30.2%	38.2	2.0%	145.9	127.1	14.7%
Processed Beef – DM	0.7	0.1	749.3%	0.7	-8.8%	2.0	1.4	39.0%
Others – DM	7.9	9.7	-19.1%	8.5	-7.6%	31.9	31.0	2.8%
Subtotal – DM	47.5	39.7	19.6%	47.5	0.1%	179.8	159.6	12.6%
Total	128.7	104.1	23.5%	123.0	4.6%	472.0	395.1	19.5%

Average Price – EM (US$/kg)	3Q13	3Q12	Chg.%	2Q13	Chg.%	LTM3Q13	LTM3Q12	Chg.%
Fresh Beef – EM	4.8	4.8	-1.4%	5.2	-7.6%	5.0	5.4	-6.7%
Processed Beef – EM	6.8	6.6	2.6%	7.1	-4.9%	7.0	6.6	7.4%
Others – EM	3.4	2.8	19.3%	3.6	-7.2%	3.5	3.3	6.2%
Total	4.7	4.7	-0.6%	5.1	-7.7%	4.9	5.2	-6.0%
Average FX (source: BACEN)	2.29	2.03	12.8%	2.07	10.5%	2.10	1.89	11.3%

Average Price – EM (R$/kg)	3Q13	3Q12	Chg.%	2Q13	Chg.%	LTM3Q13	LTM3Q12	Chg.%
Fresh Beef – EM	10.9	9.8	11.2%	10.7	2.1%	10.5	10.1	3.9%
Processed Beef – EM	15.5	13.4	15.7%	14.8	5.1%	14.8	12.4	19.6%
Others – EM	7.7	5.7	34.6%	7.5	2.5%	7.4	6.3	18.2%
Total	10.7	9.5	12.1%	10.5	2.0%	10.3	9.8	4.7%

Average Price – DM (R$/kg)	3Q13	3Q12	Chg.%	2Q13	Chg.%	LTM3Q13	LTM3Q12	Chg.%
Fresh Beef – DM	8.1	8.1	-0.1%	7.7	5.3%	8.1	8.2	-0.5%
Processed Beef – DM	9.5	6.0	57.2%	9.1	3.6%	9.1	7.8	16.5%
Others – DM	8.0	5.7	40.4%	8.3	-3.9%	8.0	6.3	26.1%
Total	8.1	7.5	7.8%	7.8	3.5%	8.1	7.8	3.9%

ME- Mercado Externo, MI – Mercado Interno

Others Division

Gross revenue from the Others segment totaled R$337.4 million in 3Q13, 8.0% up on 3Q12, led by domestic sales, which expanded by 57.5% in the period. The quarter was also marked by the solid performance of the Leather division, MFF and Resale of third-party products.

MFF has consistently delivered record capacity utilization rates and revenue. The division recorded an increase of around 75% in gross revenue from domestic sales in relation to 3Q12 and a significant increase in the operating margins. This growth is supported by the change in Brazilian consumer behavior in recent years, due to the increased real income of the population. As a result, a higher number of people go out to eat, which significantly increases the number of restaurant and fast-food chains. In 9M13, MFF recorded a 50% growth in revenue over the same period in 2012. MFF remains focused on the food service segment, though the dollar appreciation also boosted exports of ready-to-eat meals.

The performance of the Leather division remained solid, led by the 62.2% upturn in gross revenue from exports compared with 3T12, with a focus on niche segments in the domestic and export markets.

Distribution in the domestic market and the resale of third-party products continued to increase gross revenue, which grew by about 26% in the period, led by the expansion of the food service segment in our client base.

Net Revenue

Net revenue came to R$ 1,495.1 million in 3Q13, representing significant growth of 29.8% and 13.0% over 3Q12 and 2Q13, respectively.

R$ Million	3Q13	3Q12	Chg.%	2Q13	Chg.%	LTM3Q13	LTM3Q12	Chg.%
Gross Revenues	1,587.5	1,223.5	29.7%	1,400.6	13.3%	5,544.6	4,536.6	22.2%
Sales Taxes and Deductions	-92.5	-71.5	29.3%	-77.9	18.7%	-325.2	-270.8	20.1%
Net Revenues	1,495.1	1,152.0	29.8%	1,322.7	13.0%	5,219.4	4,265.8	22.4%
% Gross Revenues	94.2%	94.2%	0.0%	94.4%	-0.3%	94.1%	94.0%	0.1%

Cost of Goods Sold (COGS) and Gross Margin

COGS as percentage of net revenue fell by 1.4 p.p. over 2Q13. Note that, in the same period in 2012, atypical weather conditions benefitted the industry, increasing cattle supply and reducing the arroba price, countering the trend usually observed this time of the year and consequently disrupting the comparison basis with 3Q12. As a result, the gross margin contracted in relation to 3Q12, while increasing by 1.5% over 2Q13.

R$ Million	3Q13	3Q12	Chg.%	2Q13	Chg.%	LTM3Q13	LTM3Q12	Chg.%
Net Revenues	1,495.1	1,152.0	29.8%	1,322.7	13.0%	5,219.4	4,265.8	22.4%
COGS	-1,172.2	-886.1	32.3%	-1,056.0	1.0%	-4,150.8	-3,420.3	21.4%
% Net Revenues	78.4%	76.9%	1.5%	79.8%	-1.4%	79.5%	80.2%	-0.7%
Gross Profit	322.9	265.9	21.4%	266.7	21.0%	1,068.7	845.5	26.4%
Gross Margin	21.6%	23.1%	-1.5%	20.2%	1.4%	20.5%	19.8%	0.7%

Selling, General and Administrative Expenses

Selling expenses represented 9.4% of net revenue in 3Q13, declining in relation to 3Q12 due to the reduced live cattle exports in the quarter. Administrative expenses remained stable in both comparison periods.

R$ Million	3Q13	3Q12	Chg.%	2Q13	Chg.%	LTM3Q13	LTM3Q12	Chg.%
Sales Expenses (R$ MM)	-140.1	-116.2	20.6%	-114.8	22.1%	-460.3	-351.3	31.0%
% Net Revenues	9.4%	10.1%	-0.7%	8.7%	0.7%	8.8%	8.2%	0.6%
G&A Expenses (R$ MM)	-41.9	-34.5	21.4%	-39.9	5.1%	-161.4	-115.4	39.8%
% Net Revenues	2.8%	3.0%	-0.2%	3.0%	-0.2%	3.1%	2.7%	0.4%

EBITDA

EBITDA came to R$163.3 million in 3Q13, 21.4% up on 3Q12 and 33.9% up on 2Q13. The EBITDA margin stood at 10.9% in the third quarter, 0.8 p.p. up on 2Q13.

R$ Million	3Q13	3Q12	Chg.%	2Q13	Chg.%	LTM3Q13	LTM3Q12	Chg.%
Net Result	1.4	20.6	-93.0%	-196.3	-100.7%	-211.5	-161.9	30.6%
(+) Income and Social Contribution Taxes	0.9	0.3	242.4%	-6.8	-113.2%	50.0	-59.4	-184.2%
(+) Net Financial Result	146.8	100.9	45.5%	323.3	-54.6%	648.4	618.2	4.9%
(+) Depreciation and Amortization	14.1	12.7	11.0%	14.3	-0.8%	56.3	49.6	13.5%
EBITDA	163.3	134.5	21.4%	134.4	21.5%	543.2	446.5	21.7%
EBITDA Margin	10.9%	11.7%	-0.8%	10.2%	0.8%	10.4%	10.5%	-0.1%

Financial Result

The financial result was a loss of R$146.8 million in 3Q13, primarily impacted by the exchange variation line, which resulted in a non-cash loss of R$35.3 million. Financial expenses totaled R$99.3 million in the quarter. Note that financial expenses were impacted in the quarter by the Bond interest payment (cash effect) at a dollar rate above the period average.

R$ Million	3Q13	3Q12	Chg.%	2Q13	Chg.%
Financial Expenses	(99.3)	(79.3)	25.2%	(87.4)	13.5%
Financial Income	14.8	10.7	38.2%	8.9	66.6%
FX Variation	(35.3)	(17.5)	101.9%	(214.9)	-83.6%
Other Expenses (*)	(27.1)	(14.9)	81.9%	(29.9)	-9.3%
Net Financial Result	(146.8)	(100.9)	45.5%	(323.3)	-54.6%

(*) Incluem Hedge Cambial, Commodities, Descontos Financeiros e Comissões Bancárias

(*) Other Expenses (R$ Million)	3Q13
Expenses with FX (Hedge and Commodities)	(13.8)
Financial Discounts, Rates, Commissions, Commercial Discount and Other Financial Expenses	(13.3)
Total	(27.1)

Net Result

The net result, adjusted for the non-cash exchange effect, totaled R$36.7 million.

R$ Million	3Q13
Net (Loss) Income	1.4
Foreign exchange variation	35.3
Adjusted Income	36.7

R$ Million	3Q13	3Q12	Chg.%	2Q13	Chg.%	LTM3Q13	LTM3Q12	Chg.%
Income (Loss) before income tax	2.3	20.8	-88.8%	-203.1	-101.1%	-161.5	-221.3	-27.0%
Net (Loss) Income	1.4	20.6	-93.0%	-196.3	-100.7%	-211.5	-161.9	30.6%
Net Margin (%)	0.1%	1.8%	-1.7%	-14.8%	14.9%	-4.1%	-3.8%	-0.3%

Cash Flow

The Company once again recorded positive cash flow, which amounted to R$19.6 million in 3Q13, as presented below.

Free Cash Flow to Shareholders

R$ Million	3Q13
EBITDA	163.3
Variation in working capital needs	-37.6
Capex	-40.0
Financial expenses (cash concept)	-66.0
Free cash flow to shareholders	19.6

Cash Flow from Operational Activities

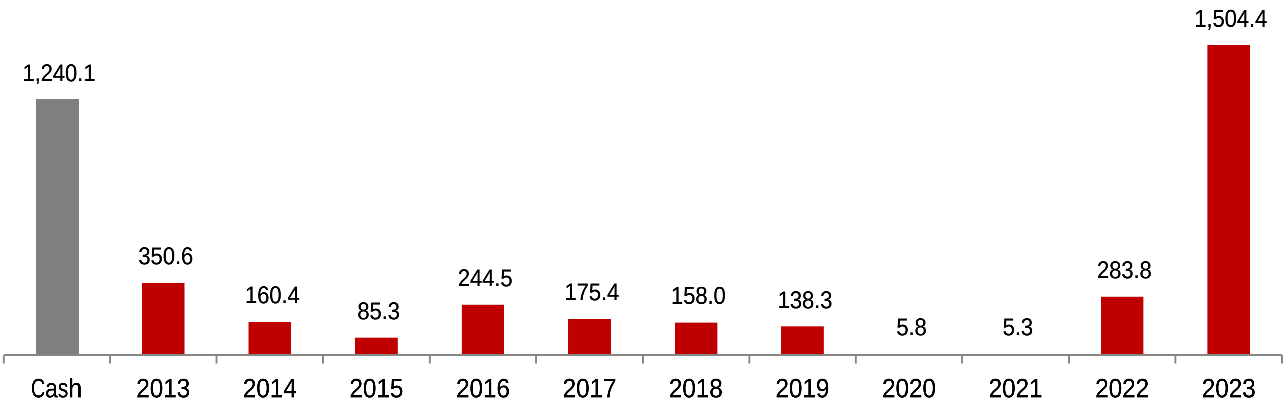
The Company's solid performance once again resulted in positive free cash flow from operational activities, which totaled R$99.9 million in the quarter. Considering this result, the Company maintains a consistent generation of operating cash flow.

R$ Million	3Q13
Net Income (Loss)	1.4
Net income adjustments	136.1
(+/-) Variation in working capital needs	-37.6
Operating Cash Flow	99.9

Capital Structure

Minerva closed 3Q13 with a cash balance of R$1,240.1 million, which was enough to amortize its debt through 2019. Short-term debt represented 16.0% of total debt at the end of the quarter. At the close of 3Q13, approximately 67.3% of total debt was exposed to foreign exchange variation. The net debt/EBITDA ratio stood at 3.4 times at the end of September 2013, 0.3 times lower than in 3Q12.

Figure 18 – Debt amortization schedule on September 30, 2013 (R$ million)



R$ Million	Sep/13	Sep/12	Chg.%	Jun/13	Chg.%
Short Term Debt	496.6	549.0	-9.5%	511.2	-2.8%
% Short Term Debt	16.0%	21.0%	-5.1%	16.6%	-0.7%
Local Currency	126.8	184.0	-31.1%	131.9	-3.9%
Foreign Currency	369.9	365.1	1.3%	379.2	-2.5%
Long Term Debt	2,615.3	2,063.6	26.7%	2,565.3	1.9%
% Long Term Debt	84.0%	79.0%	5.1%	83.4%	0.7%
Local Currency	694.3	316.8	119.2%	639.6	8.6%
Foreign Currency	1,920.9	1,746.8	10.0%	1,925.7	-0.2%
Total Debt[1]	3,111.9	2,612.7	19.1%	3,076.4	1.2%
Local Currency	821.1	500.8	64.0%	771.5	6.4%
Foreign Currency	2,290.8	2,111.9	8.5%	2,304.9	-0.6%
(Cash and Cash Equivalents)	-1,240.1	-920.5	34.7%	-1,226.8	1.1%
Net Debt[2]	1,853.2	1,649.9	12.3%	1,729.6	7.2%
Net Debt/ EBITDA	3.41	3.70	-0.28	3.31	0.10

(1) Total debt excluding convertible debentures
(2) Net debt adjusted for subordinated FDIC quotas

Domestic currency (R$ '000)	Sep/13	Jun/13
3Q13	0	45,987
4Q13	20,265	8,088
1Q14	55,827	53,812
2Q14	9,688	24,027
3Q14	40,991	14,387
4Q14	12,148	12,028
2015	76,545	48,622
2016	244,186	210,429
2017	172,529	171,313
2018	157,969	151,955
2019	11,133	9,454
2020	5,798	5,658
2021	5,313	5,313
2022	8,707	10,400
2023	0	0
TOTAL	821,099	771,475

Foreign currency (R$ '000)	Sep/13	Jun/13
3Q13	0	347,210
4Q13	330,325	23,359
1Q14	25,062	6,471
2Q14	2,213	2,199
3Q14	12,267	7,194
4Q14	2,218	2,204
2015	8,771	30,392
2016	349	0
2017	2,867	2,231
2018	0	0
2019	127,170	126,418
2020	0	0
2021	0	0
2022	275,124	272,977
2023	1,504,435	1,484,313
TOTAL	2,290,802	2,304,969

Capex

Investments in fixed assets totaled R$40.0 million in 3Q13. Of this total approximately R$7.5 million were allocated to the opening of two DCs, R$26.5 million to the maintenance of operations and R$6.0 million to the purchase of equipment for the expansion of Minerva Fine Foods, our processed food plant. These disbursements were in accordance with the investment plan approved by the Company for 2013.

Awards

Abrasca - 2013 Highlight Award – Food Segment

For the second straight year, Minerva received the 2013 Highlight Award – Food Segment, granted by Abrasca, the Brazilian Association of Publicly-Held Companies, for the best value creation case in 2012. The award follows a strict technical selection process applied to all companies listed at the BM&FBOVESPA. Minerva has been selected by a committee formed by 14 market entities.

Institutional Investor

For the second consecutive year, Minerva was recognized in the annual evaluation of *Institutional Investor* magazine, having received five of the eight awards in the category. In a survey involving more than 500 investors and market analysts, Edison Ticle and Eduardo Puzziello were recognized among the three best CFOs and IROs, respectively, in the Latin American Food and Beverage industry both by sell side and buy side investors. Minerva's IR team was also considered one of the three best in the sector.

IR Magazine

The specialized publication *IR Magazine* recognized Minerva's IR team, which was also appointed in other four categories, as the best improved in 2012 in a market survey conducted with Brazilian investors and analysts.

Capital Markets

Figure 19 - Performance – BEEF3 x IBOV (Jan/12 = 100)

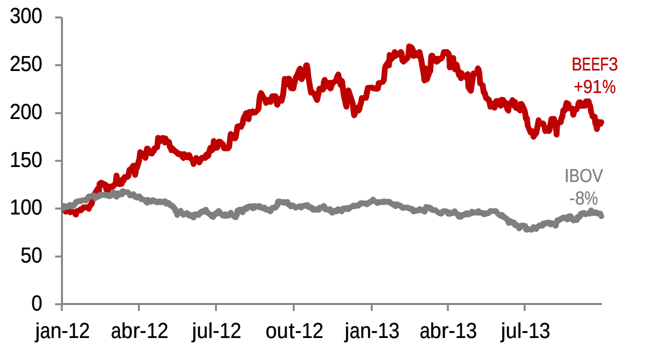
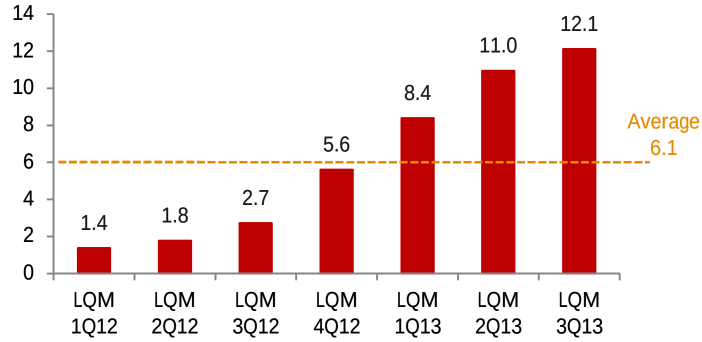


Figure 20 - Liquidity – ADTV (R$ million)



Subsequent Events

Execution of Agreement between Minerva S.A. and BRF S.A.

On November 1, we announced the acquisition of two slaughtering and deboning plants located in Mirassol D'Oeste and Várzea Grande, Mato Grosso State, owned by BRF S.A. (BRF), with total slaughtering capacity of 2,600 head/day. BRF, in turn, will receive 29 million shares to be issued by Minerva (BEEF3), representing 15.2% of the Company's capital.

As part of the Transaction, BRF and VDQ Holdings S.A. (which currently owns 35.5% of Minerva) have undertaken to enter into a shareholders' agreement regulating their relations and which establishes, among other conditions, VDQ's right to appoint five members and BRF's right to appoint two members of Minerva's Board of Directors, which will then be composed of ten members.

Minerva and BRF also signed an agreement for the supply of beef for processing under market conditions, which will become effective upon conclusion of the Transaction, guaranteeing the allocation of part of the production to the assets acquired.

As a result of this transaction, Minerva will enter Mato Grosso state and will increase its slaughtering capacity by 23% to 14,080 head/day.

The Transaction is subject to approval by CADE, Brazil's antitrust authority.

Based on the results reported in 3Q13, we present below a sensitivity analysis of scenarios and financial indicators after the consolidation of BRF Bovinos' operations (based on 2012 figures):

Scenarios	EBITDA - BRF Bovinos (R$ mn) (1)	Consolidated EBITDA (R$ mn) (2)	Net Debt/Consolidated EBITDA (2)
EBITDA Margin 5.0%	59	602	3.08
EBITDA Margin 7.5%	89	632	2.93
EBITDA Margin 10.0%	118	661	2.80
EBITDA Margin 12.5%	148	691	2.68

(1) Figures estimated for 2012
(2) Includes 3Q13 LTM EBITDA and net debt on 09/30/2013

The conclusion of the transaction represents one more step in Minerva's investment plan, based on geographical diversification and a focus on the creation of value for our shareholders, financial discipline and continuity of the Company's deleveraging process.

The Material Fact can be access on our IR website at www.minervafoods.com/ri

Capital Increase due to the Voluntary Debenture Conversion

On October 3, the Company's Board of Directors approved a capital increase in the approximate amount of R$20 million, resulting from the voluntary conversion of 20,000 debentures at R$7.6064 per share, corresponding to 2,629,378 common shares issued by the Company. After the conversion, the Company's capital will be represented by 143,973,903 shares.

The updated number of shares issued by Minerva is provided below:

	No. of shares
Total shares issued (06/30/2013)	146,575,057
Cancelation of treasury stock (09/12/2013)	(5,230,532)
Share issue due to the debenture conversion (Oct/13)	2,629,378
Total number of shares on 11/13/2013	143,973,903

Minerva Day New York

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 September 30, 2013, the Company had 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 eleven slaughter and deboning plants, one unit to process proteins and twelve distribution centers. In the 12 months ended September 30, 2013, the Company recorded net sales revenue of R$5.5 billion, up 22.2% 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 3T13.

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 September 30, 2013, and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.

ANNEX 1 - CONSOLIDATED INCOME STATEMENT

(R$ '000)	3Q13	3Q12	2Q13
Revenue from Domestic Sales	499,311	371,207	470,578
Revenue from Exports	1,088,199	852,311	930,054
Gross Sales Revenue	1,587,510	1,223,518	1,400,632
Deductions from revenue – taxes and other	-92,451	-71,524	-77,892
Net Operating Revenue	1,495,059	1,151,994	1,322,740
Cost of Goods Sold	-1,172,180	-886,093	-1,055,999
Gross Profit	322,879	265,901	266,741
Selling Expenses	-140,091	-116,176	-114,776
General and Administrative Expenses	-41,941	-34,547	-39,918
Other Operating Revenues	8,311	6,555	8,137
Result before financial expenses	149,158	121,733	120,184
Financial Expenses	-99,263	-79,262	-87,430
Financial Revenues	14,825	10,731	8,899
Exchange Rate Variation	-35,261	-17,461	-214,888
Other Expenses	-27,128	-14,910	-29,900
Financial Result	-146,827	-100,902	-323,319
Result Before Taxes	2,331	20,831	-203,135
Income and Social Contribution Taxes - Current	-259	-850	8,669
Income and Social Contribution Taxes - Deferred	-638	588	-1,852
Net Income before Non-Controlling Interest	1,434	20,569	-196,318
Net Income Attributed to Controlling Shareholders	1,361	21,389	-196,146
Net Income Attributed to Non-Controlling Shareholders	73	-820	-172
Net Income	1,434	20,569	-196,318

ANNEX 2 - CONSOLIDATED BALANCE SHEET

(R$ '000)	Sep/13	Dec/12
ASSETS		
Cash and Cash Equivalents	1,240,091	1,288,754
Accounts Receivable from Clients	259,700	189,393
Inventories	272,422	218,534
Biological Assets	78,213	40,763
Taxes Recoverable	508,317	472,102
Others Receivables	187,247	117,885
Total Current Assets	2,545,990	2,327,431
Other Credits	25,478	22,720
Related Parties	16,961	31,331
Taxes Recoverable	137,056	107,927
Deferred fiscal assets	223,579	223,579
Judicial Deposits	10,909	8,607
Investments	0	0
Fixed Assets	1,289,716	1,218,581
Intangible	438,023	426,897
Total Non-Current Assets	2,141,722	2,039,642
Total Assets	4,687,712	4,367,073
LIABILITIES		
Loans and Financing	496,638	533,110
Convertible Debentures	3,666	443
Suppliers	335,365	289,433
Labor and tax liabilities	71,989	62,856
Other Liabilities	307,751	198,544
Total Current Liabilities	1,215,409	1,084,386
Loans and Financing	2,615,262	2,133,154
Convertible Debentures	143,175	139,584
Labor and tax liabilities	29,265	36,208
Provision for Contingencies	33,993	32,944
Provisions for losses in investments	0	0
Related Parties	0	63,714
Accounts Payable	35,959	47,547
Deferred Tax Liabilities	77,076	75,229
Total Non-Current Liabilities	2,934,730	2,528,380
Shareholders' equity		
Capital Stock	715,911	712,984
Capital Reserves	253	156,802
Revaluation Reserves	71,303	73,168
Profits Reserve	0	48,366
Accrued Profit	-232,698	-190,223
Treasury Stock	0	-29,693
Balance Sheet Evaluation Adjustments	-17,782	-19,515
Total shareholders' equity attributed to controlling shareholders	536,987	751,889
Non-Controlling Interest	586	2,418
Total shareholders' equity	537,573	754,307
Total liabilities and shareholders' equity	4,687,712	4,367,073

ANNEX 3 – CONSOLIDATED CASH FLOW STATEMENT

(R$ '000)	3Q13	3Q12	2Q13
Cash Flow from Operating Activities			
Net Income (Loss)	1,434	20,569	-196,318
Reconciliation of Net Income to Net Cash provided by Operating Activities:			
Depreciation and Amortization	14,146	12,740	14,254
Net Income Attributed to Non-Controlling Shareholders	-73	820	172
Fair Value of Biological Assets	-9,777	-4,498	-2,005
Realization of Deferred Taxes – Temporary Differences	638	-588	1,852
Financial Charges	97,941	99,019	85,868
Foreign Exchange Variation – Not Realized	32,947	22,566	221,593
Contingency Allowances	308	-1,917	-8
Accounts Receivable from Clients and Other Receivables	-70,274	-58,538	41,564
Inventories	4,266	-11,430	-35,564
Biological Assets	-24,504	196	-2,963
Taxes Recoverable	-17,518	-20,640	-26,178
Judicial Deposits	-1,091	2,619	-686
Suppliers	27,270	12,280	2,044
Labor and Tax Obligations	-2,820	1,841	-12,371
Other Accounts Payable	47,044	12,848	97,620
Net Cash Flow from Operating Activities	99,937	87,887	188,874
Cash Flow from Investments			
Acquisition of Investments	0	0	0
Acquisition of Intangible Assets	79	-1,924	-11,579
Acquisition of Fixed Assets	-40,047	-24,408	-36,511
Net Cash Flow from Investments	-39,968	-26,332	-48,090
Cash Flow from Financing Activities			
Loans and Financings	365,528	1,287,266	506,995
Loans and Financings Settled	-460,959	-1,229,952	-149,734
Convertible Debentures	4,441	-22,629	-1,264
Related Parties	2,266	1,071	-8,029
Variation in Minority Interest	71	-778	-1,272
Capital payment in cash	0	23,793	0
Treasury Stock	100,271	-18,362	-34,570
Cancellation of Treasury Stock	-58,266	0	0
Net Cash from Financing Activities	-46,648	40,409	312,126
Net Cash / Cash Equivalent Decrease	13,321	101,964	452,910
Cash and Cash Equivalents			
Beginning of Period	1,226,770	818,522	773,860
End of Period	1,240,091	920,486	1,226,770
Reduction in Cash and Cash Equivalents	13,321	101,964	452,910