MINERVA S.A.

Publicly-held Company
Corporate Taxpayer's ID (CNPJ/MF): 67.620.377/0001-14
Company Registry (NIRE): 35.300.344.022

MATERIAL FACT

Minerva S.A. ("Minerva" or "Company"), 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, in accordance with paragraph 4 of Article 157 of Law 6,404 of December 15, 1976, as amended ("Brazilian Corporation Law"), under the terms and for the purposes of CVM Instruction 319, of December 3, 1999, as amended ("ICVM 319") and CVM Instruction 358, of January 3, 2002, as amended ("ICVM 358"), complementing the material fact disclosed on August 20, 2014 ("Material Fact August 20, 2014") and the material fact disclosed on November 1, 2013, and published in the newspapers of wide circulation adopted by the Company on November 5, 2013 ("Material Fact November 01, 2013") and the material fact disclosed on September 16, 2014 ("Material Fact September 16, 2014"), hereby informs its shareholders and the market in general the following:

On the date hereof, the extraordinary shareholders' meeting of the Company and Mato Grosso Bovinos S.A. approved without any reservation the merger of shares, by the Company, pursuant to Article 252 of the Brazilian Corporation Law, of the totality of outstanding shares of Mato Grosso Bovinos S.A. ("Merger of Shares"). As previously disclosed, Mato Grosso Bovinos S.A. is a closely held company controlled, immediately prior to the Merger of Shares, by BRF S.A., a corporation with headquarters in Itajaí, state of Santa Catarina, at Avenida Jorge Tzachel, n.º 475, Fazenda, CEP 88.301-600, inscribed in the roll of corporate taxpayers (CNPJ/MF) under number 01.838.723/0001-27, registered with the CVM as a publicly-held company category "A" under the code 1629-2 ("BRF"), being the lawful owner of the slaughtering and deboning activities in the Várzea Grande and Mirassol D'Oeste plants ("Beef Activities").

As a result of the Merger of Shares, Minerva became on the date hereof the lawful owner of the totality of the outstanding shares issued by Mato Grosso Bovinos S.A, being entitled to operate the Beef Activities through Mato Grosso Bovinos S.A., contributing with its operational experience in the beef slaughtering and commercialization sector.

The Merger of Shares resulted in a capital increase of the Company, from the current seven hundred seventy-four million, one hundred thirty-six thousand and ninety-eight reais and sixty-six centavos (R$774,136,098.66) to eight hundred thirty-four million, one hundred thirty-six thousand and ninety-eight reais and sixty-six centavos (R$834,136,098.66), thus resulting in an increase of sixty million reais (R$60,000,000.00), with the issue of twenty-nine million (29,000,000) non-par, registered, book-entry common shares, entirely attributed to the holders of Mato Grosso Bovinos S.A.'s shares immediately prior to the approval of the Merger of Shares.

The difference between the total value of the shares issued by Mato Grosso Bovinos S.A. merged into the Company, as verified based on the accounting value appraisal report (also approved on the date hereof by the shareholders' meetings), equivalent to one hundred eighty million, three hundred nineteen thousand, four hundred and twenty-four reais (R$180,319,424.00), and the value of the capital increase mentioned above, was fully allocated to the creation of the Company's capital reserve, in accordance with Article 182, paragraph 1, item "a" of the Brazilian Corporation Law, resulting, therefore, in the allocation of one hundred twenty million, three hundred nineteen thousand, four hundred and twenty-four reais (R$120,319,424.00) to create the Company's capital reserve.

The newly issued shares are entitled to the same political and economic rights as those of the other shares of the same class and type issued by the Company, fully participating on the Company's results and being entitled to dividends and interest on equity, declared as of the date of the approval of the Merger of Shares, even those related to results related to the current fiscal year and/or previous years.

It is also important mentioning that on November 1, 2013, VDQ Holdings S.A. (the Company's controlling shareholder), and BRF S.A. entered into a shareholders' agreement whose efficacy was suspended and conditioned to the effective conclusion of the Merger of Shares ("Shareholders' Agreement"). Upon approval of the Merger of Shares, the Shareholders' Agreement automatically enters in force on the date hereof.

In accordance with Article 252 of the Brazilian Corporation Law, Company shareholders which did not approve the Merger of Shares on the date hereof, either by dissenting, abstaining or not attending the shareholders' meeting held on the date hereof, will have the right to withdraw from the Company, within up to thirty (30) days counted as of October 2, 2014 (date of publication of the minutes of the shareholders' meeting held on the date hereof approving the Merger of Shares), upon the reimbursement of the shares proved to be held thereby at the end of the trading session of November 4, 2013, date immediately prior to the publication in the newspapers of the Material Fact November 1, 2013 (reference date defined in accordance with *Ofício Circular SEP n.º 1/2014*, since the date of publication in the newspaper is not the same date of submission and disclosure of Material Fact November 1,2013 via IPE System), and held by the shareholder, without interruption, until the date of the effective exercise of the right of withdrawal.

In accordance with Article 45 of the Brazilian Corporation Law, dissenting shareholders will receive the amount of R$2.972408504 per share reimbursed, corresponding to the price of each Company share, calculated based on the Company's financial statements related to the fiscal year ended December 31, 2013, approved by the Company's annual shareholders' meeting of April 24, 2014.

Additionally, in accordance with Article 45, paragraph 2 of the Brazilian Corporation Law, dissenting shareholders will be entitled to, upon withdrawal, request a special balance sheet to determine the reimbursement value of the shares. The special balance will be calculated on a date prior to the approval of the Merger of Shares to be established by the Company's management, within a maximum of sixty (60) days between the date of the preparation of the special balance and the date of the approval of the Merger of Shares. In this case, after the end of the term for reconsideration of the Merger of Shares, the shareholder will receive eighty percent (80%) of the reimbursement value calculated based on the Company's shareholders' equity on December 31, 2013, with the remaining balance, if any, being paid within one hundred and twenty (120) days as of the date of the Company's extraordinary shareholders' meeting which approves the Merger of Shares.

Further details about the ways of exercising the right of withdrawal are available to the shareholders on the Management's Proposal available on CVM's website (www.cvm.com.br), on BMF&Bovespa's website (www.bm&fbovespa.com.br), on Minerva's Investor Relations website (www.minervafoods.com/ir) and also in its headquarter (Prolongamento da Avenida Antônio Manço Bernardes, s/n.°, Rotatória Família Vilela de Queiroz, Chácara Minerva, Cidade de Barretos, Estado de São Paulo, CEP 14.781-545);

Additionally, on the date hereof, Mr. Pedro Henrique Almeida Pinto de Oliveira and Mr. Vasco Carvalho Oliveira Neto were elected as independent members of the Company's board of directors (according to the definition of the Novo Mercado's Rules).

The endowment of the members elected on the date hereof are subject to: (i) homologation of the appointment of such members and previous execution of their terms of commitment before the Brazilian Antitrust Authority (CADE), according to

CADE's decision and the Agreement on Concentration Control ("ACC") executed by and among CADE, the Company and BRF under Concentration Act nº 08700.000658/2014-40, (ii) submission of clearance certificate, in a separate instrument, pursuant to Article 147, paragraph 4, of the Brazilian Corporation Law and Article 2 of CVM Instruction 367, of May 29, 2002, as amended ("ICVM 367/2002"); and (iii) prior signing of the respective statements of agreement with the Novo Mercado Participation Agreement of BM&FBOVESPA and the Listing Rules of Novo Mercado of BM&FBOVESPA.

Barretos, October 1, 2014

Minerva S.A.
Eduardo Pirani Puzziello
Investor Relations Officer