

4Q16 and 2016 Earnings Release

Minerva Foods

Barretos, February 21, 2017 – 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 fourth quarter (4Q16) and full year of 2016. The financial and operating information herein is presented in BRGAAP and Brazilian Reals (R\$), in accordance with International Financial Reporting Standards (IFRS).



4Q16 and 2016 Highlights

Minerva (BEEF3)

Price on 02/20/2017:
R\$11.67

Market cap:
R\$2,799.0 million

239,844,659 shares

Free Float – 52.0%

Conference calls

February 22, 2017

Portuguese

10:00 a.m. (Brasília)

8:00 a.m. (US EST)

Phone: +55 (11) 2188-0155

Code: Minerva

English

12:00 p.m. (Brasília)

10:00 a.m. (US EST)

Phone: +1 (412) 317-5479

Code: Minerva

IR Contact:

Eduardo Puzziello
Kelly Barna
Tamires Ferreira

Phone: (11) 3074-2444
(17) 3321-3355

ri@minervafoods.com

- ✓ Minerva posted net income of R\$12.3 million in 4Q16. In 2016, net income totaled R\$ 195.0 million, a net margin of 2.0%. Recurrent Free cash flow was positive by R\$197.9 million in 4Q16 and R\$180.1 million in 2016. ROIC stood at 23.9% in 4Q16, in line with the last two years. Cash position at the close of 2016 totaled R\$3.4 billion, 2.4x higher than short-term maturities. At the close of 4Q16, financial leverage, measured by the net debt/LTM EBITDA ratio, was 3.4x.
- ✓ In February 21st, Company's Board of Directors proposed the payment of R\$60.2 million in dividends, approximately R\$0.2578 per share or a 2.2% dividend yield on the closing share price of February 20st, 2017. The proposal will be submitted in the Annual Shareholder's Meeting to be held on March 31st, 2017. If the proposal is approved, the shares will be traded ex-dividend rights as of April 4, with payment scheduled for April 17, 2017.
- ✓ Gross revenue amounted to R\$2,729.3 million in 4Q16 and R\$10,263 million in 2016, 2% up on 2015. Exports accounted for 63% of Minerva's consolidated revenue in 2016. In 2016, particularly in the second half, the Company maintained its commercial focus on enhancing its capillarity in the local market. As a result, the Beef Division's export sales remained flat in 2016 over 2015, while domestic sales grew 10%, despite Brazil's economic deterioration scenario.
- ✓ Fourth-quarter EBITDA totaled R\$249.9 million, in line with the 3Q16 figure, accompanied by an EBITDA margin of 9.8%. EBITDA amounted to R\$989 million in 2016, with a margin of 10.3%.
- ✓ Following its liability management process, the Company exercised its early repurchase option related to US\$105.5 million in face value of its 2022 Bonds with annual interest of 12.25%.
- ✓ Over the past two years, the Company has implemented operational and commercial efficiency programs. The constant search for operational efficiency in the industry, coupled with the new focus of the commercial strategy, which favors the development and diversification of channels and sources, and the use of specific risk management tools, prepared and organized by a team specializing in business intelligence, has enable the Company to identify new market opportunities, and has assisted the generation of even better results, less volatile and more predictable.



Key Indicators

R\$ Million	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Slaughtering ('000 head)	479.8	543.6	-11.7%	590.0	-18.7%	2,132.2	2,276.5	-6.3%
Sales volume ('000 tonnes)	129.4	152.5	-15.1%	151.2	-14.4%	548.1	578.6	-5.3%
Gross revenue	2,729.3	2,887.9	-5.5%	2,694.7	1.3%	10,263.0	10,060.0	2.0%
Domestic market	1,182.0	912.4	29.5%	1,064.9	11.0%	3,806.8	3,071.0	24.0%
Export market	1,547.3	1,975.5	-21.7%	1,629.7	-5.1%	6,456.2	6,989.0	-7.6%
Net revenue	2,556.4	2,753.7	-7.2%	2,533.7	0.9%	9,648.7	9,524.8	1.3%
EBITDA	249.9	337.0	-25.8%	249.3	0.2%	989.3	1,020.0	-3.0%
EBITDA margin	9.8%	12.2%	-2.5 p.p.	9.8%	-0.1 p.p.	10.3%	10.7%	-0.5 p.p.
Net debt/LTM EBITDA (x)	3.4	4.1	-0.7	3.1	0.3	3.4	4.1	-0.7
Net (loss) income	12.3	66.5	-81.5%	47.4	-74.1%	195.0	-800.0	-124.4%



Message from Management

Minerva's focus, discipline and strategic consistency were once again the pillars supporting the Company's good results despite the highly adverse and volatile economic environment. Our operating and financial indicators attest to the increasing efficiency of our operations, as well as the solid execution of our strategy.

Consolidated net revenue totaled R\$9.7 billion in 2016. In 2016, the gross and EBITDA margins stood at 19.5% and 10.3%, respectively. Return on invested capital (ROIC) came to 23.9% in 2016, maintaining Minerva as a reference in its sector. At the close of December 2016, the Company's leverage ratio was 3.4x, underlining a downward trajectory compared to December 2015. At the end of 2016, the Company's cash stood at R\$3.4 billion, accompanied by a significantly extended and less-expensive liability structure. The US\$1 billion issue of Notes held in September 2016, which reduced the average cost of debt by more than 100 bps and increased debt maturity, is an example of the constant improvement in Minerva's capital structure. Our current cash position covers debt amortization until 2026, with debt duration of more than 6 years.

Minerva moved on with its strategy to increase the number of points of sale in the domestic market, reaching 50,000 clients in 2016 and, consequently, improving its operating indicators. This improvement can be confirmed by the growth in total domestic sales of beef in 2016, accompanied by an average sale price higher than in 2015. Despite the adverse economic scenario, this initiative enabled the Company to increase the Beef Division's total revenue in the domestic market, to R\$2.7 billion in 2016.

In the international front, South America is still in a privileged position on the global scenario as the main exporter of beef, excelling due to its natural competitive advantages and expanding its herd and beef production year after year. The global supply and demand scenario is still favorable, with the continuing decline in global supply of beef, in contrast to the improving international demand. The opening of the U.S. market combined with weakening Australian exports has been benefiting South American countries' access to new markets, particularly Brazil. This effect should cause other markets to open to South American countries, further expanding sales channels in the international market.

On the operational efficiency program side, the management implemented throughout 2016, programs that aim to standardize the process, to minimize the volatility of the operational results and to increase operations productivity and profitability. In addition, on the commercial side, the Company organized and expanded its distribution channels in Brazil, focusing on food service and small and medium retail segment. This change resulted in the improvement of the Go to Market strategy, giving priority to the opening of new customers in the food service segment, and it increased the number of items in each order, which expanded the margin of this operation. Moreover, Minerva took another step forward on its commercial strategy, starting to increasingly source more third-party's products through its own

4Q16 and 2016 Earnings Release

trading companies located in Brazil, Uruguay and Australia, since we understood that the current scenario of imbalance between global beef supply and demand brings even more commercial opportunities. And the way to capture these opportunities is to make the Company become even more "commercial", focusing on sourcing through "trading" and the development of efficient distribution channels.

On the raw material sourcing side, damage to pasture due to drought was limited because of the length of the rainy season. The atypical rains which returned at the close of the third quarter in some producing regions favored pasture replenishment and consequently strengthened pasture cattle supply at the beginning of the next season. We expect to have more cattle available for slaughter in 2017, due to the combination of (1) animals that should have been slaughtered in the last two years, but which due to industry capacity adjustment remained on farms and should be available in the coming seasons, (2) a favorable feedlot period in the offseason, resulting from lower replacement and grain prices, and (3) the reversal of the cattle cycle to the phase of higher animal supply (we already noticed the first signs of higher slaughter of females and the reduction in the margin of cattle breeding activities).

I finally thank Minerva's team for the good results achieved by the Company. We still believe that the combination of meritocracy, a consistent strategy, execution discipline and commitment to ethical and sustainable practices is the irrevocable path to value creation.

Fernando Galletti de Queiroz, CEO



Industry Overview

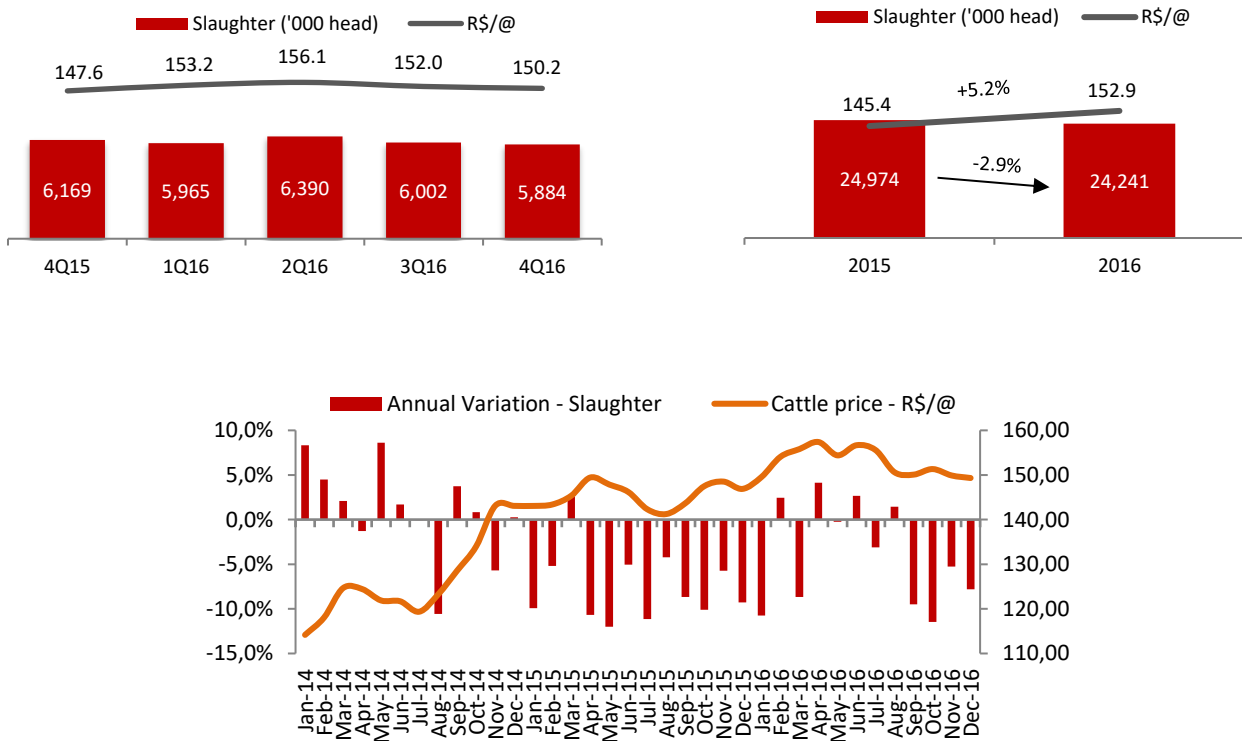
Brazil

Cattle Supply

The industry’s capacity utilization fell in 2016 over 2015. Slaughter volume totaled approximately 24 million head of cattle, 3% down on 2015. In 4Q16 over 4Q15, slaughter volume fell 5%, to 5.9 million head. In the last two years, slaughter volume reduced by 10.4%. In the fourth quarter, the average arroba price reduced by 2.0% over 4Q15 and 1.2% over 3Q16, closing the year at R\$150.2/@. The reduction in the arroba price in the fourth quarter of 2016 was chiefly influenced by the reduction in the sector's slaughter.

Market prospects for cattle availability in 2017 are extremely positive. Indicators point to a higher volume of confined animals than in 2016, thanks to the reduction in replacement and grain prices. In addition, the availability of animals ready for slaughter indicates a change in the cattle cycle in 2017, leading to a higher offer of animals ready for slaughter.

Figures 1, 2 and 3 – Cattle Slaughter and Average Cattle Price



Source: Ministry of Agriculture, Livestock and Supply, CEPEA/ESALQ | 4Q16 Preliminary slaughter figures

Export market

Brazilian exports totaled 1,077.6 thousand tonnes in 2016, in line with the 2015 figure. Fourth quarter export volume fell 5% over 3Q16 and 21% over 4Q15. This scenario can be explained by the appreciation of the real which, combined with a stronger domestic market, allowed exporters to sell a large share of their volume locally. Export revenue totaled US\$4,351.0 million in 2016, 7% down on 2015. In the fourth quarter, revenue amounted to US\$1,060 million, approximately 20% less than in 4Q15 and in line with the 3Q16 figure.

Figures 4, 5, 6 and 7 – Fresh Beef Exports

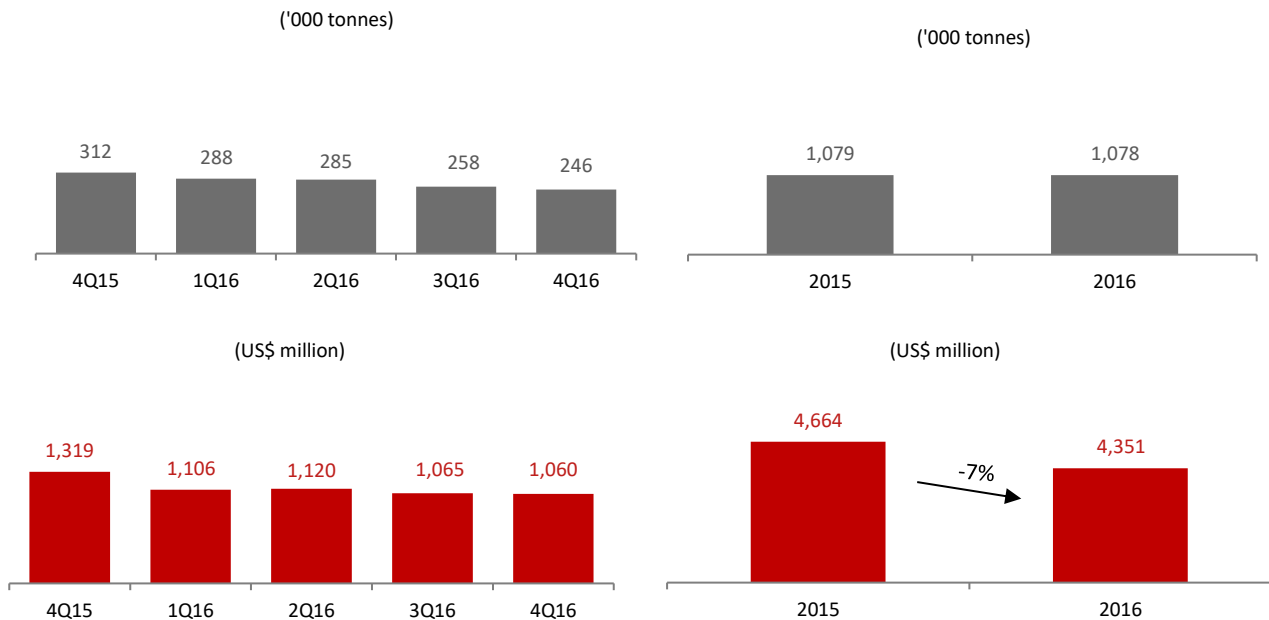


Figure 8 - Average price of fresh beef

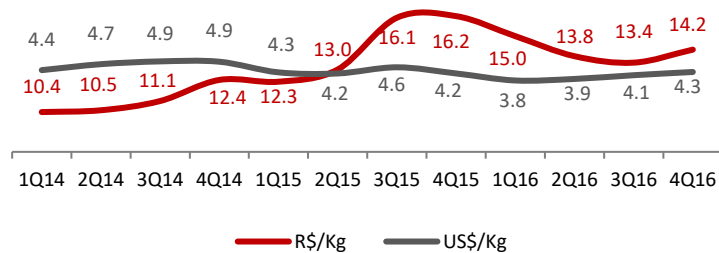
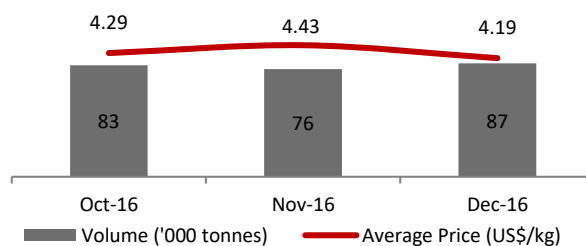


Figure 9 - Brazilian fresh beef exports

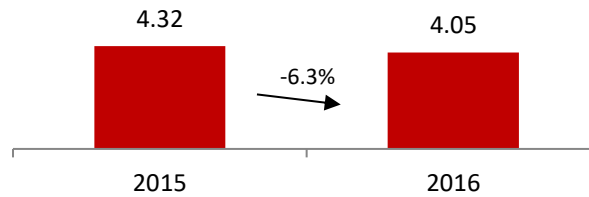


Source: Ministry of Trade, Industry and Development

The average dollar price of beef reduced 6.3% in 2016 over 2015, due to the higher share of exports to countries with higher demand for forequarter cuts (changes to the product mix) and reduced imports from Venezuela (where the average price of beef is higher than in Brazil). However, despite the appreciation of the real as of the second half of

the year, the average price in reais remained virtually stable compared to 2015, due to the price recovery in the international market as of 2H16. In the fourth quarter, the average price in U.S. dollars came to US\$4.1/kg (4% up on 3Q16), the highest average price in 2016, while the average price in reais came to R\$14.2/kg (6% up on 3Q16).

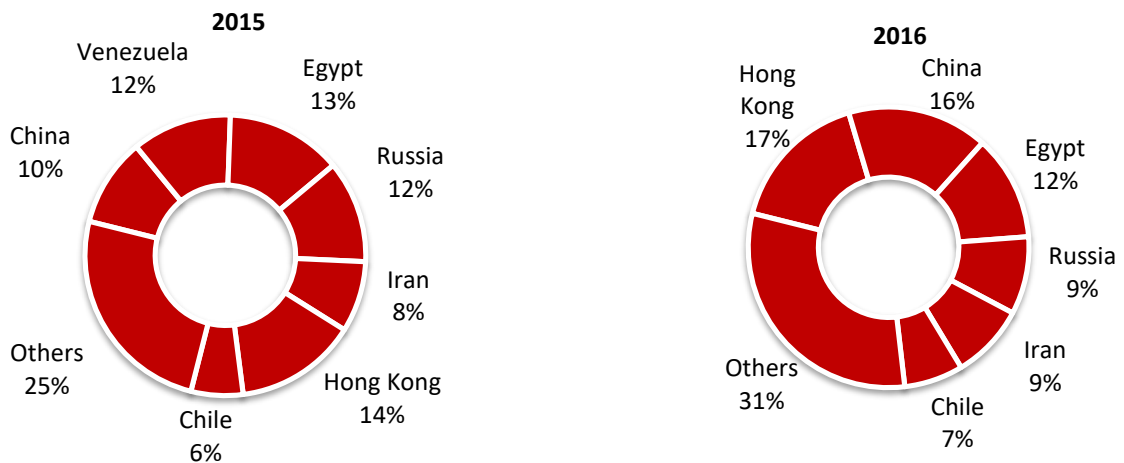
Figure 10 - Average price of fresh beef in USD



Source: Ministry of Trade, Industry and Development

In 2016, Brazil's main export destinations were China and Hong Kong, accounting for 33% of the total, 10 p.p. more than in 2015. Egypt remained as the second main export destination (12% of the total), followed by Russia, whose share came to 9%. These countries demand more forequarter cuts (whose nominal prices are lower), fueling the reduction in the average dollar price in 2016, as explained in the previous paragraph.

Figures 11 and 12 – Export Destinations (% of Revenue)

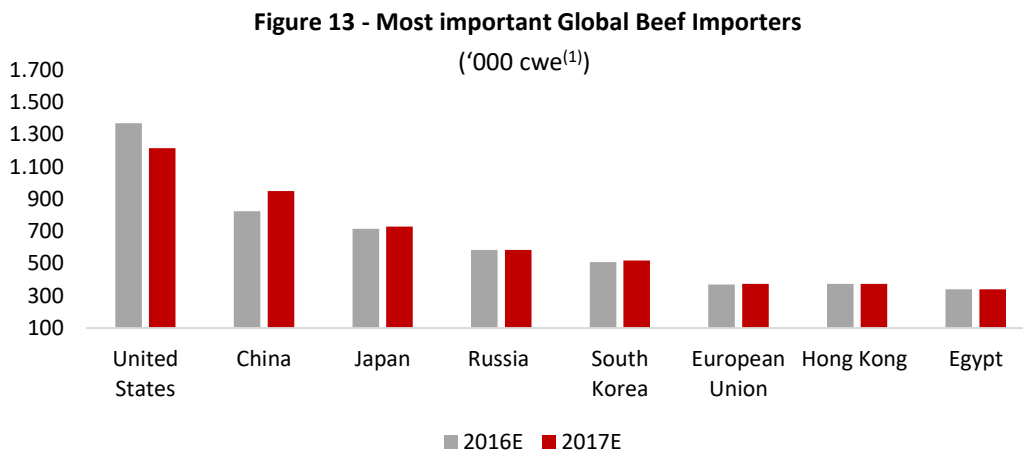


Source: Ministry of Trade, Industry and Development

Perspectives for the export scenario in 2017

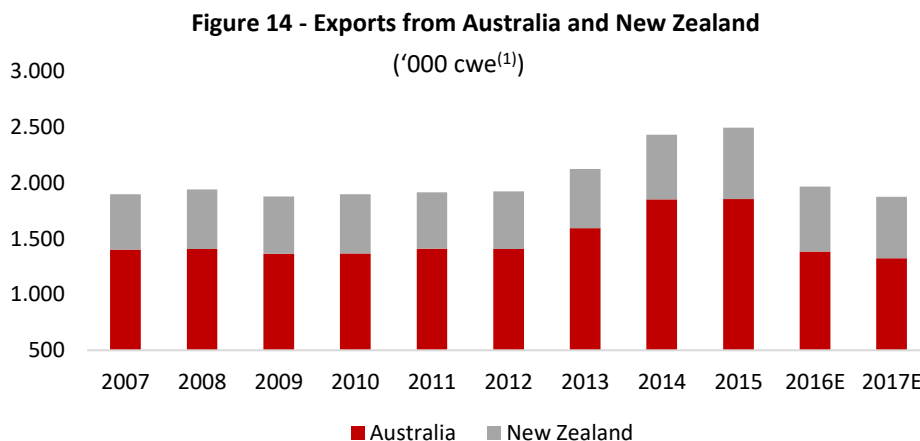
The perspectives for South American exporters (particularly Brazil) remain highly favorable: global demand for beef continues to expand, while large players (especially Australia) are still showing signs of weakening cattle supply and declining production.

According to the last estimates published by the United States Department of Agriculture (USDA) shown in the chart below, the United States, China and Japan will be the main importers of beef both in 2016 and 2017. In addition, estimates show that China's imports tend to grow even more:



Source: USDA | (1) carcass weight equivalent

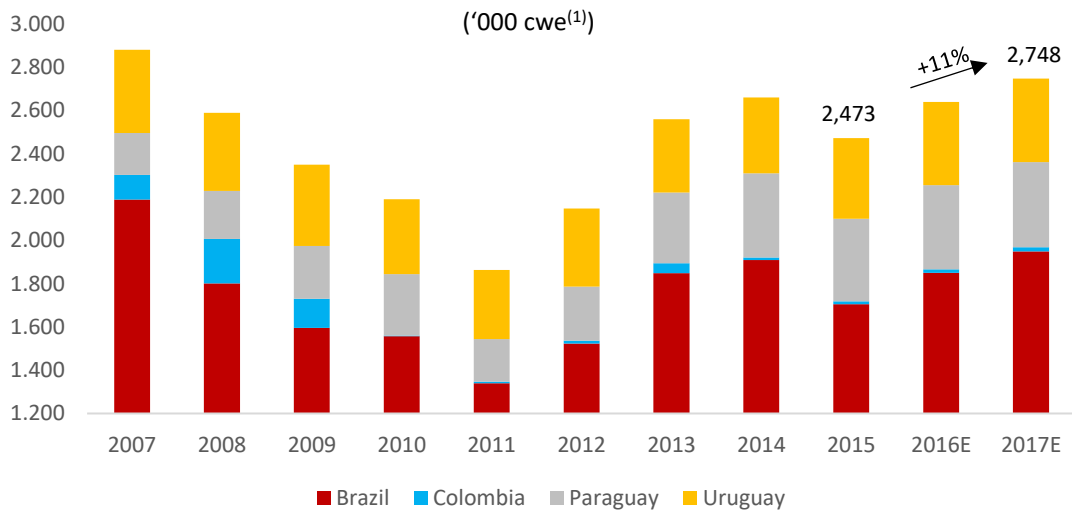
Meanwhile, on the supply side, Australia, one of the most important global suppliers of beef, registered the second consecutive year of reduction in export volume due to its weaker beef production. The USDA expects that this scenario of weakening Australian exports, together with New Zealand, should persist throughout 2017, as shown in the following chart:



Source: USDA | (1) carcass weight equivalent

This mismatch between supply and demand for beef opens an important opportunity for Brazil's access to new importing countries. That effect was already noticed in 2016 with the opening of the U.S. market to Brazilian beef. We also expect that, mirroring the United States, other countries which adopt the same sanitary protocol may open their doors to Brazilian beef, especially Canada, Mexico, South Korea and Japan. As a result, the USDA also expects combined exports from Brazil, Paraguay, Uruguay and Colombia to expand by more than 107,000 tonnes over 2016. We present as follow these four countries' exports in the last 10 years (with estimates for 2016 and 2017):

Figure 15 - Export Volume Growth - Brazil, Paraguay, Uruguay and Colombia



Source: USDA | (1) carcass weight equivalent

Domestic market

In 2016, domestic market consumption followed the same trend observed in 2015, being impacted by the deterioration of Brazil’s economy: high inflation, increased unemployment, lower credit availability and the reduction in the purchasing power of households. This environment encouraged Brazilian consumers to buy cheaper cuts, such as forequarter cuts, or switch to less-expensive proteins (poultry, pork, processed beef, eggs etc). This scenario contributed to reduce the average price of carcass and implied reductions in the installed capacity utilization of some meatpacking companies with little commercial and operational flexibility.

However, in the second half of 2016, despite the weaker domestic consumption environment, prices of hindquarter cuts appreciated and gained strength, as shown in the charts below, fueled by a reduction in beef production and the seasonal increase in consumption. Consequently, certain producers rerouted previously exported volumes to the domestic market, an effect which was also influenced by the appreciation of the real against the U.S. dollar in 2H16.

Figure 16 - Average price of cuts

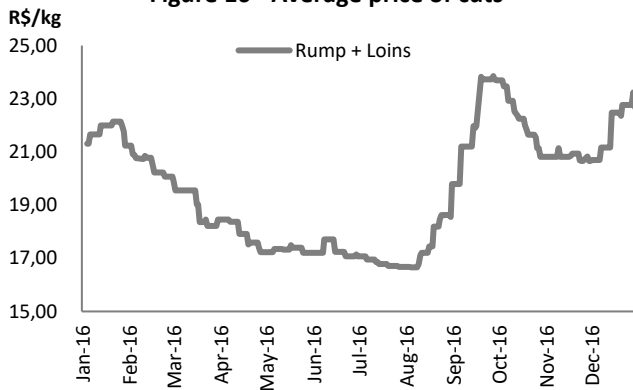
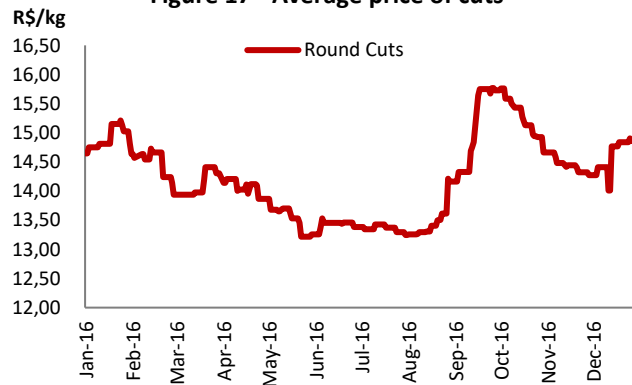


Figure 17 - Average price of cuts



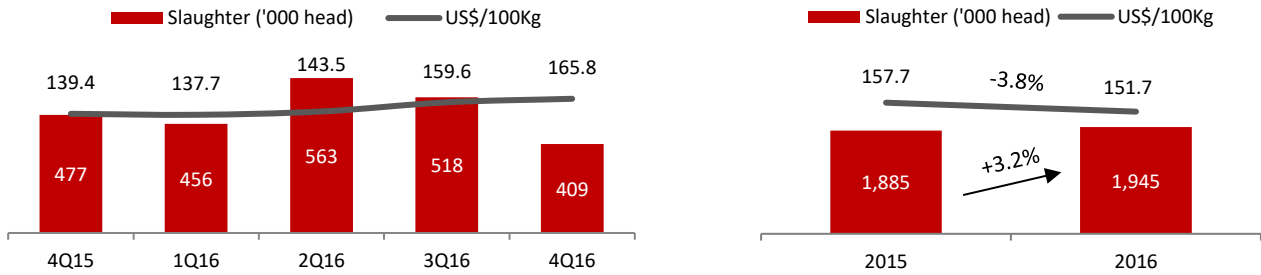
Source: Intercarnes

Paraguay

Cattle Supply

In 2016, slaughter volume amounted to 1.9 million head, 3% up on 2015. Fourth-quarter slaughter volume came to 409,000 head, 21% and 14% down on 3Q16 and 4Q15, respectively, due to the above-expected restriction in animal supply in October, the peak of the offseason, and rainfall, disrupting transportation in November and December. In this scenario, the average price of cattle reached US\$165.8/100kg (4% and 19% up on 3Q16 and 4Q15, respectively).

Figures 18 and 19 – Cattle Slaughter and Average Cattle Price

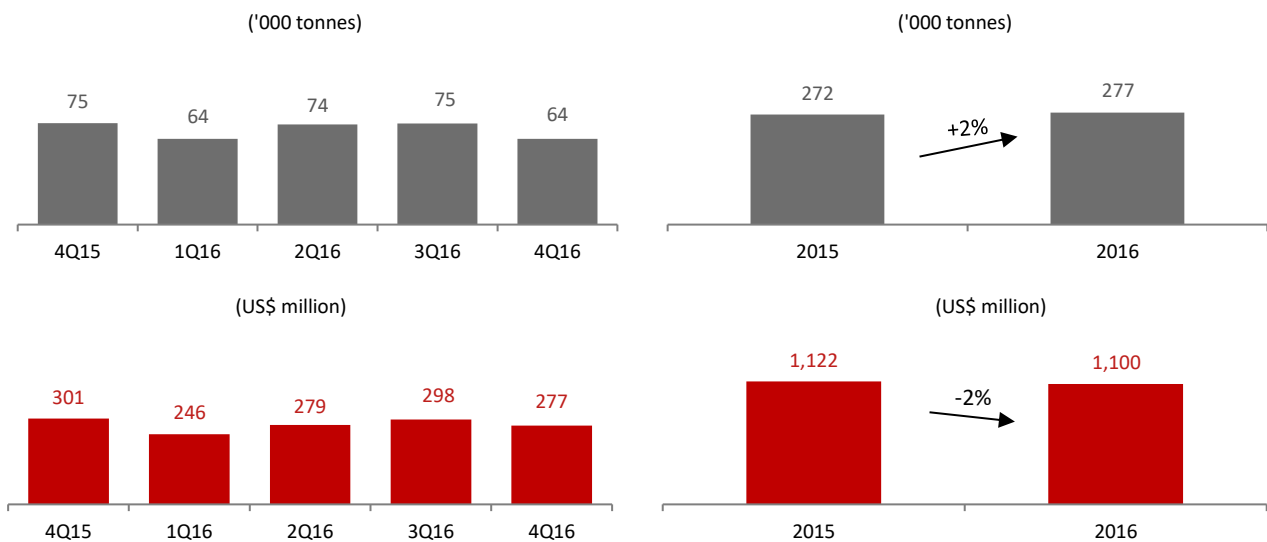


Source: SENACSA

Export market

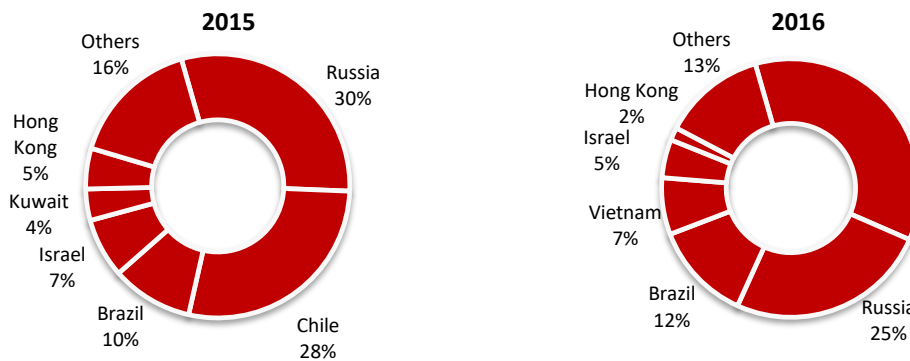
Paraguay's export volume totaled approximately 277 thousand tonnes in 2016, accompanied by export revenue of US\$1.1 billion. Both volume and revenue remained flat over 2015. In the fourth quarter, export volume amounted to 64,000 tonnes, declining by 15% over 3Q16 and 4Q15, influenced by the lower production in the quarter due to a reduced slaughter volume, as previously explained. Despite the lower export volume, revenue from this line totaled US\$277 million in 4Q16, thanks to the 10% higher average dollar price compared to the previous quarter. As shown in figures 24 and 25 Russia, Chile and Brazil remained among Paraguay's main export destinations, although Chile was ranked first this year, due to this market's higher profitability for exporters.

Figures 20, 21, 22 and 23 – Fresh Beef Exports



Source: SENACSA

Figures 24 and 25 – Export Destinations (% of Revenue)



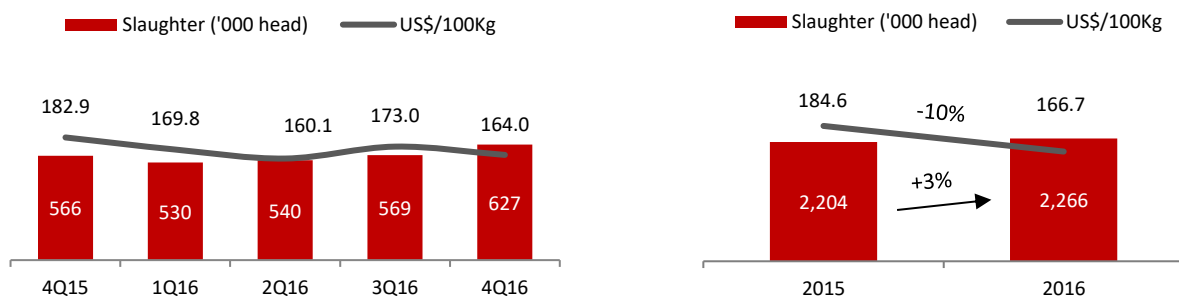
Source: SENACSA

Uruguay

Cattle Supply

Uruguay's slaughter volume totaled 2.266 million head in 2016, 3% more than in 2015. The average price of cattle contracted 10% in 2016, to US\$166.7/100kg, influenced by the 11% reduction in the average export price in 2016, due to the fiercer competition with regional exporters (Brazil and Argentina). In 4Q16, slaughter volume amounted to 627 thousand head, 10% and 11% up on 3Q16 and 4Q15, respectively. This growth was chiefly influenced by the large volume of exports to Middle Eastern countries. In preparation for the visit of delegations from Middle Eastern countries scheduled for the fourth quarter, the main meatpacking companies anticipated their cattle purchases, directly leading to the reduction in the average price of cattle in Uruguay, to US\$164.0/100kg in 4Q16 (5% down on 3Q16).

Figures 26 and 27 – Cattle Slaughter and Average Cattle Price

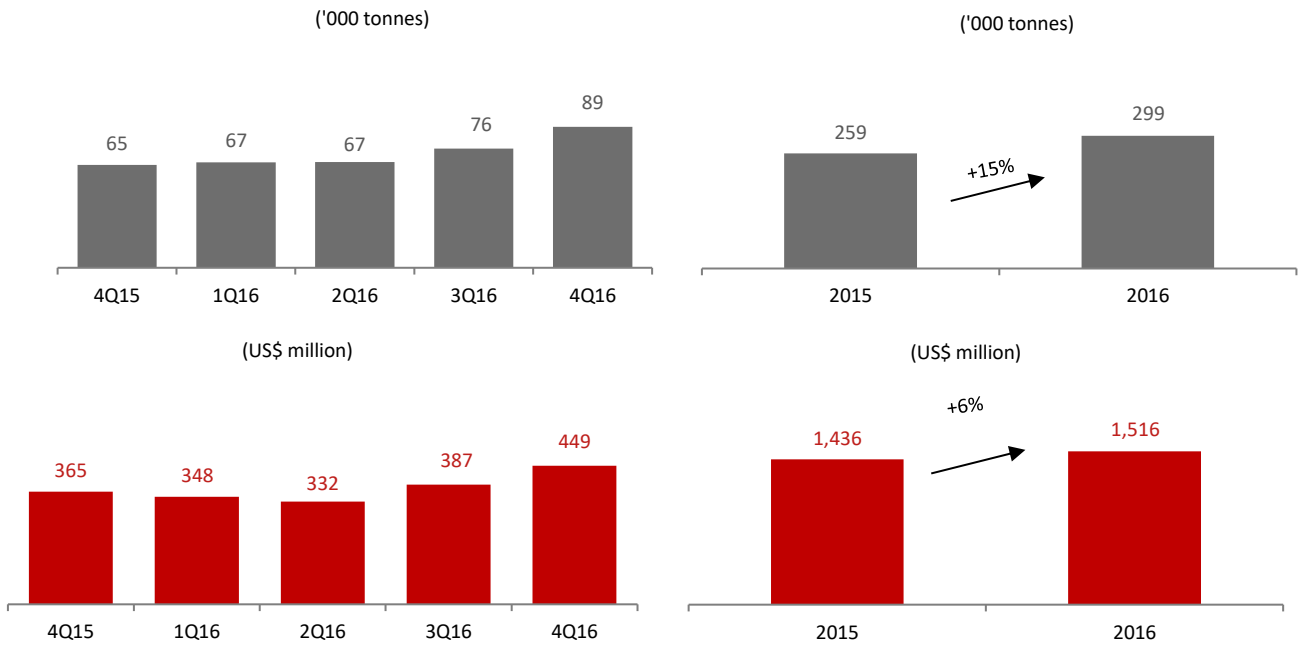


Source: INAC

Export market

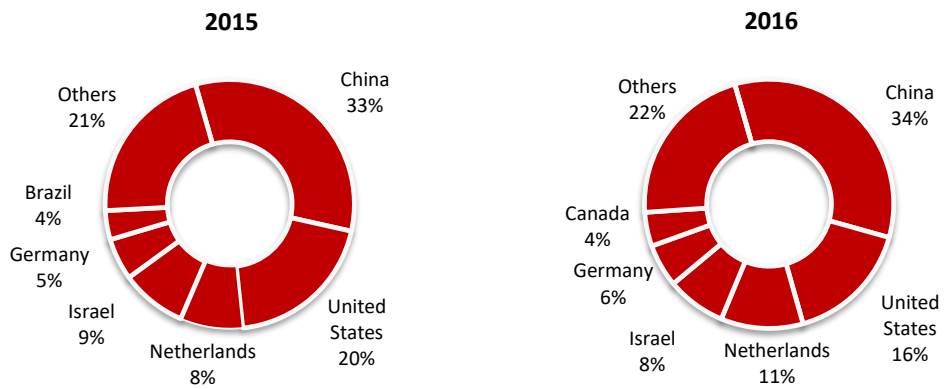
Export volume totaled 302,300 tonnes in 2016, 15% up on 2015, chiefly fueled by exports to China and the United States. In terms of revenue, the two countries accounted for 36% and 12% of Uruguay's exports, respectively, remaining as the country's main export destinations, followed by the Netherlands and Canada. In 2016, export revenue came to US\$1.454 million. Fourth-quarter export volume grew 25% over 4Q15, to 86 thousand tonnes, accompanied by revenue of US\$412 million, 17% and 7% up on 4Q15 and 3Q16, respectively. This healthy export performance was fueled by shippings to Asia, particularly China (+29% qq) and South Korea.

Figures 28, 29, 30 and 31 – Fresh Beef Exports



Source: INAC

Figures 32 and 33 – Export Destinations (% of Revenue)



Source: INAC



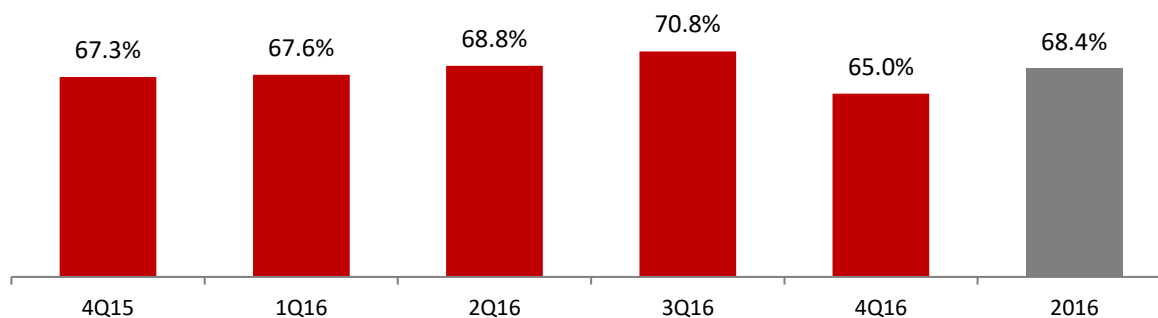
Minerva – Results Analysis

Slaughter

In 2016, the Company's slaughter volume came to 2,132.2 thousand head of cattle, 6% less than in 2015. It is worth mentioning that in 2016, in addition to the still ongoing industry adjustment, our operations were also impacted by strong rainfall in Paraguay and Uruguay, hindering animal transportation to industrial units. In 2016, capacity utilization averaged 68.4%.

In 4Q16, slaughter volume totaled approximately 480,000 head, accompanied by a capacity utilization rate of 65%. One of the factors contributing to reduce capacity utilization in 4Q16 was the logistics problem, which was exacerbated by Paraguay's climate conditions at the end of the year.

Figure 34 - Installed Capacity Utilization



Source: Minerva

Consolidated Gross Revenue

Minerva's gross revenue totaled R\$10.3 billion in 2016, 2.0% more than in 2015. The Beef Division's performance remained virtually stable, inching up by 1.4%, to R\$8.4 billion, while the Others Division grew by 4.9% over the previous year, posting revenue of R\$1.9 billion.

The Beef Division's export revenue totaled R\$5,722.0 million in 2016, 2.1% down on 2015, due to the lower export volume in the second half of the year, partially offset by increased domestic sales. Note that the average export price of fresh beef in U.S. dollars remained stable at US\$4.9/kg in 2016 over 2015. Minerva moved on with its strategy to increase the number of points of sale in the domestic market, consequently improving its operating indicators. Said improvement can be confirmed by the 5% growth in total domestic sales of beef, with an average sale price 4% higher than in 2015. Despite the adverse economic scenario, due to this initiative the Beef Division's total revenue in the domestic market increased by 10% over 2015.

In 4Q16, the impact of the Beef Division's revenue on the export market was 25% and 12% on 4Q15 and 3Q16, respectively. The quarter-on-quarter impact was influenced by the weak performance in Paraguay's operation, which was affected by the strong rainfall in November, disrupting animal transportation to plants and, consequently, affecting beef production in November and December. The year-on-year impact can be explained by the problem in Paraguay, combined with the average appreciation of the real against the U.S. Dollar, of approximately 15%. Domestic revenue fell 5% over the same period in 2015, due to weaker demand, influenced by the current economic scenario in Brazil, and a 4% lower average price in 4Q16 over 4Q15.

The Others Division grew 5% in 2016 over 2015, also expanding by 76% and 69% over 4Q15 and 3Q16, respectively. The Live Cattle segment's weak export performance (-50%) over the previous year was offset by the healthy results in

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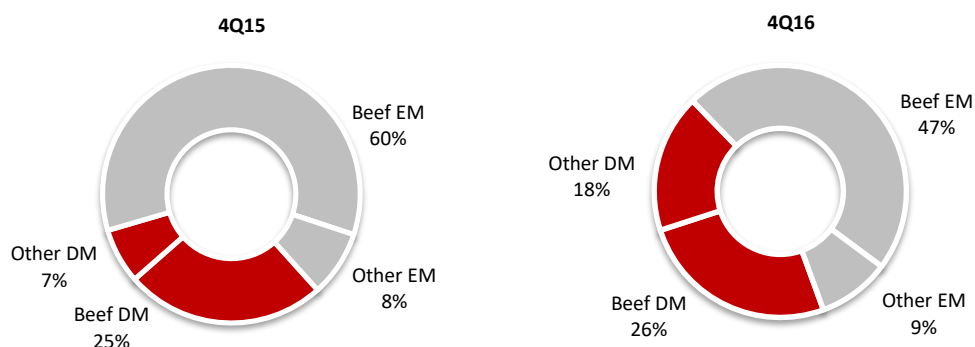
the Leather (+15%) and Distribution (+80%) segments. The strong growth in the fourth quarter was also influenced by the Leather (up by 36% y-o-y and 12.5% qoq) and Distribution (up by 156% yoy and 85% qoq) segments.

R\$ Million	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Gross revenue	2,729.3	2,887.9	-5.5%	2,694.7	1.3%	10,263.0	10,060.0	2.0%
Beef Division	1,991.5	2,468.4	-19.3%	2,257.7	-11.8%	8,391.9	8,276.2	1.4%
Others Division	737.8	419.5	75.9%	436.9	68.9%	1,871.1	1,783.8	4.9%

R\$ Million	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Domestic market	1,182.0	912.4	29.5%	1,064.9	11.0%	3,806.8	3,071.0	24.0%
% Gross revenue	43.3%	31.6%	11.7 p.p.	39.5%	3.8 p.p.	37.1%	30.5%	6.6 p.p.
Beef Division	697.6	733.0	-4.8%	780.3	-10.6%	2,669.9	2,430.0	9.9%
Others Division	484.5	179.4	170.1%	284.6	70.2%	1,136.9	641.0	77.4%

R\$ Million	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Export market	1,547.3	1,975.5	-21.7%	1,629.7	-5.1%	6,456.2	6,989.0	-7.6%
% Gross revenue	56.7%	68.4%	-11.7 p.p.	60.5%	-3.8 p.p.	62.9%	69.5%	-6.6 p.p.
Beef Division	1,294.0	1,735.3	-25.4%	1,477.4	-12.4%	5,722.0	5,846.2	-2.1%
Others Division	253.4	240.2	5.5%	152.3	66.3%	734.2	1,142.7	-35.8%

Figures 35 and 36 – Breakdown of Consolidated Gross Revenue



Source: Minerva

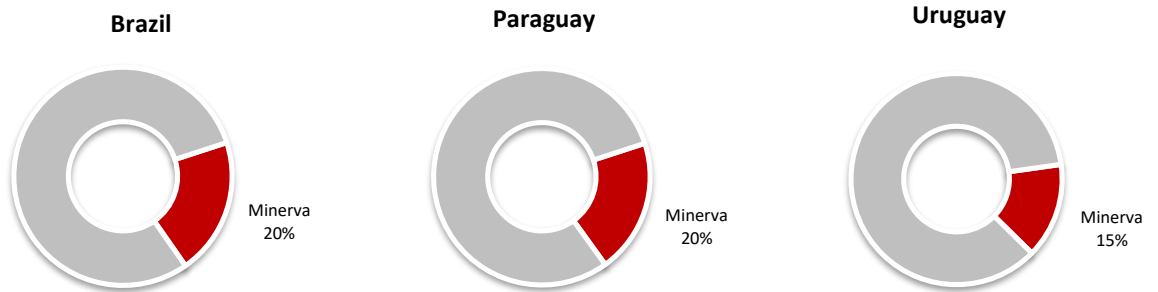
Beef Division

The Beef Division's gross revenue totaled R\$8.4 billion in 2016, 1.4% up on 2015. Export revenue accounted for 68% of division beef total, in line with the 2016 figure, amounting to R\$5.7 billion. This result was benefited by the average price of fresh beef in reais, which increased by 4.3% over 2015, to R\$17.0/kg. The Company once again recorded healthy performance in the domestic market despite the current economic environment. Gross domestic revenue from the Beef Division totaled R\$2.7 billion, 10% up on 2015, accounting for 32% of the Division's sales.

Exports

In 2016, the Company continued to post a high market share in the countries where it operates, remaining among the main exporters. Minerva's share of Brazil's exports reached 20%. In Paraguay, the Company's market share stood at 20%, in line with the 2015 figure and once again a record figure compared to previous years, while in Uruguay, Minerva's market share came to approximately 15% in 2016.

Figures 37, 38 and 39 – 2016 Market Share (% of Revenue)



Source: Minerva, Secex, INAC and SENACSA

We present below the Company's exports by region in 2016 and 2015:

Africa: the region's share of Minerva's exports contracted 3 p.p. in 2016 over 2015, accounting for 14% of the total. The cuts consumed in this region (chiefly forequarter cuts) were rerouted to certain Asian countries – the great majority to China/ Hong Kong – as well as to countries in the Middle East, with the same consuming profile.

Americas: the region's share of total exports increased 3 p.p. in 2016 over 2015, to 15% of the Company's export volume. The top consuming country in this region was Chile (served by our operations in Brazil and Paraguay). Which increased 18% of the exports revenue this year. The second most important export destination of the Americas was Brazil, supplied by our plants in Paraguay and Uruguay.

Asia: since China resumed importing Brazilian beef (as of September 2015), Asia's share of the Company's exports has been constantly increasing. In 2016, the region was Minerva's main export destination, accounting for more than one-fourth of the total (27%), equivalent to a 3 p.p. increase over the previous year. However, it is worth noting that the region's performance is also linked to the consumption of important expanding markets besides China: Vietnam, Malaysia, the Philippines, Taiwan and South Korea (currently supplied by our operation in Uruguay) whose combined growth came to more than 50% as a percentage of export revenue.

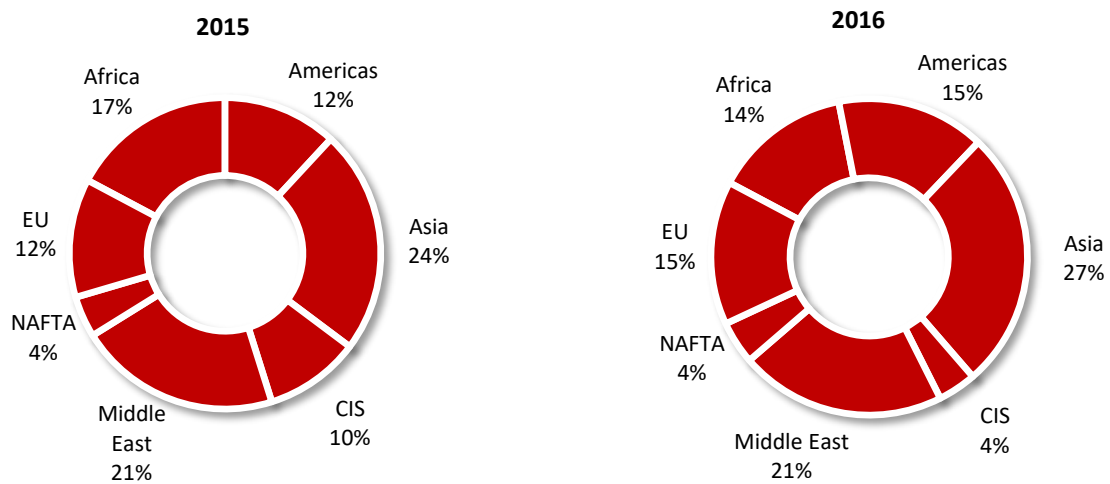
CIS (Commonwealth of Independent States): the share of this region, represented approximately 90% by Russia, declined from 10% of the Company's total exports in 2015 to 4% in 2016, down by 600 bps. This reduction was caused by two main factors: 1) the depreciation of the Ruble against the U.S. dollar; and 2) the reduction in oil prices, Russia's main revenue source. The combination of these two factors led to a reduction in beef imports. However, as of the second half of 2016, and given the region's economic improvement, Russia began showing signs of recovery. Minerva rerouted part of the volume previously allocated to this region to other destinations, especially in Asia and the Middle East.

Europe: the region's share of Minerva's exports increased by 300 bps in 2016, accounting for 15% of the total (12% in 2015). Given that Europe is a region which consumes nobler cuts, such as hindquarter cuts, the Company used its strategy to reroute products to countries whose profitability is higher, expanding the export volume to the region in 2016.

NAFTA: the share of the NAFTA region (United States, Canada and Mexico) as a percentage of Minerva's exports remained flat in 2016, corresponding to 4% of the total. The United States remain as the region's main export destination, a country which was previously supplied by our units in Uruguay, but that, as of October 2016, with the opening of the U.S. market to Brazilian beef, began to receive beef from certain Brazilian plants.

Middle East: in 2016, the region accounted for 21% of the Company's exports (in line with the 2015 figure), maintaining the Middle East as Minerva's second main export destination, only falling behind Asia. The countries whose revenue recorded the highest growth were Israel, Lebanon and the United Arab Emirates.

Figures 40 and 41 – Consolidated Sales Breakdown by Region



Source: Minerva

We present below a complete breakdown of the Beef Division:

Gross Revenue (R\$ million)	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Fresh Beef – EM	1,192.8	1,634.3	-27.0%	1,374.2	-13.2%	5,322.2	5,449.9	-2.3%
Processed Beef – EM	10.0	1.8	443.9%	17.8	-43.9%	48.3	33.2	45.4%
Others – EM	91.2	99.2	-8.0%	85.4	6.8%	351.5	363.1	-3.2%
Subtotal – EM	1,294.0	1,735.3	-25.4%	1,477.4	-12.4%	5,722.0	5,846.2	-2.1%
Fresh Beef – DM	587.5	617.0	-4.8%	639.3	-8.1%	2,190.0	2,009.4	9.0%
Processed Beef – DM	16.9	13.5	25.1%	22.9	-26.3%	67.3	38.1	76.8%
Others - DM	93.1	102.5	-9.2%	118.0	-21.1%	412.6	382.5	7.9%
Subtotal – DM	697.6	733.0	-4.8%	780.3	-10.6%	2,669.9	2,430.0	9.9%
Total	1,991.5	2,468.4	-19.3%	2,257.7	-11.8%	8,391.9	8,276.2	1.4%

Volume ('000 tonnes)	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Fresh Beef – EM	67.3	89.1	-24.4%	81.0	-16.9%	312.3	334.6	-6.7%
Processed Beef – EM	0.4	0.1	455.5%	0.7	-45.2%	1.9	1.4	34.1%
Others – EM	7.6	8.6	-11.1%	7.6	-0.4%	30.1	31.8	-5.2%
Subtotal – EM	75.3	97.7	-22.9%	89.4	-15.7%	344.4	367.8	-6.4%
Fresh Beef – DM	45.2	45.1	0.1%	53.0	-14.8%	170.3	162.8	4.6%
Processed Beef – DM	1.2	1.0	23.7%	1.7	-30.5%	4.9	3.2	51.5%
Others – DM	7.7	8.7	-11.3%	7.1	9.3%	28.7	44.8	-36.0%
Subtotal – DM	54.1	54.8	-1.3%	61.8	-12.5%	203.8	210.8	-3.3%
Total	129.4	152.5	-15.1%	151.2	-14.4%	548.1	578.6	-5.3%

Average price – EM (US\$/kg)	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Fresh Beef – EM	5.4	4.8	12.5%	5.2	2.8%	4.9	4.9	-0.2%
Processed Beef – EM	7.7	6.8	14.1%	7.7	0.8%	7.1	6.9	3.5%
Others – EM	3.6	3.0	20.6%	3.4	5.5%	3.3	3.4	-2.6%
Total	5.2	4.6	12.7%	5.1	2.3%	4.8	4.8	-0.2%
Average dollar (Source: BACEN)	3.30	3.84	-14.2%	3.24	1.6%	3.49	3.33	4.8%

Average price – EM (R\$/Kg)	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Fresh Beef – EM	17.7	18.4	-3.5%	17.0	4.5%	17.0	16.3	4.6%
Processed Beef – EM	25.5	26.1	-2.1%	24.9	2.5%	24.8	22.9	8.4%
Others – EM	12.0	11.6	3.5%	11.2	7.2%	11.7	11.4	2.0%
Total	17.2	17.8	-3.3%	16.5	3.9%	16.6	15.9	4.5%

Average Price – DM (R\$/Kg)	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Fresh Beef – DM	13.0	13.7	-4.9%	12.1	7.9%	12.9	12.3	4.2%
Processed Beef – DM	14.2	14.0	1.1%	13.4	6.1%	13.8	11.8	16.7%
Others – DM	12.0	11.7	2.3%	16.7	-27.8%	14.4	8.5	68.5%
Total	12.9	13.4	-3.6%	12.6	2.1%	13.1	11.5	13.7%

EM – Export Market, DM – Domestic Market

Others Division

Gross revenue from the Others Division totaled R\$738 million in 4Q16 and R\$1.8 billion in 2016, 76% and 5% up on 4Q15 and 2015, respectively.

Consolidated revenue from the Leather segment increased by 15% in 2016 over 2015. The division's gross domestic revenue grew 116% over the previous year. The Company benefited from the appreciation of the real against the U.S. dollar to reroute a higher volume of leather (particularly rawhide) to the domestic market.

4Q16 and 2016 Earnings Release

Sales of domestic market distribution continued to register positive performance in 4Q16, with a 156% revenue increase over the same period in 2015. In 2016 over 2015, revenue increased by 78%. The segment's healthy results reflect Minerva's commercial strategy focused on food service and meeting demand from small and medium retailers, segments which are more resilient in adverse scenarios. In addition, since the beginning of the crisis, the Company perfected its Go to Market strategy, giving priority to gaining new food service clients and increasing the number of items per order, boosting the operation's margin. In addition, Minerva posted record third-party product sales (One-Stop-Shop concept) in the fourth quarter, both in alternative proteins (poultry, pork and processed products) and imported products.

The Live Cattle segment's performance was weak in 2016 (-53% y-o-y), chiefly influenced by the lower exports to Venezuela.

Net revenue

In the fourth quarter, the Company's net revenue stood at R\$2,556.4 million, stable over 3Q16. In 2016, net revenue amounted to R\$9,648.7 million, 1.3% higher year-on-year.

R\$ Million	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Gross revenue	2,729.3	2,887.9	-5.5%	2,694.7	1.3%	10,263.0	10,060.0	2.0%
Sales taxes and deductions	-172.9	-134.2	28.9%	-161.0	7.4%	-614.3	-535.2	14.8%
Net revenue	2,556.4	2,753.7	-7.2%	2,533.7	0.9%	9,648.7	9,524.8	1.3%
% Gross revenue	93.7%	95.4%	-1.7 p.p.	94.0%	-0.4 p.p.	94.0%	94.7%	-0.7 p.p.

Cost of Goods Sold (COGS) and Gross Margin

COGS recorded a 2.1% increase in 2016 over 2015 and came to 80.5% as a percentage of net revenue, or a gross margin of 19.5%. The COGS figure was chiefly influenced by the average reference arroba price (Finished cattle Esalq/BM&F – state of São Paulo), which increased from R\$145.4/@ in 2015 to R\$152.9/@ in 2016 (+5%). In addition, the share of the Live Cattle segment, whose gross margin is historically higher than that of other segments, reduced as a percentage of total revenue, as previously explained, also impacting the 2016 consolidated gross margin. Fourth-quarter COGS accounted for 82.1% of net revenue, or a gross margin of 17.9%. The gross margin can be explained by the higher cattle prices in Paraguay and the lower capacity utilization in the quarter. We believe that Paraguay's operation will be normalized in the coming quarters.

R\$ Million	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Net revenue	2,556.4	2,753.7	-7.2%	2,533.7	0.9%	9,648.7	9,524.8	1.3%
COGS	-2,098.8	-2,133.5	-1.6%	-2,042.7	2.7%	-7,763.3	-7,601.9	2.1%
% Net revenue	82.1%	77.5%	4.6 p.p.	80.6%	1.5 p.p.	80.5%	79.8%	0.6 p.p.
Gross Profit	457.6	620.2	-26.2%	491.0	-6.8%	1,885.3	1,922.9	-2.0%
Gross margin	17.9%	22.5%	-4.6 p.p.	19.4%	-1.5 p.p.	19.5%	20.2%	-0.6 p.p.

Selling, General and Administrative Expenses

Selling expenses accounted for 6.3% of net revenue in 2016, reducing by 1.0 p.p. over 2015. In 4Q16, this line declined by 0.9 p.p. and 2.6 p.p. on 3Q16 and 4Q15, respectively, due to the stronger rerouting of sales to the domestic market and the lower exposure of sales to the Live Cattle Division, whose freight expenses are higher. In 2016, general and administrative expenses recorded year-on-year increase of 0.7 p.p. as a percentage of net revenue, fueled by expenses related to the new trading operations and the opening of new commercial offices.

4Q16 and 2016 Earnings Release

R\$ Million	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Selling expenses (R\$ million)	-137.7	-219.1	-37.2%	-159.7	-13.8%	-608.8	-691.8	-12.0%
% Net revenue	5.4%	8.0%	-2.6 p.p.	6.3%	-0.9 p.p.	6.3%	7.3%	-1.0 p.p.
G&A expenses (R\$ million)	-88.5	-80.1	10.4%	-87.7	0.8%	-353.7	-284.9	24.1%
% Net revenue	3.5%	2.9%	0.6 p.p.	3.5%	0.0 p.p.	3.7%	3.0%	0.7 p.p.

EBITDA

EBITDA totaled R\$989 million in 2016, accompanied by an EBITDA margin of 10.3%. In 4Q16, EBITDA amounted to R\$249.9 million, with a margin of 9.8%.

R\$ Million	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Net (loss) income	12.3	66.5	-81.5%	47.4	-74.1%	195.0	-800.0	n.a.
(+/-) Deferred and current income and social contribution taxes	-25.9	13.5	n.a.	-32.3	-19.8%	55.5	54.0	2.8%
(+/-) Asset impairment ⁽¹⁾	21.9	23.5	-6.8%	0.0	n.d.	21.9	23.5	-6.8%
(+/-) Financial result	222.6	214.0	4.0%	214.1	4.0%	636.4	1,667.7	-61.8%
(+/-) Depreciation and amortization	19.0	19.5	-2.4%	20.1	-5.3%	80.4	74.8	7.5%
EBITDA	249.9	337.0	-25.8%	249.3	0.2%	989.3	1,020.0	-3.0%
(+/-) Non-recurring items	0.0	0.0	n.a.	0.0	n.a.	0.0	0.0	n.a.
Adjusted EBITDA	249.9	337.0	-25.8%	249.3	0.2%	989.3	1,020.0	-3.0%
Adjusted EBITDA margin	9.8%	12.2%	-2.5 p.p.	9.8%	-0.1 p.p.	10.3%	10.7%	-0.5 p.p.

⁽¹⁾ For more information, see note 13 and 14 of the 2016 Standardized Financial Statements.

Financial result

The Company's financial result was negative by R\$636.4 million and R\$222.6 million in 2016 and 4Q16, respectively. Minerva's financial expense totaled R\$832.0 million in 2016.

"Other financial income/expenses" came in as expense of R\$583.7 million in 2016, impacted by the financial instruments related to FX hedge, which totaled an expense of R\$458.0 million in the year as a whole. It is worth remembering that as of the third quarter of 2016, the Company eliminated its balance sheet hedge position.

R\$ Million	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Financial expenses	-226.6	-203.0	11.6%	-202.0	12.2%	-832.0	-792.5	5.0%
Financial income	32.4	10.4	210.8%	38.5	-15.9%	142.5	105.7	34.8%
FX variation	34.8	40.0	-13.2%	4.2	725.8%	636.8	-1,126.7	n.a.
Other revenue / expenses	-63.1	-61.4	2.8%	-54.8	15.2%	-583.7	145.8	n.a.
Financial result	-222.6	-213.9	4.0%	-214.1	4.0%	-636.4	-1,667.7	-61.8%
Average Dollar (R\$/US\$) (Source: BACEN)	3.30	3.84	-14.2%	3.24	1.6%	3.49	3.33	4.8%
Closing Dollar (R\$/US\$) (Source: BACEN)	3.26	3.90	-16.5%	3.25	0.4%	3.26	3.90	-16.5%

(*) Other Expenses (R\$ million)	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
FX hedge	-12.2	-34.8	-64.9%	-19.9	-38.7%	-458.0	242.2	n.a.
Commodities hedge	-16.9	-2.1	704.8%	-6.8	148.5%	-31.7	-25.1	26.3%
Financial discounts, rates, commissions, commercial discount and other financial expenses	-34.0	-24.5	38.8%	-28.1	21.0%	-94.1	-71.2	32.1%
Total	-63.1	-61.4	2.8%	-54.8	15.2%	-583.7	145.8	n.a.

Net Result

The Company posted net income before income and social contribution taxes of R\$250.6 million in 2016 and net loss of R\$13.6 million in 4Q16. In 2016, net income after income and social contribution taxes totaled R\$195.0 million and in 4Q16, the net income was of R\$12.3 million. Adjusting the net result for the foreign exchange effect, reduction of the recoverable value, resulting from the FX Hedge and income and social contribution taxes, it came in as income of R\$93.6 million in 2016. In 4Q16, the result was negative by R\$14.2 million adjusted for the same effects.

R\$ Million	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Net (loss) income before taxes	-13.6	80.0	n.a.	15.2	n.a.	250.6	-745.9	n.a.
Income and social contribution taxes	25.9	-13.5	-291.1%	32.3	-19.8%	-55.5	-54.0	2.8%
Net (loss) income	12.3	66.5	-81.5%	47.4	-74.1%	195.0	-800.0	n.a.
% Net margin	0.5%	2.4%	-1.9 p.p.	1.9%	-1.4 p.p.	2.0%	-8.4%	10.4 p.p.

R\$ Million	4Q16	4Q15	% Chg	3Q16	% Chg	2016	2015	% Chg
Net (loss) income	12.3	66.5	-81.5%	47.4	-74.1%	195.0	-800.0	n.a.
Asset impairment ⁽¹⁾	21.9	23.5	-6.8%	0.0	n.d.	21.9	23.5	-6.8%
FX variation	-34.8	-40.0	-13.2%	-4.2	725.8%	-636.8	1.126.7	n.a.
FX hedge	12.2	34.8	-64.9%	19.9	-38.7%	458.0	-242.2	n.a.
Income and social contribution taxes	-25.9	13.5	n.a.	-32.3	-19.8%	55.5	54.0	2.8%
Adjusted (loss) income	-14.2	98.3	-114.5%	30.9	-146.1%	93.6	162.1	-42.2%

⁽¹⁾ For more information, see note 13 and 14 of the 2016 Standardized Financial Statements.



Cash Flow

Operating Cash Flow

In the last quarter of 2016, operating cash flow totaled R\$437.9 million. The positive variation in working capital requirements in 4Q16 was chiefly influenced by: (1) the “Suppliers” line (+R\$179.0 million), given that the Company acquired a higher volume of raw material to pay in 30 days installments in the last quarter of 2016 (and, therefore, the supplier payment cycle widened from 20 days in 3Q16 to 27 days in 4Q16); and (2) the “Inventories” line (+R\$155.4 million) the inventory cycle narrowed from 33 days in 3Q16 to 26 days in 4Q16. On the other hand, the “Receivables” line consumed R\$47.6 million in 4Q16, due to the extension of the receivable period in the domestic market.

In 2016, the Company’s operating cash flow totaled R\$524.4 million.

R\$ Million	4Q16	4Q15	3Q16	2016
Net (loss) income	12.3	66.5	47.4	195.0
(+) Net income adjustments	231.0	198.2	281.5	357.6
(+) Variation in working capital requirements ⁽¹⁾	194.6	-54.7	-479.9	-28.3
Operating cash flow	437.9	210.0	-151.0	524.4

(1) Excluding equity valuation adjustments and accumulated conversion amounts.

In addition, the negative variation in “Other Accounts Payable” reflects the Company’s credit policy, which requires prepayment from some clients from certain countries in order to comply with its risk profile. In 4Q16, the Company enhanced its focus on domestic sales, like this the consolidated credit risk in 4Q16 reduced in terms of absolute amounts advanced from clients by R\$64.2 million, impacting the “Advances from Clients” line, as highlighted in the chart below.

R\$ Million	4Q16	3Q16	Variation
Advances from clients	580.5	644.7	-64.2
Other	153.6	146.3	7.3
Other accounts payable	734.1	791.0	-56.9

Free Cash Flow

Recurring Free cash flow after capex, interest payments and working capital excluding hedge result was positive by R\$197.9 million in 4Q16. In 2016, recurring free cash flow was positive by R\$180.1 million, as shown below:

R\$ Milhões	4T16	3T16	2T16	1T16	2016
EBITDA	249.9	249.3	238.5	251.6	989.3
(+) Capex (on a cash basis)	-60.8	-54.1	-40.8	-64.5	-220.2
(+) Financial result (on a cash basis) ⁽¹⁾	-198.0	-163.9	-328.9	-327.8	-1.018.6
(+) Variation in working capital requirements ⁽²⁾	194.6	-479.9	76.3	180.7	-28.3
Free cash flow	185.7	-448.6	-54.9	39.9	-277.9
(-) FX hedge result	-12.2	-19.9	-179.1	-246.8	-458.0
Recurring free cash flow	197.9	-428.7	124.2	286.7	180.1

(1) Considering the cash from FX hedge.

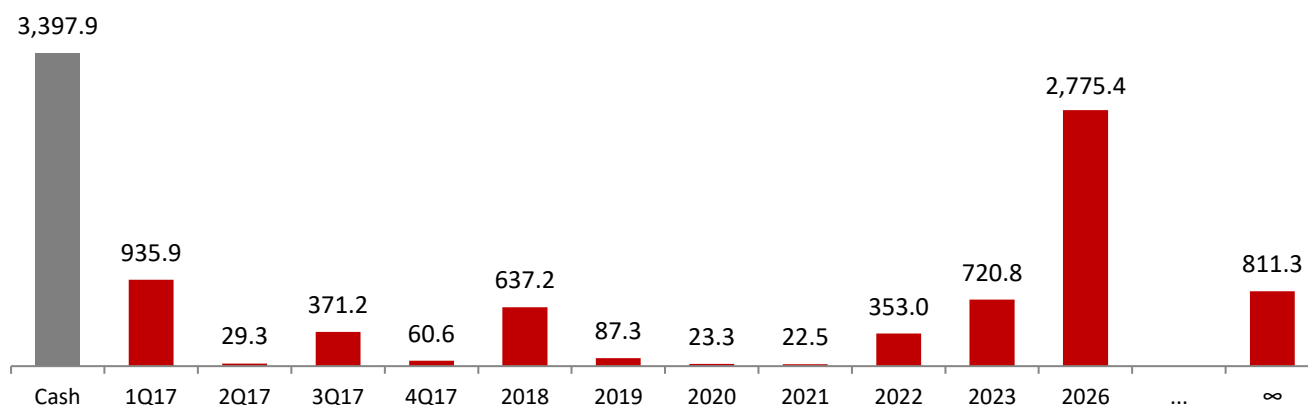
(2) Excluding equity valuation adjustments and accumulated conversion amounts.



Capital Structure

Minerva closed 4Q16 with cash and cash equivalents of R\$3.4 billion, which is sufficient to amortize its debt through 2026. Approximately 78% of the Company's debt was exposed to foreign exchange variation at the close of December. Leverage measured by the net debt/LTM EBITDA ratio was 3.4x on December 31, 2016, with debt duration of 6.2 years. As of the second half, the Company implemented a liability management operation in order to reduce the cost of debt. As a result, in addition to various short- and medium-term debts which were already settled, the Company took two other important measures: (1) the repurchase of the 2019 Bonds (which paid annual coupon of 10.875%); and (2) the international market issue of US\$1 billion in new Notes maturing in 2026 (annual coupon of 6.50%) in order to extend the profile and reduce the cost of its consolidated debt, replacing the Notes maturing in 2023 (7.75% annual interest coupon), as mentioned in the previous quarter. Due to this transaction, Minerva was recognized by the LatinFinance magazine with the "Corporate High-Yield Deal of the Year" award.

**Figure 42 – Debt amortization schedule on 12/31/2016
(R\$ million)**



R\$ Million	4Q16	4Q15	% Chg	3Q16	% Chg
Short-term debt	1,397.1	1,546.5	-9.7%	1,263.7	10.6%
% Short-term debt	20.5%	22.1%	-1.6 p.p.	18.8%	1.7 p.p.
Local currency	420.5	560.2	-24.9%	452.7	-7.1%
Foreign currency	976.6	986.3	-1.0%	811.0	20.4%
Long-term debt	5,430.7	5,461.5	-0.6%	5,469.4	-0.7%
% Long-term debt	79.5%	77.9%	1.6 p.p.	81.2%	-1.7 p.p.
Local currency	661.1	566.4	16.7%	709.8	-6.9%
Foreign currency	4,769.5	4,895.0	-2.6%	4,759.6	0.2%
Total debt	6,827.7	7,008.0	-2.6%	6,733.1	1.4%
Local currency	1,081.6	1,126.6	-4.0%	1,162.5	-7.0%
Foreign currency	5,746.1	5,881.4	-2.3%	5,570.6	3.2%
(Cash and cash equivalents)	-3,397.9	-2,749.9	23.6%	-3,235.7	5.0%
Net debt ⁽¹⁾	3,400.5	4,231.9	-19.6%	3,444.3	-1.3%
Net Debt/LTM EBITDA (x)	3.4	4.1	-0.7	3.1	0.3

(1) Net debt includes FIDC subordinated shares totaling R\$29.4 million in 4Q16, R\$27.3 million in 3Q16 and R\$26.2 million in 4Q15.

Local currency (R\$ '000)	Dec /16	Sep/16
4Q16	0	146,974
1Q17	237,404	190,834
2Q17	18,931	13,133
3Q17	105,959	101,746
4Q17	58,203	57,868
2018	496,237	494,314
2019	87,265	80,663
2020	23,266	23,263
2021	22,528	22,528
2022	23,221	22,586
2023	8,607	8,607
2026	0	0
∞	0	0
TOTAL	1,081,621	1,162,518

Foreign currency (R\$ '000)	Dec /16	Sep/16
4Q16	0	240,124
1Q17	698,519	417,317
2Q17	10,360	0
3Q17	265,264	153,560
4Q17	2,412	0
2018	140,970	0
2019	0	0
2020	0	0
2021	0	0
2022	329,786	327,939
2023	712,152	704,588
2026	2,775,352	2,762,075
∞	811,267	964,997
TOTAL	5,746,081	5,570,600



Investments

Investments in fixed assets totaled R\$60.8 million in 4Q16, R\$43.8 million of which went to operational maintenance, while R\$17.0 million was allocated to operational improvements. In 2016, investments totaled R\$220.2 million, R\$157 million of which went to maintenance while R\$63 million was allocated to expansion.

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

CAPEX (R\$ million)	4Q16	3Q16	2Q16	1Q16	2016
Maintenance	43.8	38.6	32.7	41.7	156.8
Expansion	17.0	15.5	8.1	22.8	63.4
Total	60.8	54.1	40.8	64.5	220.2



Subsequent events

Redemption of Bonds 2022

On February 10, 2017, the Company has called for redemption all of its outstanding 12.250% Notes Due 2022 (the "Notes"). The aggregate principal amount of the Notes was US\$ 105,508,000. The redemption price was 106.125% of face value, plus any unpaid interest accrued on the outstanding principal amount of the Notes to, but excluding, the redemption date.

Dividends Distribution Announcement

In February 21st, Company's Board of Directors proposed the payment of R\$60.2 million in dividends, approximately R\$0.2578 per share or a 2.2% dividend yield on the closing share price of February 20th, 2017. The proposal will be submitted in the Annual Shareholder's Meeting to be held on March 31st, 2017. If the proposal is approved, the shares will be traded ex-dividend rights as of April 4, with payment scheduled for April 17, 2017.



About Minerva S.A.

Minerva Foods is one of the leading producers and sellers of beef, leather, live cattle exports and cattle byproducts in South America, and Brazil's second largest exporter 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 December 31, 2016, the Company had a daily slaughtering capacity of 17,330 head of cattle and daily beef deboning capacity equivalent to 20,316 head of cattle. With a presence in the states of São Paulo, Rondônia, Goiás, Tocantins, Mato Grosso, Mato Grosso do Sul and Minas Gerais, as well as in Paraguay, Uruguay and Colombia, Minerva operates 17 slaughter and deboning plants, one processing unit and 11 distribution centers. In the 12 months ended December 31, 2016, the Company recorded gross sales revenue of R\$10.3 billion, 2.0% more than in 2015.

Relationship with Auditors

In accordance with article 28 of CVM Instruction 308/1999, as amended ("ICVM 308/99"), we declare that the Board of Directors' meeting held on March 30, 2016 approved the contracting, by the Company, of Grant Thornton Auditores Independentes as our independent auditors, replacing BDO RCS Auditores Independentes S/S.

Said replacement occurred to comply with the mandatory change of independent auditors every five years pursuant to article 31 of ICVM 308/99, and BDO manifested its agreement with our justification for the change.

In accordance with CVM Instruction 381/03, we announce that our auditors did not provide services other than those related to the external audit in 4Q16.

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 December 31, 2016, and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.

APPENDIX 1 - INCOME STATEMENT (CONSOLIDATED)

(R\$ thousand)	4Q16	4Q15	3Q16	2016	2015
Revenue from domestic sales	1,182,011	912,401	1,064,935	3,806,784	3,071,047
Revenue from exports	1,547,338	1,975,501	1,629,733	6,456,183	6,988,960
Gross sales revenue	2,729,349	2,887,902	2,694,668	10,262,967	10,060,007
Deductions from Revenue – Taxes and Other	-172,945	-134,221	-160,970	-614,297	-535,210
Net operating revenue	2,556,404	2,753,681	2,533,698	9,648,670	9,524,797
Cost of goods sold	-2,098,774	-2,133,463	-2,042,674	-7,763,328	-7,601,939
Gross profit	457,630	620,218	491,024	1,885,342	1,922,858
Selling expenses	-137,705	-219,142	-159,731	-608,849	-691,794
General and administrative expenses	-88,455	-80,125	-87,746	-353,690	-284,927
Other operating revenues (expenses)	-580	-3,458	-14,314	-13,913	-887
Result before Financial Expenses	230,890	317,493	229,233	908,890	945,250
Financial expenses	-226,608	-202,969	-201,990	-831,976	-792,512
Financial revenues	32,386	10,421	38,502	142,466	105,725
FX variation	34,751	40,031	4,209	636,806	-1,126,698
Other expenses	-63,083	-61,448	-54,778	-583,702	145,817
Financial result	-222,554	-213,965	-214,057	-636,406	-1,667,668
Asset impairment	-21,904	-23,498	0	-21,904	-23,498
Results before taxes	-13,568	80,030	15,176	250,580	-745,916
Income and social contribution taxes - current	29,753	-17,475	28,045	-49,403	-50,899
Income and social contribution taxes - deferred	-3,891	3,942	4,220	-6,142	-3,140
Net income before non-controlling interest	12,294	66,497	47,441	195,035	-799,955
Net income attributed to controlling shareholders	12,215	66,325	47,387	194,870	-800,712
Net income attributed to non-controlling shareholders	79	172	54	165	757
Net (loss) income	12,294	66,497	47,441	195,035	-799,955

APPENDIX 2 - BALANCE SHEET (CONSOLIDATED)

(R\$ thousand)	4Q16	4Q15
ASSETS		
Cash and cash equivalents	3,397,870	2,749,928
Accounts receivable from clients	673,983	766,185
Inventories	454,459	434,748
Biological assets	141,706	203,353
Taxes recoverable	791,361	678,492
Other receivables	199,901	181,916
Total current assets	5,659,280	5,014,622
Taxes recoverable	196,462	263,870
Deferred Tax Assets	246,757	244,639
Other receivables	38,362	58,911
Judicial deposits	22,212	11,261
Fixed assets	2,179,946	2,091,368
Intangible Assets	616,129	627,377
Total non-current assets	3,299,868	3,297,426
Total assets	8,959,148	8,312,048
LIABILITIES		
Loans and financing	1,397,051	1,546,514
Suppliers	625,503	478,813
Labor and Tax Liabilities	97,060	99,843
Other accounts payable	691,414	918,213
Total current liabilities	2,811,028	3,043,383
Loans and financing	5,430,652	5,461,453
Labor and Tax Liabilities	17,095	20,242
Provision for contingencies	36,933	19,028
Accounts payable	42,701	63,856
Deferred tax liabilities	98,672	86,833
Total non-current liabilities	5,626,053	5,651,412
Shareholders' Equity		
Capital stock	134,752	950,598
Capital reserves	300,386	294,851
Revaluation reserves	55,556	62,015
Accumulated profit (loss)	144,496	0
Treasury shares	0	-1,562,321
Equity valuation adjustments	-43,112	0
Total shareholders' equity attributed to controlling shareholders	-71,455	-129,212
Non-controlling interest	520,623	-384,069
Total shareholders' equity	1,444	1,322
Total liabilities and shareholders' equity	522,067	-382,747

APPENDIX 3 – CASH FLOW (CONSOLIDATED)

(R\$ '000)	4Q16	4Q15	3Q16	2016	2015
Cash Flow from operating activities					
Net (loss) income	12,294	66,497	47,441	195,035	-799,955
Reconciliation of net income to net cash provided by operating activities:					
Depreciation and amortization	18,993	19,466	20,055	80,367	74,776
Net income attributed to non-controlling shareholders	-79	-172	-54	-165	-757
Fair value of biological assets	2,047	-12,936	16,849	8,329	7,502
Realization of deferred taxes – temporary differences	3,891	-3,942	-4,220	6,142	3,140
Asset impairment	21,904	23,498	0	21,904	23,498
Financial charges	226,259	201,042	201,783	828,646	790,498
FX variation – not realized	-47,431	-33,322	44,400	-605,487	1,216,438
Provision for contingencies	5,398	4,533	2,671	17,905	-6,756
Accounts receivable from clients and other receivables	-47,568	-135,424	-93,172	94,766	-347,234
Inventories	53,696	38,206	-499	-19,711	34,364
Biological assets	101,675	-17,671	-35,142	53,318	-29,582
Taxes recoverable	133	-18,647	-18,065	-45,461	-147,133
Judicial deposits	-12,341	749	204	-10,951	1,158
Suppliers	178,957	-25,631	-4,634	146,690	-92,997
Labor and Tax Liabilities	-32,010	-21,546	-14,315	-5,930	6,741
Other accounts payable	-47,921	122,004	-314,281	-241,047	408,517
Equity valuation adjustments and accumulated conversion amounts	-59,767				
Cash flow from operating activities	378,130	221,827	-152,048	582,107	887,286
Cash flow from investments					
Acquisition of subsidiary less cash on acquisition	0	0	0	0	-46,059
Acquisition of intangible assets	-391	-246	-10,853	-12,198	-14,063
Acquisition of fixed assets	-65,372	-43,081	-58,342	-167,403	-229,693
Cash flow from investments	-65,763	-43,327	-69,195	-179,601	-289,815
Cash flow from financing activities					
Loans and Financing	556,786	-528,293	2,901,512	3,898,885	1,587,714
Loans and financing settled	-641,029	-542,465	-2,195,656	-4,302,308	-1,935,623
Convertible debentures	0	0	0	0	-91,497
Related Parties	0	0	0	0	445
Variation in minority interest	40	-7	50	122	576
Capital payment in cash	0	0	0	740,577	116,462
Dividends	-48,728	0	0	-48,728	0
Treasury shares	-17,311	0	-25,801	-43,112	0
Cash flow from financing activities	-150,242	-1,070,765	680,105	245,436	-321,923
Net Cash - Cash Equivalent Decrease/Increase	162,125	-892,265	458,862	647,942	275,548
Cash and cash equivalents					
Beginning of period	3,235,745	3,642,193	2,776,883	2,749,928	2,474,380
End of period	3,397,870	2,749,928	3,235,745	3,397,870	2,749,928
Net Cash - Cash Equivalent Decrease/Increase	162,125	-892,265	458,862	647,942	275,548