Minerva S.A

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

Interim Individual and Consolidated
Financial Information and
Indeendent Auditor's Report on Review of Interim
Financial Information

September 30, 2017

Contents

	Page
Independent auditor's report on review of the interim financial information	3
Individual and consolidated interim financial information	5
Notes to the individual and consolidated interim financial information for the three- and nine-month periods ended September 30, 2017	13

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

Grant Thornton Auditores Independentes
Av.: Engenheiro Luís Carlos Berrini, 105 |
Itaim Bibi | São Paulo | CEP 04571-900 | BR
Edifício Berrini One - 12º andar

T +55 11 3886.5100
www.grantthornton.com.br

Independent auditor's report on review of the individual and consolidated interim financial information

To the:
Management, Board of Directors and Shareholders of
Minerva S.A.
Barretos - SP

Introduction

We have reviewed the individual and consolidated interim financial information of Minerva S.A. ("Company"), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form (ITR) for the quarter ended September 30, 2017, which comprises the balance sheet as at September 30, 2017 and the related income statement and statement of comprehensive income for the three- nine-month periods then ended, statement of changes in equity, and statement of cash flows for the nine-month period then ended, including a summary of the main accounting policies and notes to the interim financial information.

The Company's management is responsible for the preparation of the individual and consolidated interim financial information in accordance with CPC 21 (R1) - "Demonstração Intermediária" and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this individual and consolidated interim financial information based on our review.

Grant Thornton

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM).

Emphasis – Operation Lucas

As mentioned in note 1.1 to the the interim financial information, on May 16, 2017, the Brazilian Federal Police launched an investigation called “Operation Lucas” with the purpose of investigating alleged payments made to certain employees of the Ministry of Agriculture, Livestock and Food Supply in the State of Tocantins, including an ex-superintendent of such agency. On August 30, 2017, the Brazilian Federal police launched another investigation, called “Operation Vegas”, which is an unfolding of Operation Lucas. To date, determining whether the Company will be affected by the results of such investigations and by any of its stages and future consequences is not possible. The Company’s interim financial information does not include any effects that may arise from this matter. Our conclusion is not qualified regarding this matter.

Other matters

Statements of Value Added (“DVA”)

We have also reviewed the individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 2017, prepared under the responsibility of the Company’s management, the presentation of which is required by the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Interim Financial Information (ITR), and considered supplemental information by IFRS, which does not require the presentation of a DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

São Paulo, November 09, 2017.

Daniel G. Maranhão Jr.
CT CRC 1SP-215.856/O-5

Grant Thornton Auditores Independentes
CRC 2SP-025.583/O-1

Minerva S.A.

Balanche sheets as at
September 30, 2017 and December 31, 2016

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Brazilian reais - R$)

ASSETS

	Note	Parent		Consolidated	
		09/30/2017	12/31/2016	09/30/2017	12/31/2016
Current assets					
Cash and cash equivalents	5	2,649,097	2,245,101	3,199,691	3,397,870
Accounts receivable	6	323,230	199,226	1,132,330	673,983
Inventories	7	390,953	235,586	683,168	454,459
Biological assets	8	167,100	120,140	188,947	141,706
Taxes recoverable	9	670,529	613,674	876,054	791,361
Other receivables		122,137	140,938	325,507	199,901
Total current assets		4,323,046	3,554,665	6,405,697	5,659,280
Noncurrent assets					
Other receivables		10,800	35,391	13,078	38,362
Related parties	11	377,020	409,909	-	-
Taxes recoverable	9	179,390	195,699	201,611	196,462
Deferred tax assets	10	193,013	246,757	193,013	246,757
Escrow deposits		16,926	14,415	21,005	22,212
Investments	12	3,188,485	2,371,855	-	-
Property, plant and equipment	13	1,711,978	1,427,479	3,490,331	2,179,946
Intangible assets	14	282,358	106,676	719,773	616,129
Total noncurrent assets		5,959,970	4,808,181	4,638,811	3,299,868
Total assets		10,283,016	8,362,846	11,044,508	8,959,148

The accompanying notes are an integral part of this interim financial information.

Minerva S.A.

Balanche sheets as at
September 30, 2017 and December 31, 2016

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Brazilian reais - R$)

LIABILITIES AND EQUITY

	Note	Parent		Consolidated	
		09/30/2017	12/31/2016	09/30/2017	12/31/2016
Current liabilities					
Borrowings and financing	15	1,979,116	1,187,894	2,210,617	1,397,051
Accounts payable	16	446,414	281,955	923,145	625,503
Tax and labor obligations	17	135,811	42,003	276,475	97,060
Other payables	18	583,297	614,301	733,852	691,414
Total current liabilities		3,144,638	2,126,153	4,144,089	2,811,028
Noncurrent liabilities					
Borrowings and financing	15	4,910,949	3,990,949	5,960,071	5,430,652
Labor and tax obligations	17	41,994	16,976	41,999	17,095
Provisions for tax, labor, civil and environmental risks	21	29,588	29,733	147,861	36,933
Allowances for investment losses	12	1,121,533	959,726	-	-
Related parties	11	550,889	645,724	-	-
Other payables	18	-	-	38,296	42,701
Deferred tax liabilities	19	87,582	72,962	316,349	98,672
Total noncurrent liabilities		6,742,535	5,716,070	6,504,576	5,626,053
Equity	22				
Capital stock		128,854	128,854	128,854	128,854
Capital reserves		187,504	294,851	187,504	294,851
Revaluation reserves		54,097	55,556	54,097	55,556
Earnings reserves		144,496	155,929	144,496	155,929
Retained earnings (acumulated losses)		33,787	-	33,787	-
Treasury shares		(78,732)	(43,112)	(78,732)	(43,112)
Other comprehensive income		(74,163)	(71,455)	(74,163)	(71,455)
Total equity attributable to Company´s owners		395,843	520,623	395,843	520,623
Noncontrolling interests		-	-	-	1,444
Total equity		395,843	520,623	395,843	522,067
Total liabilities and equity		10,283,016	8,362,846	11,044,508	8,959,148

The accompanying notes are an integral part of this interim financial information.

Minerva S.A.

Income statements for the periods ended September 30, 2017 and 2016

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Brazilian reais - R$)

		Parent				Consolidated			
	Note	3Q 2017	2017	3Q 2016	2016	3Q 2017	2017	3Q 2016	2016
Net operating revenue	25	**1,831,577**	**4,499,748**	**1,626,318**	**4,740,228**	**3,417,814**	**8,139,041**	**2,533,698**	**7,092,266**
Cost of goods sold		**(1,391,497)**	**(3,350,209)**	**(1,233,609)**	**(3,595,242)**	(2,797,691)	**(6,603,312)**	**(2,042,674)**	**(5,664,554)**
Gross profit		**440,080**	**1,149,539**	**392,709**	**1,144,986**	**620,123**	**1,535,729**	**491,024**	**1,427,712**
Operating income (expenses):									
Selling expenses		(109,395)	(271,463)	(96,377)	(297,785)	(202,125)	(494,469)	(159,731)	(471,144)
General and administrative expenses		(86,709)	(230,200)	(58,629)	(181,740)	(139,622)	(348,805)	(87,746)	(265,235)
Other		(145,499)	(140,383)	(13,395)	(4,537)	(15,635)	(7,769)	(14,314)	(13,333)
Profit from operations before finance income (costs), net, share of profit (loss) of investees and taxes		**98,477**	**507,493**	**224,308**	**660,924**	**262,741**	**684,686**	**229,233**	**678,000**
Finance costs	26	(242,345)	(681,284)	(229,025)	(1,014,028)	(297,131)	(832,202)	(256,768)	(1,125,987)
Finance income	26	15,730	62,231	25,979	89,210	19,318	85,858	38,502	110,080
Exchange rate changes, net	26	120,694	129,081	5,240	620,559	122,069	136,055	4,209	602,055
Finance income (costs), net		**(105,921)**	**(489,972)**	**(197,806)**	**(304,259)**	**(155,744)**	**(610,289)**	**(214,057)**	**(413,852)**
Share of profit (loss) of investees	12	103,461	33,029	(12,800)	(101,348)	-	-	-	-
Profit before taxes		**96,017**	**50,550**	**13,702**	**255,317**	**106,997**	**74,397**	**15,176**	**264,148**
Income tax and social contribution - current	19	(6,977)	(6,977)	30,180	(67,889)	(19,826)	(32,016)	28,045	(79,156)
Income tax and social contribution - deferred	19	(3,223)	(11,247)	3,505	(4,773)	(1,354)	(9,715)	4,220	(2,251)
Profit for the period before noncontrolling interests		**85,817**	**32,326**	**47,387**	**182,655**	**85,817**	**32,666**	**47,441**	**182,741**
Profit attributable to:									
Company's onwers		85,817	32,326	47,387	182,655	85,817	32,326	47,387	182,655
Noncontrolling interests		-	-	-	-	-	340	54	86
Profit for the period		**85,817**	**32,326**	**47,387**	**182,655**	**85,817**	**32,666**	**47,441**	**182,741**

The accompanying notes are an integral part of this interim financial information.

Minerva S.A.

Statements of comprehensive income
for the periods ended September 30, 2017 and 2016

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Brazilian reais - R$)

	Parent		Consolidated	
	2017	2016	2017	2016
Profit for the period	32,326	182,655	32,666	182,741
Other comprehensive income to be subsequently reclassified to profit or loss:				
Valuation adjustments to equity	(2,708)	117,524	(2,708)	117,520
Other comprehensive income, net of income tax and social contribution	(2,708)	117,524	(2,708)	117,520
Total comprehensive income	29,618	300,179	29,958	300,261
Comprehensive income attributable to:				
Company's owners	29,618	300,179	29,618	300,179
Noncontrolling interests	-	-	340	82
Total comprehensive income	29,618	300,179	29,958	300,261

The accompanying notes are an integral part of this interim financial information.

Minerva S.A.

Statements of changes in equity (Parent and consolidated)
for the period ended September 30, 2017

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Brazilian reais - R$)

				Earnings reserves									
	Capital stock	Capital reserve	Revaluation reserve	Legal reserve	Statutory reserve	Earnings retention - Art. 196	Additional dividends	Retained earnings (accumulated losses	Treasury shares	Other comprehensive income	Total equity attributable to Company´s owners	Noncontrolling interests	Total do equity
Balances at December 31, 2016	128,854	294,851	55,556	9,744	107,802	26,950	11,433	-	(43,112)	(71,455)	520,623	1,444	522,067
Profit for the period	-	-	-	-	-	-	-	32,326	-	-	32,326	-	32,326
Cumulative translation adjusments	-	-	-	-	-	-	-	-	-	(2,708)	(2,708)	-	(2,708)
Total comprehensive income, net of taxes	-	-	-	-	-	-	-	32,326	-	(2,708)	29,618	-	29,618
Cancellation of treasury shares	-	(107,347)	-	-	-	-	-	-	107,347	-	-	-	-
(-) Treasury shares	-	-	-	-	-	-	-	-	(142,967)	-	(142,967)	-	(142,967)
Realization of revaluation reserve	-	-	(1,459)	-	-	-	-	1,461	-	-	2	-	2
Distribution of dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional dividends proposed	-	-	-	-	-	-	(11,433)	-	-	-	(11,433)	-	(11,433)
Noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	(1,444)	(1,444)
Balances at September 30, 2017	128,854	187,504	54,097	9,744	107,802	26,950	-	33,787	(78,732)	(74,163)	395,843	-	395,843

The accompanying notes are an integral part of this interim financial information.

Minerva S.A.

Statements of changes in equity (Parent and consolidated)
for the period ended September 30, 2016

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Brazilian reais - R$)

	Capital stock	Capital reserve	Revaluation reserve	Retained earnings (accumulated losses)	Treasury shares	Other comprehensive income	Total equity attributable to Company's owner	Noncontrolling interests	Total equity
Balances at December 31, 2015	950,598	294,851	62,015	(1,562,321)	-	(129,212)	(384,069)	1,322	(382,747)
Profit for the period	-	-	-	182,655	-	-	182,655	-	182,655
Cumulative translation adjustments	-	-	-	-	-	117,524	117,524	(4)	117,520
Total comprehensive income, net of taxes	-	-	-	182,655		117,524	300,179	(4)	300,175
Capital increase	746,475	(746,475)	-	-	-	-	-	-	-
Advance for future capital increase	-	746,475	-	-	-	-	746,475	-	746,475
(-) Expenses on future capital increase	(5,898)	-	-	-	-	-	(5,898)	-	(5,898)
Absorption of accumulated losses through capital stock	(1,562,321)	-	-	1,562,321	-	-	-	-	-
(-) Treasury shares	-	-	-	-	(25,801)	-	(25,801)	-	(25,801)
Realization of revaluation reserve	-	-	(4,844)	7,339	-	-	2,495	-	2,495
Noncontrolling interests	-	-	-	-	-	-	-	86	86
Balances at September 30, 2016	128,854	294,851	57,171	189,994	(25,801)	(11,688)	633,381	1,404	634,785

The accompanying notes are an integral part of this interim financial information.

Minerva S.A.

Statements of cash flows for the periods ended September 30, 2017 and 2016

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Brazilian reais - R$)

	Parent		Consolidated	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit for the year	32,326	182,655	32,666	182,741
Adjustments to reconcile profit (loss) for the period to cash generated by operating actvities:				
Depreciation and amortization	54,121	32,050	86,452	61,374
Profit (loss) attributable to noncontrolling interests	-	-	(340)	(86)
Fair value of biological assets	(32,948)	(20,010)	(32,948)	6,282
Realization of deferred taxes – temporary differences	11,247	4,773	9,715	2,251
Share of profit (loss) of investees	(33,029)	101,348	-	-
Finance charges	419,225	405,849	640,551	602,387
Unrealized exchange gains (losses)	(101,798)	(749,702)	(102,484)	(558,056)
Provision for risks	(4,219)	7,798	(1,461)	12,507
Accounts receivable	(21,918)	110,931	(176,053)	142,334
Inventories	(155,367)	(46,006)	(65,475)	(73,407)
Biological assets	(14,012)	(5,201)	(14,293)	(48,357)
Taxes recoverable	(11,830)	(4,291)	3,685	(45,594)
Escrow deposits	(2,511)	937	1,207	1,390
Accounts payable	153,535	(88,911)	119,275	(32,267)
Labor and tax liabilities	118,756	7,844	155,292	26,080
Other payables	11,578	(154,939)	71,464	(193,126)
Dividends received		14,346	-	-
	423,156	(200,529)	727,253	86,453
Valuation adjustments to equity and and cumulative translation adjustments	-	-	(2,708)	117,524
Cash flow from operating activities	423,156	(200,529)	724,545	203,977
Cash flow from investing activities				
Acquisition of subsidiary less cash on the acquisition	-	-	(1,113,574)	-
Acquisition of investments	(1,283,893)	(91,749)		-
Acquisition of intangible assets	(1,140)	(1,604)	(9,608)	(11,807)
Acquisition of property, plant and equipment	(122,674)	(127,589)	(188,170)	(102,031)
Cash flow from investing activities	(1,407,707)	(220,942)	(1,311,352)	(113,838)
Cash flow from financing activities				
Borrowings and financing	2,850,550	809,869	2,979,345	3,342,099
Borrowings and financing repaid	(1,456,754)	(1,277,379)	(2,434,873)	(3,661,279)
Related parties	149,151	(180,300)	-	-
Changes in noncontrolling interests	-	-	(1,444)	82
Capital payment in cash	-	740,577	-	740,577
Additional dividends proposed paid	(11,433)	-	(11,433)	-
Treasury shares	(142,967)	(25,801)	(142,967)	(25,801)
Cash flow from financing activities	1,388,547	66,966	388,628	395,678
Increase/decrease in cash and cash equivalents	403,996	(354,505)	(198,179)	485,817
Cash and cash equivalents				
At beginning of period	2,245,101	2,367,450	3,397,870	2,749,928
At end of period	2,649,097	2,012,945	3,199,691	3,235,745
Increase/decrease in cash and cash equivalents	403,996	(354,505)	(198,179)	485,817

The accompanying notes are an integral part of this interim financial information.

Minerva S.A.

Statements of value added
for the periods ended September 30, 2017 and 2016

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Brazilian reais - R$)

	Parent		Consolidated	
	2017	2016	2017	2016
Revenues	4,422,418	5,001,347	8,200,423	7,424,981
Goods sold and services rendered	4,390,712	4,972,965	8,129,547	7,360,921
Other	31,706	28,382	70,876	64,060
Inpts acquired by third parties	(4,126,178)	(4,232,523)	(7,514,727)	(6,554,297)
(Includes tax amounts – ICMS - State VAT, IPI - Federal VAT, PIS and COFINS - taxes on revenue)				
Cost of goods sold and services rendered	(3,592,415)	(3,720,924)	(6,220,716)	(5,588,909)
Materials, electric power, outside services and other	(533,763)	(511,599)	(1,294,011)	(965,388)
Other				
Gross value added	296,240	768,824	685,696	870,684
Depreciation, amortization and depletion	(54,121)	(32,050)	(86,452)	(61,374)
Wealth created by the Company	242,119	736,774	599,244	809,310
Wealth received in transfer	95,260	(12,138)	85,858	110,080
Share of profit (loss) of investees	33,029	(101,348)	-	-
Finance income	62,231	89,210	85,858	110,080
Other	-	-	-	-
Total wealth for distribution (5+6)	337,379	724,636	685,102	919,390
Wealth distributed	337,379	724,636	685,102	919,390
Personnel	126,952	117,179	290,654	220,646
Taxes and contributions	82,788	95,558	120,564	62,793
Lenders and lessors	95,313	329,244	241,218	453,210
Interest	86,135	319,035	220,654	427,525
Rentals	9,178	10,209	20,564	25,685
	32,326	182,655	32,666	182,741
Shareholders				
Retained earnings/accumulated losses for the period	32,326	182,655	32,326	182,655
Noncontrolling interests in retained earnings (consolidation only)	-	-	340	86

The accompanying notes are an integral part of this interim financial information.

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

Notes to the individual and consolidated interim financial inofmratoon for the quarter ended September 30, 2017 (In thousands of Brazilian reais - R$, unless otherwise stated)

1. General information

Minerva S.A. (the Company) is a publicly-held company listed at the "Novo Mercado" corporate governance segment and its shares are traded on the BM&FBOVESPA S.A. - São Paulo Stock Exchange. The Company's main activities include the slaughtering of livestock and processing of meat, sale of fresh chilled, frozen and processed meat and the exporting of live cattle.

The Company's shares are traded on the BM&FBOVESPA S.A. - Securities, Commodities and Futures Exchange, under the ticker symbol "BEEF3" and its level 1 American Depositary Receipts (ADRs) are traded on the OTC market OTCQX International Premier, a segment of the electronic trading platform operated by the OTC Markets Group Inc. in the United States.

Parent Company

The Company is headquartered in Barretos (SP), and it has production units located in José Bonifácio (SP), Palmeiras de Goiás (GO), Batayporã (MS), Araguaína (TO), Goianésia (GO), Barretos (SP), Campina Verde (MG), Janaúba (MG), Várzea Grande (MT) and Mirassol D'Oeste (MT). The distribution centers for the domestic market are located in the cities of Aparecida de Goiânia (GO), Brasília (DF), Cariacica (ES), São Paulo (SP), Araraquara (SP), Taboão da Serra (SP), Belo Horizonte (MG) Fortaleza (CE), Uberlândia (MG) and Cabo de Santo Agostinho (PE).

As at September, 2017, the Company's consolidated industrial complex had a daily slaughtering capacity of 26,380 heads and a deboning capacity of 4,596 tons, from the following subsidiaries, six of which located abroad: Pulsa S/A and Frigorífico Carrasco S/A (both in Uruguai-UY), Red Cárnica S.A.S and Red Industrial Colombiana S.A.S (both in Colombia-CO), Frigomerc S/A in Paraguay-PY, Pul Argentina S.A in Argentina-AR, and Minerva Alimentos in Brasil-BR. All units are compliant with sanitary requirements in order to export to several countries accross the five continents. The Barretos unit (SP) has a beef processing line (cubed beef and roast beef) which is mainly intendend for exports.

Subsidiaries

Subsidiaries located in Brazil:

- **Minerva Indústria e Comércio de Alimentos S.A.:** Located in Rolim de Moura, in the state of Rondônia (Brazil), engaged in the slaughtering of cattle and processing of beef, serving the domestic and foreign markets;
- **Minerva Dawn Farms S.A. (Minerva Fine Foods):** Located in Barretos (SP), this unit started operations in 2009. It produces on various scales and sells beef, pork and poultry products meeting domestic and foreign demand in the "Food Service" segment. Currently, approximately 65% of its sales are carried out in the domestic market;
- **Cia Sul Americana de Pecuária S.A.:** Located in Barretos (SP), this unit started operations in 2014. It is mainly engaged in livestock and farming, by breeding and selling live cattle, lambs, pigs and other live animals;
- **Intermeat – Assessoria e Comércio Ltda.:** Acquired during the first quarter of 2016, its main activity is the rendering of consulting and advisory services in the foreign trade area, for all lines of business of the food industry;
- **Minerva Comercializadora de Energia Ltda.:** Located in São Paulo (SP), this unit started operations in 2016 and is mainly engaged in selling electric power.

Subsidiaries located abroad:

- **Pulsa S.A:** Meatpacking company acquired in January 2011, located in the Province of Cerro Largo, near the capital Melo, in Uruguay (UY), engaged in slaughtering and deboning activities, with 84% of its sales intended for the foreign market, primarily the North American and the European markets. On July 31, 2017, Pulsa S.A acquired 100% of Frigorífico Canelones S.A, located in Canelones no Uruguay (UY), Engaged in the cattle slaughtering and deboning and processing of meat, especially fresh chilled and frozen meat for exports.

- **Frigorífico Carrasco S.A.:** Meatpacking company acquired in April 2014, located in Montevideo, Uruguay (UY), engaged in slaughtering, deboning and processing beef and sheep meat, with approximately 77% of its sales to the foreign market;
- **Lytmer S.A.:** Located in Montevideo, Uruguay (UY), engaged in selling live cattle to the foreign market and trading food products;
- **Friasa S.A.:** Meatpacking company located in Asunción, Paraguay (PY), engaged in slaughtering, deboning and processing activities, operating in the domestic and foreign markets;
- **Frigomerc S.A.:** Meatpacking company acquired in October 2012, located in Asunción, Paraguay (PY), engaged in slaughtering, deboning and processing activities, operating in the domestic and foreign markets. On July 31, 2017, Frigomerc S.A acquired 100% of JBS Paraguay S.A, located in Assuncion, Paraguay (PY), to engage in cattle slaughtering and deboning and processing of meat;
- **Pul Argentina S.A.** On July 31, 2017, the Company acquired 100% of JBS Argentina S.A, located in Buenos Aires (AR), to process and produce meat and sell own and third parties' brands, especially Swift products.
- **Red Cárnica S.A.S.:** Meatpacking company acquired in July 2015, located in Ciénaga de Oro, near Montería, in the region of Córdoba, Colombia (CO), engaged in slaughtering, deboning and processing activities, operating in the domestic and foreign markets;

- **Red Industrial Colombiana S.A.S.:** Plant acquired in July 2015, located in Ciénaga de Oro, near Montería, in the region of Córdoba, Colombia (CO), whose main purpose is the preparation of products for animals, specifically, meat/bone meal, blood and tallow;
- **Minerva Middle East**: Office located in Lebanon to market and sell the Company's products;
- **Minerva Colômbia S.A.S.:** Located in Barranquilla, Colombia, primarily engaged in selling live cattle to the foreign market;
- **Minerva Live Cattle Export S.P.A.:** Located in Santiago, Chile, primarily engaged in selling live cattle to the foreign market;
- **Minerva Foods Chile S.P.A.:** Located in Santiago, Chile, primarily engaged in marketing and selling the Company's products;
- **Minerva Meats USA.**: Located in Chicago (USA), this unit started operations in 2015 and is mainly engaged in trading food products;
- **Minerva Australia Holdings PTY Ltd.**: Located in Brisbane (Australia), this unit started operations in 2016 and is mainly engaged in trading food products;
- **Minerva Europe Ltd.**: Located in London (England), this unit started operations in 2017 and is mainly engaged in trading food products.

Cargo transportation

- **Transminerva Ltda.:** Located in Barretos (SP), it is engaged in cargo transportation to support the Company, reducing its freight expenses in the country.

Special Purpose Entities (SPE) for fundraising

- **Minerva Overseas I:** Located in the Cayman Islands, it was incorporated in 2006 to issue Bonds and receive the respective financial resources, totaling US$200 million, in January 2007;
- **Minerva Overseas II:** Located in the Cayman Islands, it was incorporated in 2010 to issue Bonds and receive the respective financial resources, totaling US$250 million, on that date;
- **Minerva Luxembourg S.A.:** Located in Luxembourg, it was incorporated in 2011 for the specific purpose of issuing Bonds and receiving the respective financial resources, totaling US$350 million, and the subsequent re-tap of US$100 million, occurred in February and March 2012, respectively. Also in the 1st quarter of 2013, the company conducted the "offer to buyback debt notes" using the proceeds from the issue of 2023 Notes in the amount of US$850 million bearing interest of 7.75% per year. In the third quarter of 2014, the company carried out the re-tap of the 2023 Notes in the amount of US$200 million. During the third quarter of 2016, the company carried out an offering of US$1 billion bearing interest of 6.50% per year, buying back the 2023 Notes in the amount of US$617,874. In the second quarter of 2017, the company carried out a re-tap operation for its 2026 Notes, in the amount of US$350 million.

Other subsidiaries in pre-operational stage

- **Loin Investments Ltda.** (fundraising) and **Minerva Log S.A.** (logistics).

The subsidiaries mentioned above are included in the Company's parent company and consolidated interim financial information. The equity interest in each subsidiary is as follows:

	09.30.2017	12.31.2016
Direct subsidiaries		
Minerva Industria e Comércio de Alimentos S/A	100.00%	98.00%
Minerva Dawn Farms S/A	100.00%	100.00%
Mato Grosso Bovinos S.A	-	100.00%
Friasa S/A	99.99%	99.99%
Minerva Overseas I	100.00%	100.00%
Minerva Overseas II	100.00%	100.00%
Minerva Middle East	100.00%	100.00%
Transminerva Ltda.	100.00%	100.00%
Minerva Log	100.00%	100.00%
Pulsa S.A.	100.00%	100.00%
Frigorifico Carrasco S.A.	100.00%	100.00%
Minerva Colômbia S.A.S	100.00%	100.00%
Lytmer S.A	100.00%	100.00%
Minerva Luxembourg S.A	100.00%	100.00%
Frigomerc S/A	100.00%	100.00%
Minerva Live Cattle Export Spa	100.00%	100.00%
Minerva Foods Chile Spa	100.00%	100.00%
Cia Sul Americana de Pecuária S.A.	100.00%	100.00%
Red Cárnica S.A.S	100.00%	100.00%
Red Industrial Colombiana S.A.S	100.00%	100.00%
Minerva USA LLC	100.00%	100.00%
Intermeat - Assessoria e Comércio Ltda	100.00%	100.00%
Minerva Comercializadora de Energia Ltda.	100.00%	100.00%
Minerva Austrália Holdings PTY Ltd	100.00%	100.00%
Pul Argentina S.A	100.00%	100.00%
Minerva Europe Ltd	100.00%	-
Indirect subsidiaries		
JBS Argentina S.A.	100.00%	-
JBS Paraguai S.A.	100.00%	-
IPF (Industria Frigorico Paraguaia)	100.00%	-
Frigorifico Canelones S.A.	100.00%	-

1.1. Diligence and Investigation of the Brazilian Federal Police

On May 16, 2017, the Brazilian Federal Police began an investigation named "Operation Lucas" to investigate alleged payments made to certain employees of the Brazilian Ministry of Agriculture, Livestock and Supply in the State of Tocantins in northern Brazil, including the former supervisor of said federal government agency in the State of Tocantins. The investigation mentions several beef and dairy processing plants in Tocantins, including the Company's plant in Araguaína.

Since the beginning of the investigation, the Company's management has been cooperating fully with the investigating authorities, providing all requested information, including for "Operation Vegas", unfolding of "Operation Lucas".

In accordance with good corporate governance practices and in response to negative publicity regarding this matter, as well as to respond to its stakeholders, the Company's executive officers and Board of Directors resolved to conduct an internal investigation on this matter.

The Company's, through its Internal Audit and Compliance function, reviewed internal controls and payments in connection with its operations in the State of Tocantins and all material findings were shared with the relevant authorities.

In addition, the Company engaged an experienced Brazilian law firm to conduct an independent review of its policies and procedures relating to its internal and financial processes. Management has committed to improve the internal compliance procedures in place since 2015 and implement additional procedures in order to align them with the main corporate governance practices and transparency practices (Integrity Program).

Approval of the Interim Financial Information (Restatement)
The issuance of this interim financial information for the quarter ended September 30, 2017 was authorized by the Board of Executive Officers and Board of Directors on November 09, 2017.

2. Acquisitions of equity interests (Business combinations)

Red Cárnica S.A.S. and Red Industrial Colombiana S.A.S.
On February 20, 2015, the Company signed a "Memorandum of Understanding" to acquire 100% of the capital stock of Red Cárnica S.A.S. and Red Industrial Colombiana S.A.S. On July 31, 2015, after the conclusion of the Due Diligence, the Company entered into a Sales Agreement ("Compra y Venta de Acciones"), thereby assuming the control of the mentioned companies as of that date.

The acquisition totaled COP$28,540 billion (equivalent to R$33,848 on July 30, 2015), according to the following payment schedule:

- **1st Installment** – Cash – COP$17 billion settled upon the company's acquisition on August 24, 2015;
- **2nd Installment** – COP$6,540 billion paid on February 24, 2016;
- **3rd Installment** – COP$5 billion (R$5,395 - converted at the exchange rate of September 30, 2017) which will be retained and released on three dates, as shown below:

  - COP$1 billion (R$1,100 - converted at the exchange rate of August 24, 2016);
  - COP$1 billion (R$1,055 - converted at the exchange rate of August 24, 2017);
  - COP$3 billion (R$3,323 - converted at the exchange rate of August 24, 2017), maturing on August 24, 2018.

"Red Cárnica" has a daily slaughtering capacity of 850 heads of cattle and deboning capacity of 75 tons:

	Balance sheet at fair value
	07/31/2015
Assets	
Current assets	
Cash and cash equivalents	872
Accounts receivable	4,712
Inventories	1,478
Other receivables	1,984
Noncurrent assets	
Deferred assets	11,708
Propery, plant and equipment	67,715
Total assets	88,469

	Balance sheet at fair value
	07/31/2015
Liabilities	
Current liabilities	
Accounts payable	3,983
Labor and tax obligations	413
Other payables	2,291
Noncurrent liabilities	
Provision for risks	34,852
Total liabilities	41,539
Equity	46,930
Liabilities and equity	**88,469**

Below is the (summarized) combined statement of financial position of Red Cárnica S.A.S. and Red Industrial Colombiana S.A.S. on July 31, 2015, prepared in accordance with CPC 15 (R1) - Business combinationss, based on the fair value of the identifiable assets acquired and liabilities assumed:

We present below the asset and liability accounts of the combined statement of financial position of Red Cárnica and Red Industrial Colombiana S.A.S. that were affected by the fair value measurement on July 31, 2015:

IDENTIFIABLE ASSETS
In thousands of Brazilian reais

	07.31.2015
Property, plant and equipement - Carrying amount	37,224
Fair value adjustment	30,491
Property, plant and equipement – Fair value	**67,715**
Deferred taxes	44
Fair value adjustment	11,664
Deferred taxes – Fair value	**11,708**

LIABILITIES ASSUMED
In thousands of Brazilian reais - R$

Provision for risks – Carrying amount	548
Fair value adjustment	34,304
Provision for risks – Fair value	**34,852**

Determination of gain on negative goodwill

The R$13,082 gain on negative goodwill, which corresponds to the difference between the amount paid for the acquisition of control of the acquired company in relation to the net assets measured at fair value of the identifiable assets acquired and liabilities assumed on July 31, 2015, is as follows:

In thousands of Brazilian reais

Equity (fair value) - 07/31/2015	46,930
Gain on negative goodwill	(13,082)
Consideration transferred	**33,848**

The R$ 13,082 gain on negative goodwill shown above was recognized in the income statement (parent company and consolidated), on the date of acquisition, in accordance with CPC 15 (R1).

JBS Argentina S.A., JBS Paraguay S.A. and Frigorífico Canelones S.A.

On July 31, 2017, the acquisition of JBS Argentina S.A., JBS Paraguay S.A. and Frigorífico Canelones S.A. (collectively, "acquirees"), respectively, by the Company's subsidiaries: Pul Argentina S.A., Frigomerc S.A. and Pulsa S.A. Such acquisition transactions were completed under a document named "*SPA*" for the acquisition of 100% of the acquirees' capital. Therefore, beginning July 31, 2017, the Company, through its above-mentioned subsidiaries, acquired the control over such acquirees. The acquirees engage in the same core business as that of the Company. In addition, JBS Argentina S.A. has two manufacturing units for processed products operating under the "Swift" brand.

These acquisitions are strategically aligned with the Company's business plan:

- Opportunity to become South America's most diversified meat production platform;
- Geographical diversification: Minerva Group now has slaughtering units in five South America countries and its slaughtering capacity expanded by approximately 9,000 heads/day (+52% over the current one);
- Minerva´s Consolidated Capacity: expanded from 17,3 thousand to 26,4 thousand heads/day; and
- Units acquired holding certification to export to premium markets, including the US, Japan and China.

The acquisition was completed for the total amount of US$ 322,699,737 (equivalent to R$ 1,010,082 on July 31, 2017), of which US$ 302,699,737 (equivalent to R$947,480 on July 31, 2017) was paid in cash and US$ 20,000 thousand (equivalent to R$ 62,602 on July 31, 2017) will remain restricted to cover contingent risks:

Acquirees	Acquisition price	Portion paid	Restricted portion
JBS Argentina S.A.	US$182,699,737	US$172,699,737	US$10,000,000
JBS Paraguay S.A.	US$105,000,000	US$98,000,000	US$7,000,000
Frigorífico Canelones S.A.	US$35,000,000	US$32,000,000	US$3,000,000
Total	**US$322,699,737**	**US$302,699,737**	**US$20,000,000**

The amount of US$ 22,699,737 was added to the acquisition price of US$ 300,000 thousand as acquisition price adjustment, as set forth in the "*SPA"* agreement.

The right to offset contingencies by using the restricted portion entitled the Company to recognize indeminifiable asset in its consolidated balance sheet, classified in "Other receivables". Such indemnifiable asset, measured at US$ 20,000 thousand (same amount of the restricted portion), corresponds to the maximum amount that may be reimbursed in offsetting any contingencies identified by the legal advisors engaged by the Company. However, the accurate amount that will be used to offset contingencies will be formalized by the parties at the beginning of 2018.

The acquirees have the following assets and operating capacities:

Acquirees	Assets	Capacity
JBS Argentina S.A.	• 5 slaughtering and deboning units; • 2 industrialized product processing units; • 1 distribution center	5.050 head/day 4,774 ton/month
JBS Paraguay S.A.	• 3 slaughtering and deboning units;	3.100 head/day
Frigorífico Canelones S.A.	• 1 slaughtering and deboning unit.	900 head/day

Below is the (summarized) balance sheet of each one of the acquired companies Red Cárnica S.A.S and Red Industrial Colombiana S.A.S as at July 31, 2017, prepared under CPC 15 (R1) –Business combinations at the fair value of the identifiable assets acquired and liaibilites assumed:

	07/31/2017			
In thousands of R$	**JBS Argentina**	**JBS Paraguay**	**Frigorífico Canelones**	**Combined balance sheet**
Current				
Assets				
Cash and cash equivalents	31,389	31,667	18,662	81,719
Accounts receivable	137,162	121,787	36,820	295,769
Inventories	95,288	51,895	16,051	163,234
Recoverable taxes	30,818	31,420	9,702	71,940
Other receivables	50,339	25,644	10,200	86,184
Noncurrent Assets				
Recoverable taxes	21,588	-		21,588
Deferred tax assets	44,618	2,736	7,216	54,570
Other receivables	377	285		663
Property, plant and equipment	794,913	295,348	118,406	1,208,666
Intangible assets	93,404	397	235	94,036
Total assets	**1,299,896**	**561,180**	**217,292**	**2,078,369**

In thousands of R$	JBS Argentina	JBS Paraguay	Frigorífico Canelones	Combined balance sheet
		07/31/2017		
Current				
Liabilities				
Accounts payable	102,981	53,233	22,153	178,367
Borrowings and financing	98,336	26,625	25,478	150,438
Taxes and payroll taxes payable	27,879	8,037	13,111	49,027
Other payables	6,070	13,689	2,908	22,668
Noncurrent Liabilities				
Borrowings and financing	-	110,009		110,009
Deferred tax liabilities	253,174	-	7,005	260,179
Provisions for tax. labor, civil and environmental risks	75,504	26,138	10,747	112,389
Equity	735,952	323,450	135,890	1,195,291
Liabilities and equity	**1,299,896**	**561,180**	**217,292**	**2,078,369**

Below are the acquirees' balance sheet accounts impacted by the measurement at fair value as at July 31, 2017:

In thousands of R$	IDENTIFIABLE ASSETS			07/31/2017	LIABILITIES ASSUMED		EQUITY
	Other recebivables	Deferred tax assets	Property, plant and equipment	Intangible assets	Deferred tax liabilities	Provisions for tax, labor, civil and environmental risks	Equity
Jbs Argentina S.A.:							
Carrying amount	19,033	-	161,459	2,533	-	43,228	265,771
Fair value adjustment	31,307	-	633,454	90,871	253,174	32,276	470,181
Fair value	50,339	-	794,913	93,404	253,174	75,504	735,952
Jbs Paraguay S.A.:							
Carrying amount	3,711	4,514	292,178	-	-	18,812	307,450
Fair value adjustment	21,934	(1,778)	3,170	-	-	7,326	16,000
Fair value	25,644	2,736	295,348	-	-	26,138	323,450
Frigorífico Canelones S.A.:							
Carrying amount	808	-	97,816		-	8,785	114,875
Fair value adjustment	9,392	-	20,590	-	7,005	1,963	21,015
Fair value	10,200	-	118,406	-	7,005	10,747	135,890
Total combined amount							
Carrying amount	23,551	4,514	551,452	2,533	-	70,824	688,096
Fair value adjustment	62,632	(1,778)	657,214	90,871	260,179	41,564	507,196
Fair value	86,184	2,736	1,208,666	93,404	260,179	112,389	1,195,291

If the acquirees had been consolidated beginning January 01, 2017, a revenue of R$1,763,311 and a profit of R$41,371 the would have been included in the income statement:

In thousands of R$	July 31, 2017			
	Jbs Argentina	Jbs Paraguay	Firgorífico Canelones	Combined balance sheet
Net operating revenue	807,329	698,625	257,357	1,763,311
Profit (loss) for Jan to Jul 2017	11,924	27,636	1,812	41,371

Determination of goodwill and gains on negative goodwill

Below are amounts relating to goodwill and gains on negative goodwill, which corresponds to the differences between the purchase price paid to acquire control over the acquirees and the amounts of net assets measured at the fair value of the identifiable assets acquired and liabilities assumed as at July 31, 2017:

In thousands of R$	July 31, 2017			
	Jbs Argentina	Jbs Paraguay	Firgorífico Canelones	Combined balance sheet
(i) Consideration transferred	182,700	105,000	35,000	322,700
(ii) Equiy (fair value)	235,077	103,227	43,406	381,710
(i) - (ii) Goodwill / Gain	(52,377)	1,773	(8,406)	(59,010)
(i) - (ii) Goodwill / Gain (R$) thousand)	(172,946)	5,766	(26.949)	(194,129)

The gains on negative goodwill shown above, in the amounts of R$ 172,246 and R$ 26,949, were recorded in the income statements of PUL Argentina S.A. and PULSA S.A, respectively, in "Other operating income (expenses)", on the date of acquisition , as prescribed by CPC 15 (R1). These amounts primarily derived from the recognition of property, plant and equipment at fair value, in both units, and intangible assets, only in PUL Argentina.

The goodwill amount of R$ 5,766 was recorded in the balance sheet in "Intangible assets" of Frigomerc S.A.

3. Basis of preparation

Statement of compliance (with IFRS and CPC standards)

The interim financial information has been prepared and is presented in accordance with accounting practices adopted in Brazil, including the provisions established in the Brazilian Corporate Law and accounting standards and procedures issued by the Brazilian Securities Commission (CVM) and the Accounting Pronouncements Committee (CPC), which are in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The Company's interim financial information is presented in accordance with technical guidance OCPC 07, which addresses the basic presentation and disclosure requirements to be met in disclosing the accounting and financial reports, especially those contained in the notes to the interim financial information. Management confirms that all relevant information specific to the interim financial information is evidenced and that said information corresponds to that used in its management.

The presentation of the individual and consolidated Statement of Value Added (DVA) is required by the Brazilian Corporate Law and the accounting practices adopted in Brazil applicable to publicly-held companies. IFRS do not require the presentation of this statement. Consequently, under IFRS, this statement is presented as supplementary information, without prejudice to the set of interim financial information.

The main accounting policies adopted in the preparation of this interim financial information are described below. These policies have been consistently applied in all reporting periods, unless otherwise stated.

4. Summary of the main accounting policies

a) Basis of measurement

The interim financial information has been prepared on the historical cost, except for certain financial instruments that are measured at fair value.

b) Functional and reporting currency

The interim financial information of each subsidiary included in the Company's consolidation, as well as that used as basis to account for investments under the equity method, is prepared using each entity's functional currency. The functional currency of an entity is the currency of the primary economic environment in which it operates. When defining the functional currency of each of its subsidiaries, Management considered the currency that has a significant effect on the sale price of its products and services and the currency in which most part of the cost of its production inputs is paid or incurred.

The interim financial information is presented in Brazilian reais (R$), which is the parent company's functional and reporting currency.

c) Foreign operations

The subsidiaries abroad adopted the following functional currencies for the interim financial information as at September 30, 2017:

- **Guarani (Paraguay-PY)** - Friasa S.A. and Frigomerc S.A.;
- **US Dollar (US$)** - Pulsa S.A., Frigorífico Carrasco S.A., Lytmer S.A., Minerva Overseas I, Minerva Overseas II, Minerva Meat USA, Minerva USA LLC and Minerva Luxembourg;
- **Pound Sterling (GBP)** – Minerva Europe Ltd.
- **Chilean Peso** - Minerva Foods Chile S.P.A. and Minerva Live Cattle Exports S.P.A.;
- **Colombian Peso** - Minerva Colômbia S.A.S., Red Cárnica S.A.S. and Red Industrial Colombiana S.A.S.
- **Australian Dollar** - Minerva Australia Holdings PTY Ltd.
- **Argentine Peso** - Pul Argentina S.A.

Such information, when applicable, is adapted to the accounting practices adopted in Brazil and translated into Brazilian reais (R$) by applying the following procedures:

- Monetary assets and liabilities are translated using the closing rate of the respective currency for the Brazilian real (R$) at the end of the reporting period;
- In the last audited statement of financial position corresponding to the equity translated at the historical exchange rate prevailing at that time and the changes in equity for the current period/year are translated at the historical exchange rates on the dates of the transactions, and the profit earned or loss incurred is translated and accumulated at an average historical monthly exchange rate, as indicated in the following topic;
- Revenues, costs and expenses for the current period/year are translated and accumulated at an average historical monthly exchange rate;
- The changes in foreign exchange balances arising from the items above are recognized in a specific equity account, under "Other comprehensive income", in accordance with the equity equation; namely: Assets less Total Liabilities equals Equity.
- The balances of investments, assets and liabilities, revenues and expenses from transactions between "Minerva Group" companies included in the consolidated interim financial information are eliminated.

d) Transactions and balances in foreign currency

Transactions and balances in foreign currency, i.e. all those that are not carried out in the functional currency, are translated at the historical exchange rate on each transaction date, in accordance with CPC 02 (R2) - Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements.

Assets and liabilities subject to exchange rate changes are adjusted using the rates of the respective currencies in effect on the last business day of each reporting year or period. Gains and losses arising from changes in foreign investments are recognized directly in equity, under "Other comprehensive income", and recognized in the statement of profit or loss when these investments are fully or partially sold.

Nonmonetary items that are measured in terms of historical costs in foreign currency are translated at the exchange rate prevailing on the transaction date.

e) Use of estimates and judgments

The preparation of the parent company and consolidated interim financial information in conformity with IFRS and CPC requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

The estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

f) Basis of consolidation

Business combinations

Acquisitions made on or after January 1, 2009
For acquisitions made on or after January 1, 2009, the Company measured goodwill as the fair value of the consideration transferred, including the recognized amount of any non-controlling interests in the acquired company, less the fair value of the identifiable assets and liabilities assumed, all measured on the acquisition date.

For each business combination, the Company chooses whether to measure non-controlling interest at its fair value or the proportionate equity interest in the identifiable net assets corresponding to the non-controlling interest, calculated on the acquisition date.

Transaction costs, except for those associated with the issuance of debt securities or equity securities, incurred on a business combination, are recognized as expenses as they are incurred.

i) Subsidiaries and joint ventures

The subsidiaries' interim financial information is included in the consolidated interim financial information from the time control is obtained until the date control ceases.

ii) Transactions eliminated in consolidation

Intercompany balances and transactions, as well as revenues or expenses arising from said transactions, are eliminated in the preparation of the consolidated interim financial information. Unrealized gains on transactions with investees accounted for under the equity method are eliminated against the investment in proportion to the Company's interest in the investees. Unrealized losses are not eliminated in the same manner as unrealized gains, but only to the extent there is no evidence of impairment.

g) Revenue and expense recognition

Revenues and expenses are recognized on the accrual basis. Revenue from sales of goods is recognized when it can be reliably measured and all the risks and rewards of ownership are transferred to the buyer.

h) Cash and cash equivalents and securities

Comprise cash, bank deposits and short-term investments. See Note 5 for further details about the Company's and its subsidiaries' cash and cash equivalents.

i) Financial instruments

In accordance with CVM Circular Letter 03/2009, the financial instruments of the Company and its subsidiaries were classified into the following categories:

Non-derivative financial assets

- **Measured at fair value through profit or loss:** financial assets held for trading, that is, acquired or originated mainly with the purpose of sale or repurchase in the short term; and derivatives. Changes in the fair value are recognized in profit or loss and the balances are stated at fair value;
- **Held to maturity:** non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intention and ability to hold to maturity. They are stated at cost, plus income earned, in profit or loss;
- **Available for sale:** non-derivative financial assets which are designated as available for sale or which were not classified in other categories. Initially, income earned from these assets is fully recognized in profit or loss. However, gains and losses from the adjustment to fair value are recognized in equity under "Other comprehensive income", and are recognized in profit or loss when incurred;
- **Loans and receivables:** loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market, except for: **(i)** those that the Company intends to sell immediately or in the short term, and those that the Company classifies as measured at fair value through profit or loss; **(ii)** those classified as available for sale; or **(iii)** those whose holders may not substantially recover their initial investment for any reason other than credit deterioration. They are stated at cost, plus income earned, in profit or loss.

Non-derivative financial liabilities

The Company initially recognizes debt securities and subordinated liabilities issued on the date they were originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are initially recognized on the trade date when the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or settled.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when the Company is legally entitled to offset the amounts and has the intention to settle them on a net basis or simultaneously realize the asset and settle the liability.

The Company and its subsidiaries have the following non-derivative financial liabilities: loans, financing, debentures, accounts payables, labor and tax liabilities and other payables.

These financial liabilities are initially recognized at fair value plus any attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method.

Derivative financial instruments

The fair value of derivative financial instruments is calculated by the Company's treasury department according to the information of each agreed transaction and its respective market information as at the end of each reporting period of the interim financial information, such as interest rate and foreign exchange coupon. When applicable, such information is compared with the positions informed by the trading desks of each financial institution involved.

Transactions involving derivative financial instruments that were contracted by the Company and its subsidiaries can be summarized as cattle futures contracts, options on cattle contracts and Non Deliverable Forward (NDF), all aiming exclusively to minimize the impact of price fluctuations per "arroba" (a unit of weight equivalent to 15 kg) of cattle in the statement of profit or loss, and to hedge against exchange risks related to statement of financial position accounts plus cash flows projected in foreign currency.

Financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and, subsequently, they are remeasured at their fair value and these changes are recognized in profit or loss.

Although the Company uses derivatives for hedging purposes, it did not choose the hedge accounting method. This accounting method is optional and, therefore, not mandatory.

j) Accounts receivable

Accounts receivable from domestic customers are stated at their present and realizable values, whereas accounts receivable from foreign customers are adjusted using the exchange rates prevailing on the reporting date. An allowance for doubtful debts is recognized in an amount considered sufficient by Management for receivables whose collection is considered uncertain.

k) Inventories

Inventories are stated at the lower of cost and net realizable value, adjusted to market value and for any losses, when applicable. It includes expenses incurred on the acquisition of inventories, production and transformation costs, and other costs incurred to bring inventories to their current location and condition.

l) Biological assets

Biological assets are measured at fair value. Changes in fair value are recognized in profit or loss. Agricultural activities, such as cattle herd growth, arising from confinement of cattle or grazing cattle, and growth of different crops, are subject to fair value measurement based on the mark to market (MtM) concept.

m) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at the historical cost of acquisition or construction, less accumulated depreciation and accumulated impairment losses, when necessary. The cost of certain property, plant and equipment items was determined by reference to the revaluation carried out prior to the enactment of Law 11,638/2007, effective as of January 1, 2008, thus not requiring the appraisal of the deemed cost.

Cost includes expenditures directly attributable to the acquisition of an asset. The cost of assets constructed by the Company and its subsidiaries includes the cost of materials and direct labor, as well as any costs incurred to bring the asset to the location and condition necessary for them to be able to operate in the manner intended by Management. Borrowing costs on qualifying assets have been capitalized since January 1, 2009.

Rights related to tangible assets intended for the maintenance of the Company's and its subsidiaries' activities, arising from finance lease transactions, are recognized as if they were a financed purchase. At the start of each transaction, a property, plant and equipment item and a financing liability are recognized, with assets being subject to depreciation calculated in accordance with the estimated useful lives of the respective assets.

Gains and losses on the disposal of a property, plant and equipment item are calculated by comparing the disposal proceeds with the carrying amount of the item, and are recognized in other operating income (expenses), in profit or loss.

Depreciation

Depreciation is recognized in profit or loss under the straight-line method based on the estimated useful lives of each part of a property, plant and equipment item, given that this is the method that more closely reflects the consumption pattern of future economic benefits included in assets.

The average useful lives estimated by the Company's Management, based on technical studies for the current and comparative periods, are as follows:

	Parent Annual rate	**Consolidated** Annual rate
Buildings	2.72%	2.25%
Machinery and equipment	8.63%	8.16%
Furniture and fixtures	9.62%	8.15%
Company cars	10.17%	10.57%
Computer hardware	18.48%	18.13%

The depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, and any adjustments are recognized as changes in accounting estimates.

The balance of the revaluation reserve, as permitted by Law 11,638/07 and described in Note 22, will be held until its full amortization, full depreciation or disposal of assets.

n) Lease of property, plant and equipment items

Finance lease agreements are recognized in property, plant and equipment and in liabilities as loans and financing at the present value of the minimum mandatory lease payments of the contract or the fair value of the assets, plus, when applicable, the initial direct costs incurred on the transaction. They are depreciated over the estimated economic useful lives of the assets.

Operating lease agreements are recognized as expenses on a systematic basis representing the year in which the benefit on the leased asset is obtained, even if such payments are not made on that basis.

o) Intangible assets

Intangible assets acquired separately are measured on initial recognition at the acquisition cost less accumulated amortization and impairment, when applicable.

Intangible assets with definite useful life are amortized over their estimated economic useful lives and, when any indications of impairment are identified, are tested for impairment. Intangible assets with indefinite useful lives are not amortized; however, they are annually tested for impairment.

Goodwill on acquisitions of subsidiaries
Goodwill on acquisitions of subsidiaries is included in intangible assets in the consolidated interim financial information.

p) Impairment of assets

Financial assets
Management annually analyzes if there is an objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is considered to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an 'impairment event'), and this event has an impact on the estimated future cash flow of the financial asset or group of financial assets that can be reasonably estimated.

Nonfinancial assets
Management periodically reviews the carrying amount of its assets when events or changes in economic, operating or technological circumstances may indicate deterioration or loss of their recoverable value. When such evidence is identified and the carrying amount of any asset is higher than the recoverable amount, a provision for impairment is immediately recognized to adjust the carrying amount to its recoverable amount.

The recoverable amount of an asset or Cash-Generating Unit is the higher of the value in use and net sales price.

To estimate the asset's value in use, the estimated future cash flows are discounted to present value at a discount rate before tax that reflects the weighted average cost of capital for the industry in which the Cash-Generating Unit operates. Whenever possible, the net sales price is determined based on a binding sale agreement conducted on an arm's length basis between the parties, adjusted by expenses attributable to the asset sale. If there is no such binding agreement, it should be based on the market price defined in an active market, or in the most recent transaction price with similar assets.

The following criterion is also applied for determining impairment losses on specific assets:

Goodwill paid for expected future profitability
An impairment test for goodwill is carried out at least annually, or when circumstances indicate a loss due to impairment of the carrying amount.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment at least annually, individually or at the level of the Cash-Generating Unit, as the case may be or when circumstances indicate a loss due to impairment of the carrying amount.

q) Other current and noncurrent assets and liabilities

An asset is recognized in the statement of financial position when it is probable that future economic benefits will be generated in favor of the Company and its subsidiaries, and its cost or value can be reliably estimated.

A liability is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of funds will be required to settle the obligation. The related charges, inflation adjustment or exchange rate changes and discounts to present value are added when applicable. Provisions are recorded based on the best estimates of the risks involved.

Assets and liabilities are classified as current when their realization or settlement is expected to occur in the following twelve months. Otherwise, they are stated as noncurrent.

r) Adjustment to present value of assets and liabilities

Noncurrent monetary assets and liabilities are adjusted, when material, to their present value, and current assets and liabilities are adjusted when the effect is considered material in relation to the interim financial information.

To calculate the discount to present value, the Company and its subsidiaries consider the amount to be discounted, the realization and settlement dates, according to discount rates that reflect the Company's and its subsidiaries' value of money in time, which was approximately 9.87% per year, calculated according to the Company's and its subsidiaries' weighted average cost of capital, as well as the specific risks related to the expected cash flows for the respective financial flows.

The receipt and payment terms of accounts receivables and payables arising from the Company's and its subsidiaries' operating activities are short, thus resulting in a discount amount considered immaterial for recording and disclosure, since the cost of generating information exceeds its benefit. Noncurrent assets and liabilities are calculated and recorded, when applicable and material.

Calculations and analyses are revised on a quarterly basis.

s) Income tax and social contribution

Current and deferred income tax and social contribution for the current year or period are calculated at the rates of 15%, plus a 10% surtax on taxable profit exceeding R$240 for income tax and 9% on taxable profit for social contribution, considering the offset of tax loss carryforwards limited to 30% of the annual taxable profit.

The income tax and social contribution expense comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they are related to a business combination, or items recognized directly in equity or in other comprehensive income.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial purposes and the corresponding tax bases are used for tax calculation purposes. Deferred tax is not recognized for the following temporary differences: initial recognition of assets and liabilities for a transaction other than a business combination that does not affect the accounting or taxable profit or loss nor the differences related to investment in subsidiaries and controlled entities when it is expected that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if there is a legal right to offset the current tax assets and liabilities and they relate to the same taxing authority.

Deferred income and social contribution tax assets are recognized on tax losses, tax credits, differences in accounting practices (IFRS) and deductible temporary differences not utilized, when future taxable profits will be available and against which they can be utilized.

Deferred income and social contribution tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that they will be realized.

t) Contingent assets and liabilities and legal obligations

The accounting practices for recording and disclosing contingent assets and liabilities and legal obligations are as follows: **(i)** contingent assets are recognized only when there are secured guarantees or favorable legal decisions that are already final and unappealable. Contingent assets with probable chance of success are only disclosed in a note to the interim financial information; **(ii)** and a provision is recognized for contingent liabilities when the likelihood of loss is assessed as probable and the amounts involved can be reliably measured. Contingent liabilities assessed as possible losses are only disclosed in a note to the interim financial information and contingent liabilities assessed as remote losses are neither provided for nor disclosed; and **(iii)** legal obligations are recorded as liabilities, regardless of the evaluation of the probabilities of success, for proceedings whereby the Company has challenged the constitutionality of taxes.

u) Employee benefits

The Company does not have post-employment benefits, such as defined benefit and/or contribution plans. Note that all short-term benefits and paid leaves, as well as profit sharing, are in accordance with the pronouncement's requirements.

v) Revenue recognition

Revenue from sales is presented net of taxes and discounts. Taxes on sales are recognized when sales are invoiced, and discounts are recognized when known. Revenues from sales of goods are recognized when the sales amounts can be reliably measured and the Company and its subsidiaries retain neither effective control over the goods sold or any other responsibility to the degree usually associated with ownership, the costs incurred or to be incurred in respect of the transaction can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company, and the risks and rewards of ownership have been transferred to the buyer.

w) Earnings per share

Basic earnings per share are calculated based on the profit attributable to the owners of the Company and to non-controlling interests, and the weighted average number of common shares outstanding during the period. Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding by instruments potentially convertible into shares with dilutive effect, during the reporting periods.

x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's Board of Executive Officers, which is responsible for allocating resources and evaluating the performance by operating segment and strategic decision-making.

y) New standards and interpretations not effective yet

A number of new standards or amendments to standards and interpretations are effective for annual periods beginning on or after **January 1, 2018**.

IFRS 9 - Financial Instruments
IFRS 9, issued in July 2014, replaces the guidance existing in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes a revised guidance on the classification and measurement of financial instruments, a new model for expected credit losses for the calculation of impairment of financial assets and new requirements on hedge accounting. The standard maintains the existing guidance on the recognition and derecognition of financial instruments, as per IAS 39. IFRS 9 is effective for periods beginning on or after January 1, 2018. The Company is evaluating the effects of IFRS 9 on the financial statements and their disclosures.

IFRS 15 - Revenue from Contracts with Customers
IFRS 15 requires an entity to recognize revenue reflecting the consideration receivable in exchange for the control over the goods or services. The new standard will replace most of the detailed guidance on revenue recognition currently existing in the IFRS and generally accepted accounting principles in the United States (US GAAP) when adopted. The new standard is effective for periods beginning on or after January 1, 2018. The standard can be adopted retrospectively, using a cumulative effect approach. The Company is evaluating the effects of IFRS 15 on the financial statements and their disclosures.

Agriculture: Production Plants (amendments to CPC 27 / IAS 16 and CPC 29 / IAS 41)

IFRS 16 - Leases
In mid-January 2016, IASB approved this standard, which is effective for annual periods beginning on or after January 1, 2019, which establishes that all lease agreements, either operating or finance, must be accounted for by recognizing the underlying assets and liabilities. The Company is evaluating the effects of IFRS 16 on the financial statements and their disclosures.

Additionally, the following new standards or amendments are not expected to have a significant impact on the Company's financial statements:

- IFRS 14 - Regulatory Deferral Accounts (Regulatory Assets and Liabilities);
- Accounting for Acquisitions of Interests in Joint Operations (amendments to CPC 19 / IFRS 11);
- Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (amendments to CPC 36 / IFRS 10 and CPC 18 / IAS 28);
- Annual improvements to IFRS 2012-2014 Cycle - several standards;
- Investment Entities: Consolidation Exception (amendments to CPC 36/ IFRS 10, CPC 45 / IFRS 12 and CPC 18 / IAS 28);
- Disclosure Initiative (amendment to CPC 26 / IAS 1).

The Brazilian Accounting Pronouncements Committee (CPC) has not yet issued accounting pronouncements or amendments to the current pronouncements corresponding to all new IFRS. Therefore, the early adoption of these IFRS is not permitted for entities that disclose their financial statements in accordance with accounting practices adopted in Brazil.

z) Statements of value added

The Company has prepared the parent company and consolidated statements of value added (DVA) in accordance with Technical Pronouncement CPC 09 - Statement of Added Value, which are prepared as an integral part of the financial statements prepared in accordance with BR GAAP applicable to publicly-held companies, while for IFRS they represent additional financial information, required as part of the financial statements taken as a whole.

The statement of value added is intended to show the wealth generated by the Company and its subsidiaries, its distribution between the elements that have contributed to generate said wealth, such as employees, lenders, shareholders, government and others, as well as the portion of wealth not distributed.

5. Cash and cash equivalents and securities

The financial assets of the Company and its subsidiaries are as follows:

	Parent		Consolidated	
	09.30.17	12.31.16	09.30.17	12.31.16
Cash	649	545	3,393	1,435
Banks	18,664	632	234,658	961,799
Cash in foreign currency	2,307,574	1,841,824	2,498,535	1,920,720
	2,326,887	**1,843,001**	**2,736,586**	**2,883,954**
Short-term investments				
In local currency:				
Bank certificates of deposits (CDBs)	293,166	325,923	328,960	352,453
Debentures	27,026	74,677	50,375	81,194
Capitalization bonds	2,018	1,500	2,018	1,500
Investment funds	-	-	5,245	565
Other financial assets	-	-	76,507	78,204
	322,210	**402,100**	**463,105**	**513,916**
	2,649,097	**2,245,101**	**3,199,691**	**3,397,870**

The short-term investments of the Company and its subsidiaries were classified according to their characteristics and purposes, namely: (i) fair value through profit or loss, or (ii) held to maturity, and are summarized as follows:

	Parent		Consolidated	
	09.30.17	12.31.16	09.30.17	12.31.16
Measured at fair value through profit or loss	320,192	400,600	461,087	512,416
Held to maturity	2,018	1,500	2,018	1,500
	322,210	**402,100**	**463,105**	**513,916**

6. Accounts receivable

	Parent		Consolidated	
	09.30.17	12.31.16	09.30.17	12.31.16
Domestic customers	120,864	114,981	456,135	386,787
Foreign customers	217,061	102,270	696,481	307,104
Related parties	3,995	1,075	-	-
	341,920	**218,326**	**1,152,616**	**693,891**
(-) Allowance for doubtful debts	(18,690)	(19,100)	(20,286)	(19,908)
	323,230	**199,226**	**1,132,330**	**673,983**

Aging list of receivables:

	Parent		Consolidated	
	09.30.17	12.31.16	09.30.17	12.31.16
Current:	215,790	165,343	883,099	544,624
Past due:				
Up to 30 days	63,877	19,941	163,051	81,278
31 to 60 days	34,147	7,533	58,209	14,377
61 to 90 days	4,214	653	8,049	2,859
91 to 180 days	23,892	24,856	40,208	50,753
	341,920	**218,326**	**1,152,616**	**693,891**

Changes in the allowance for doubtful debts:

	Parent	Consolidated
Balances as at December 31, 2016	**(19,100)**	**(19,908)**
Allowance recognized	(4,148)	(5,693)
Recovered receivables	3,572	3,572
Written-off receivables	781	1,538
Exchange rate changes	205	205
Balances as at September 30, 2017	**(18,690)**	**(20,286)**

The Company has a Receivables Investment Fund (FIDC) for sale of part of its receivables from domestic customers in the amount of R$129,472 (R$134,906 at December 31, 2016), without co-obligation or right of recourse, of which R$4,661 (R$29,366 at December 31, 2016) was comprised of subordinated units.

The percentage of equity interest and the number of FIDC shares refer to the guarantee and risk limit under the Company's responsibility, which correspond to the entirety of the subordinated shares paid in and held by the Company with FIDC.

In accordance with CVM Circular Letter 01/2017, for the purpose of presentation of definitive sale of receivables, the transferor cannot have control, involvement or future settlement regarding the overdue FIDC notes and, consequently, exposure to the risks arising from it. Accordingly, the Company is exposed to default risk limited to its subordinated shares.

The Company follows a very strict credit policy, which results in low levels of default evidenced by the low amounts recorded, when compared to the Company's and its subsidiaries' sales revenue.

The Company has no collaterals for past-due receivables.

7. Inventories

	Parent		Consolidated	
	09.30.17	**12.31.16**	**09.30.17**	**12.31.16**
Finished products	375,860	221,180	584,328	401,976
Storeroom supplies and secondary materials	15,093	14,406	98,840	52,483
	390,953	**235,586**	**683,168**	**454,459**

8. Biological assets

The Company and its subsidiaries that have cattle activities, such as cattle herd growth arising from the confinement of cattle or grazing cattle operations, are subject to revaluation of its assets, in order to determine their fair value based on the mark to market (MtM) concept, at least on a quarterly basis, recognizing the effects of such revaluations directly in profit or loss for the periods and years.

Operations related to the Company's biological assets are represented by grazing cattle (extensive) and short-term confinement cattle (intensive). The operation is conducted through the acquisition of biological assets for resale, whose mark to market is reliably measured due to the existence of active markets, and are represented as follows:

	Herd	
	Parent	**Consolidated**
Balance at December 31, 2016	**120,140**	**141,706**
Increase due to acquisitions	190,379	263,138
Decrease due to sales	(175,701)	(247,997)
Net (decrease) /Increase due to births (deaths)	(666)	(824)
Changes in fair value less estimated costs to sell	32,948	32,924
Balance at September 30, 2017	**167,100**	**188,947**

As at September 30, 2017, farm cattle held for sale was comprised of 62.393 heads (42,828 at December 31, 2016), while confined cattle totaled 13,056 heads (9,784 at December 31, 2016).

As at September 30, 2017 and December 31, 2016, the Company did not have any type of biological assets with restricted ownership or offered as guarantee of obligations, and there were no other risks (financial, commitments, and weather-related) that would impact the Company's biological assets.

9. Recoverable taxes

	Parent		Consolidated	
	09.30.17	**12.31.16**	**09.30.17**	**12.31.16**
Tax on revenue (PIS)	90,622	82,198	96,734	96,272
Tax on revenue (COFINS)	333,881	316,420	341,335	352,150
Reintegra (special tax for exporting companies)	1,649	1,650	13,802	2,042
State VAT (ICMS)	162,901	175,747	174,621	185,951
IRPJ and CSLL	241,453	197,654	273,395	206,383
IPI deemed credit	3	16,317	3	16,317
VAT	-	-	142,746	85,030
Other	19,410	19,387	35,029	43,678
	849,919	**809,373**	**1,077,665**	**987,823**
Current	670,529	613,674	876,054	791,361
Noncurrent	179,390	195,699	201,611	196,462

PIS and COFINS

PIS and COFINS credits arise from the change in tax legislation in accordance with laws 10,637/02 and 10,833/03, which established non-cumulativeness for these taxes, thus generating credits for export companies.

Currently, the Brazilian Federal Revenue Service (RFB) ended its inspection of the Company and its subsidiaries, with most of the requests for reimbursement of credits being authorized by the RFB, which has resulted in a significant amount arising from the refund of those credits during 2017, 2018 and 2019.

Based on studies carried out by the Company's Management regarding the expectation of repayment of these tax credits, a portion of these credits was segregated from current assets to noncurrent assets, which totaled R$ 104,904, Parent and consolidated, as at September 30, 2017. The estimates of realization of the Company's and its subsidiaries' tax credits are reviewed on a quarterly basis.

ICMS - State VAT

ICMS credits result from the fact that the Company's exports are greater than its domestic sales, thus generating credits which, after ratified by state tax authorities, are used to purchase inputs for production, which may also be sold to third parties, as provided for in current legislation.

The aforementioned credit balance is being inspected and ratified by the São Paulo State Finance Department. The Company's management expects to recover a significant portion of said credits throughout 2017, 2018 and 2019. Based on studies conducted by the Company's management, an amount deemed sufficient to cover slower lawsuits was transferred from current assets to noncurrent assets, totaling R$55,096, Parent and consolidated. The estimates of realization of the Company's and its subsidiaries' tax credits are reviewed on a quarterly basis.

IPI deemed credit

IPI deemed credits arise from the refund PIS/PASEP and COFINS contributions, provided for in Laws 9.363/96 and 10.276/01, arising from the acquisition of bovine raw materials from individuals and/or cooperatives.

The Company is currently requesting to the RFB the offsetting/reimbursement of said credits.

Based on technical studies and supported by the opinion of its tax advisors, the Company's Management understands that the tax credits from PIS, COFINS, ICMS, and IPI deemed credit, recorded in noncurrent assets, are expected to be realized by the end of 2019.

10. Deferred tax assets

Below are the changes in deferred tax assets in the period, taking into account deferred tax assets on income and social contribution tax losses:

	Parent and Consolidated			
	Balance at December 31, 2016	**Recognized in profit or loss**	**Realization of deferred taxes**	**Balance as at September 30, 2017**
Deferred income tax and social contribution on tax loss carryforwards	246,757	6,447	(60,191)	193,013
Total deferred tax assets	**246,757**	**6,447**	**(60,191)**	**193,013**

The Company joined the Special Tax Debt Settlement Program (PERT) whereby taxpayers may settle National Treasury Attorney General´s Office (PGFN) debts, of a tax nature or not, that have matured through April 30, 2017 and have been included in the Debts to the Federal Government Register through the date taxpayers join the program. The Company opted to pay in cash, in a lump sum, at least 20% of the consolidated debt amount, without reduction, in five monthly consecutive installments maturing from August to December 2017 and the remaining amount by using social contribution tax loss carryforwards, in the amount of R$50,693.

Deferred tax assets arising from income and social contribution tax losses were recognized in the parent company as at June 30, 2012, December 31, 2011, September 30, 2011, December 31, 2010, December 31, 2014 and December 31, 2016. As at September 30, 2017, deferred tax assets totaled R$193,013. The balances were recognized based on Management's understanding that probable future taxable profits will be earned so that the Company can benefit from them in the future.

The Company's and its subsidiaries' Management decision to recognize deferred tax assets on tax loss carryforwards was based on the business plan, internal budget and financial projections, prepared by independent advisors which are subject to review at least annually.

The projected realization of these deferred tax assets (IRPJ and CSLL) is as follows:

	09.30.17 Parent	09.30.17 Consolidated
2017	6,613	6,613
2018	20,965	20,965
2019	22,246	22,246
2020	31,368	31,368
2021 onwards	111,821	111,821
	193,013	**193,013**

(*) The Company expects to realize income tax and social contribution temporary differences in no more than 10 years.

Please note that such technical studies that based the decision to recognize deferred tax assets on income and social contribution tax losses were duly reviewed and approved in Board of Directors' Meetings.

11. Related parties

The transactions with related parties, conducted under the following conditions, are summarized in the tables below and comprise:

Intragroup loans receivable	Parent	
	09.30.17	12.31.16
Minerva Indústria e Comércio de Alimentos S.A. (a)	77,999	49,479
Minerva Dawn Farms S.A. (Minerva Fine Foods) (b)	17,953	3,405
Transminerva Ltda (c)	26,188	25,068
Cia. Sul Americana de Pecuária S.A. (d)	21,744	-
Minerva Overseas Ltd (e)	233,136	276,299
Minerva Luxemburgo S.A (f)	-	42,365
Other (g)	-	13,293
	377,020	**409,909**

(a) Working capital loan to Minerva Indústria e Comércio de Alimentos S.A.;
(b) Working capital loan to Minerva Dawn Farms S.A (currently Minerva Fine Foods);
(c) Transminerva expenses and working capital to be reimbursement;
(d) Working capital loan to Cia. Sul Americana de Pecuária S.A.;
(e) Loan granted to Minerva Overseas Ltda. to be reimbursed;
(f) Loan granted to Minerva Luxemburgo S.A. to be reimbursed; and,
(g) Other loans and payments from subsidiaries to the Parent company.

Intragroup loans payable	Parent	
	09.30.17	12.31.16
Minerva Luxemburgo (a)	62,909	-
Minerva Overseas II Ltd (b)	487,980	434,220
Mato Grosso Bovinos (c)	-	211,402
Minerva Comercializadora de Energia Ltda. (d)	-	102
	550,889	**645,724**

(a) Loan from Minerva Luxemburgo to the Parent company;
(b) Loan from Minerva Overseas II to the Parent company;
(c) Loan from Mato Grosso Bovinos S/A to the Parent company;
(d) Loans from Minerva Comercializadora de Energia Ltda. to the Parent company.

The Company, understanding the full integration of its operations with its subsidiaries, transfers cash as part of Minerva Group's business plan, always seeking to minimize the cost of its borrowings.

The other balances and transactions with related parties are as follows:

Payables - Suppliers	Parent		Consolidated	
	09.30.17	12.31.16	09.30.17	12.31.16
Minerva Dawn Farms S.A.	3,821	3,501	-	-
Minerva Indústria e Comércio de Alimentos S.A.	18,768	17,478	-	-
Transminerva	48	11	-	-
Frigomerc	5,334	295		
Mato Grosso Bovinos S.A.	-	20,038	-	-
Cia. Sul Americana de Pecuária	9,084	14,944	-	-
Pulsa S.A	637	-	-	-
Minerva Comercializadora de Energia Ltda	4,300	1	-	-
Payables to other related parties	20,032	2,031	22,320	3,616
	62,024	**58,299**	**22,320**	**3,616**

Receivables - Customers	Parent		Consolidated	
	09.30.17	12.31.16	09.30.17	12.31.16
Minerva Dawn Farms S.A.	3,330	452	-	-
Minerva Ind. e Com. de Alimentos S.A.	140	168		
Frigomerc S.A	376	-	-	-
Pulsa S.A	37	38		
Cia. Sul Americana de Pecuária S.A.	112	-	-	-
Transminerva Ltda.	-	4	-	-
Mato Grosso Bovinos S.A.	-	413	-	-
Receivables from other related parties	-	15	-	85
	3,995	**1,090**	**-**	**85**

	Parent		Consolidated	
	09.30.17	09.30.16	09.30.17	09.30.16
Sales revenue:				
Minerva Dawn Farms S.A.	25,470	11,735	-	-
Mato Grosso Bovinos S.A.	6,414	-	-	
Pulsa S.A	7,903	6,908	-	-
Frigorífico Carrasco S.A	6,143	2,925	-	-
Minerva Comercializadora de Energia Ltda	2,783	-	-	-
Minerva Foods Chile Spa	-	707	-	-
	48,713	**22,275**	**-**	-
Purchases:				
Minerva Dawn Farms S.A.	36,901	-	-	-
Minerva Indústria e Comércio de Alimentos S.A.	120,058	161,543	-	-
Cia. Sul Americana de Pecuaria S.A	47,865	52,397	-	-
Pulsa. S.A	5,066	5,911	-	-
Frigomerc S.A	51,261	70,452	-	-
Frigorífico Carrasco S.A	8,525	14,101	-	-
Minerva Comercializadora de Energia Ltda	7,655	-	-	-
Mato Grosso Bovinos S.A.	96,357	236,408	-	-
	373,688	**540,812**	**-**	**-**
Purchases of cattle				
Purchases from ther related parties	**64,080**	**41,622**	**97,752**	**62,789**

The Company and its subsisiaries conduct intercompany commercial transactions, mainly purchases and sales, at usual market prices and conditions, where available.

During the periods ended September 30, 2017 and 2016, the Company did not recognize any allowance for doubtful debts nor expenses on uncollectible debts relating to related-party transactions.

12. Investments

Changes in investments in subsidiaries are as follows:

	Equity interest - %	Balance at 12/31/2016	Transfers	Impairment of assets	Goodwill	Dividends	Translation adjustments	Acquisition / write-off of equity interest	Capital payment	Share of profit (loss) of investees	Balance at 09/30/2017
Goodwill from expected future profitability		516,377	-	-	-	-	-	(192,330)	-	-	324,047
Minerva Indústria e Comércio de Alimentos Ltda.	98.00%	70,743	-	-	-	-	-	-	1,783	21,680	94,206
Minerva Overseas Ltd	100.00%	170,554	-	-	-	-	(15,459)	-	4,627	(4,124)	155,598
Minerva Overseas Ltd II	100.00%	389,419	-	-	-	-	(11,272)	-	-	98,863	477,010
Minerva Middle East	100.00%	37	-	-	-	-	-	-	-	-	37
Minerva Log S.A	100.00%	55	-	-	-	-	-	-	-	(2)	53
Minerva Dawn Farms S.A.	100.00%	96,210	-	-	-	-	-	-	-	(8,179)	88,031
Pulsa S.A	100.00%	150,684	-	-	-	-	(4,164)	-	142,296	21,716	310,532
Loin Investments	99.00%	-	-	-	-	-	-	-	-	-	-
Frigomerc S.A.	100.00%	228,198	-	-	-	-	(6,330)	-	379,320	29,280	630,468
Minerva Colombia SAS	100.00%	-	(1,736)	-	-	-	(3,542)	-	12,641	(2,263)	5,100
Frigorífico Carasco S.A.	100.00%	108,645	-	-	-	-	(3,032)	-	-	(28,056)	77,557
Lytmer S.A.	100.00%	24,122	-	-	-	-	(1,315)	-	25,177	(3,822)	44,162
CSAP - Companhia Sul Americana de Pecuária S.A.	100.00%	23,627	-	-	-	-	-	-	56,000	(78,328)	1,299
Mato Grosso Bovinos S.A.	100.00%	465,903	-	-	-	-	-	(474,545)	-	8,642	-
Minerva Live Cattle Export S.A.	100.00%	1,358	-	-	-	-	(19)	-	6,629	(251)	7,717
Minerva Meats USA LLC	100.00%	523	-	-	-	-	-	-	-	-	523
Minerva Chile Spa	100.00%	5,922	-	-	-	-	(314)	-	-	(3,815)	1,793
Red Cárnica SAS	100.00%	76,262	-	-	-	-	883	-	75,277	(6,710)	145,712
Red Industrial Colombiana SAS	100.00%	8,468	-	-	-	-	106	-	-	573	9,147
Intermeat - Assessoria e Comércio Ltda.	100.00%	341	-	-	-	-	-	-	2,200	(2,140)	401
Minerva Comercializadora de Energia Ltda.	100.00%	31,039	-	-	-	-	-	-	-	22,339	53,378
Minerva Australia Holdings PTY Ltd.	100.00%	3,327	-	-	-	-	190	-	-	(380)	3,137
PUL Argentina S.A	100.00%	41	-	-	-	-	1,186	-	585,130	171,922	758,279
Minerva Europe Ltd	100.00%	-	-	-	-	-	-	-	298	-	298
Investments		2,371,855	(1,736)	-	-	-	(43,082)	(666,875)	1,291,378	236,945	3,188,485
Transminerva	100.00%	(24,221)	-	-	-	-	-	-	-	(1,420)	(25,641)
Minerva Luxemburgo	100.00%	(933,000)	-	-	-	-	40,354	-	-	(202,313)	(1,094,959)
Lytmer	100.00%	-	-	-	-	-	-	-	-	-	-
Friasa S.A.	99.99%	(769)	-	-	-	-	19	-	-	(183)	(933)
Minerva Colômbia S.A.S	100.00%	(1,736)	1,736	-	-	-	-	-	-	-	-
Allowance for investment losses		(959,726)	1,736	-	-	-	40,373	-	-	(203,916)	(1,121,533)
Total investments, net		1,412,129	-	-	-	-	(2,709)	(666,875)	1,291,378	33,029	2,066,952

On July 31, 2015, the Company entered into a Sales Agreement ("Compra y Venta de Acciones") to acquire 100% of the capital stock of Red Cárnica S.A.S. and Red Industrial Colombiana S.A.S., thereby assuming the control of these subsidiaries as of that date.

The transaction totaled COP$28,540 billion (equivalent to R$30,795 at the rate effective on September 30, 2017).

On February 5, 2016, the Company acquired its subsidiary Intermeat – Assessoria e Comércio Ltda., and now holds 100% of the equity interest in that company. The acquisition totaled US$ 50 thousand (equivalent to R$158 thousand at the rate effective on September 30, 2017).

On July 22, 2016, its subsidiary Minerva Australia Holdings Pty Ltd. acquired 100% of the capital stock of IMPT PTY Ltd. The acquisition totaled AUD4.0 million (R$ 9,935 at the rate effective onSeptember 30, 2017).

On February 21, 2017, the Board of Directors submitted the merger of the subsidiary Mato Grosso Bovinos S.A. by the parent company Minerva S.A. for analysis of the Extraordinary Shareholders' Meeting. The merger was approved by the Board of Directors and the operation was submitted on September 30, 2017.

Summary of the subsidiaries' financial statements as at September 30, 2017:

	Equity interest - %	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity
Minerva Indústria de Alimentos Ltda.	98.00%	112,727	118,905	33,607	103,820	94,205
Frigorífico Carrasco S.A.	100.00%	36,225	105,826	57,191	7,303	77,557
Minerva Overseas Ltd.	100.00%	85	388,649	-	233,136	155,598
Minerva Overseas II Ltd.	100.00%	115	1,717,250	-	1,240,355	477,010
Minerva Middle East Ltd.	100.00%	37	-	-	-	37
Red Cárnica SAS	100.00%	113,939	74,071	27,043	15,255	145,712
Minerva Dawn Farms S.A.	100.00%	34,084	87,726	15,376	18,403	88,031
Red Industrial Colombiana SAS	100.00%	2,384	8,516	1,428	325	9,147
Minerva Luxemburgo S.A.	100.00%	99,362	4,632,124	38,456	5,787,990	(1,094,960)
Friasa S.A.	99.99%	2,772	501	4,206	-	(933)
Transminerva Ltda.	100.00%	793	197	198	26,433	(25,641)
Loin Investments Administradora de Carteira Ltda.	100.00%	-	-	-	-	-
Minerva Log S.A.	100.00%	53	-	-	-	53
Lytmer S.A.	100.00%	51,339	10,618	11,681	6,114	44,162
Pulsa S.A.	100.00%	255,449	231,458	125,811	50,564	310,532
Frigomerc S.A.	100.00%	647,364	365,187	244,889	137,163	630,499
Minerva Foods Chile Spa	100.00%	40,089	2,699	29,882	10,631	2,275
Minerva Colombia SAS	100.00%	12,663	821	4,740	3,644	5,100
CSAP - Companhia Sul Americana de Pecuária S.A.	100.00%	81,326	1,988	60,271	21,744	1,299
Mato Grosso Bovinos S.A.	100.00%	-	-	-	-	-
Minerva Live Cattle Export Spa	100.00%	11,953	10,626	12,238	2,625	7,716
Minerva Meats USA LLC	100.00%	524	-	-	-	524
Intermeat - Assessoria e Comércio Ltda.	100.00%	220	-	311	-	(91)
Minerva Comercializadora de Energia Ltda.	100.00%	191,100	-	137,723	-	53,377
Minerva Australia Holdings PTY Ltd.	100.00%	22,887	9,952	16,951	12,751	3,137
PUL Argentina S.A	100.00%	410,849	983,081	297,898	337,753	758,279
Minerva Europe Ltd	100.00%	299	-	-	-	299
Total		**2,128,638**	**8,750,195**	**1,119,900**	**8,016,009**	**1,742,924**

Changes in subsidiaries in the periods ended September 30, 2017 and 2016 are as follows:

	09.30.17		09.30.16	
	Net revenue	Profit (loss) for the year	Net revenue	Profit (loss) for the year
Minerva Indústria de Alimentos Ltda.	401,909	21,680	391,435	4,209
Frigorífico Matadero Carrasco S.A.	308,005	(28,056)	257,846	(18,733)
Minerva Overseas Ltd	-	(4,123)	-	1,661
Minerva Overseas II Ltd	-	98,863	-	86,858
Minerva Middle East	-	-	-	-
Red Cárnica SAS	291,650	(6,710)	134,963	(7,248)
Minerva Dawn Farms S.A.	59,435	(8,179)	50,247	(34,996)
Red Industrial Colombiana SAS	5,948	574	2,793	1,057
Minerva Luxemburgo S.A.	-	(202,316)	-	(145,596)
Friasa S.A.	-	(182)	-	(435)
Transminerva Ltda.	317	(1,421)	412	(1,338)
Loin Investments Administradora de Carteira Ltda.	-	-	-	55
Minerva Log S.A.	-	(1)	-	(54)
Lytmer S.A.	129,096	(3,821)	19.526	(167)
Pulsa S.A.	440,116	21,715	403,765	(4,970)
Frigomerc S.A.	988,266	29.280	834,225	(5,109)
Minerva Foods Chile Spa	67,151	(3,815)	21,479	(893)
Minerva Colombia SAS	11,600	(2,261)	15,082	453
CSAP - Companhia Sul Americana de Pecuária S.A.	53,616	(78,328)	124,940	1,759
Mato Grosso Bovinos S.A.	346.477	8,644	659,328	16,074
Minerva Live Cattle Spa	-	(251)	-	(557)
Minerva Meats USA LLC	-	-	-	-
Intermeat - Assessoria e Comércio Ltda.	15	(2,141)	718	(690)
Minerva Comercializadora de Energia Ltda.	683,693	22,339	34,387	7,310
Minerva Australia Holdings PTY Ltd.	96,714	(378)	-	-
PUL Argentina S.A	263,499	171,922	-	-
Minerva Europe Ltd.	-	-	-	-

(*) All amounts are stated as 100% of the subsidiaries' profit (loss)

13. Property, plant and equipment

a) Breakdown of property, plant and equipment

Parent				09.30.17	12.31.16
Description	Depreciation rate (%)	Historical cost	Accumulated depreciation	Net	Net
Buildings	2,72%	872,883	(138,189)	734,694	551,394
Machinery and equipment	8,63%	753,708	(187,452)	566,256	456,555
Furniture and fixtures	9,62%	7,500	(3,388)	4,112	3,148
Company cars	10,17%	13,356	(6,546)	6,810	7,955
Computer hardware	18,48%	9,170	(4,912)	4,258	4,379
Land		67,758	-	67,758	53,876
Reforestation		2,986		2,986	-
Construction in progress		346,622	-	346,622	371,690
Allowance for impairment of assets		(21,518)	-	(21,518)	(21,518)
		2,052,465	**(340,487)**	**1,711,978**	**1,427,479**

Consolidated				09.30.17	12.31.16
Description	Depreciation rate (%)	Historical cost	Accumulated depreciation	Net	Net
Buildings	2,25%	1,727,376	(188,228)	1,539,148	931,701
Machinery and equipment	8,16%	1,556,965	(290,742)	1,266,223	732,304
Furniture and fixtures	8,15%	17,524	(7,519)	10,005	6,759
Company cars	10,57%	24,529	(10,332)	14,197	10,558
Computer hardware	18,13%	15,335	(9,075)	6,260	7,108
Land		276,837	-	276,837	105,404
Reforestation		2,986	-	2,986	2,986
Construction in progress		396,193	-	396,193	404,644
Allowance for impairment of assets		(21,518)	-	(21,518)	(21,518)
		3,996,227	**(505,896)**	**3,490,331**	**2,179,946**

b) Summary of changes in property, plant and equipment

Parent	Buildings	Machinery and equipment	Furniture and fixtures	Company cars	Computer hardware	Land	Reforestation	Construction in progress	Allowance for impairment of assets	Total
Balance at December 31, 2016	**551,394**	**456,555**	**3,148**	**7,955**	**4,379**	**53,876**		**371,690**	**(21,518)**	**1,427,479**
Additions	-	56	-	37	1	-	-	123,781	-	123,875
Merger	112,766	77,624	832	124	519	6,581	2,986	14,677		216,109
Transfers	84,658	70,817	535	154	61	7,301	-	(163,526)	-	-
Disposals	(3)	(1,017)	(59)	(448)	-	-	-	-	-	(1,527)
Depreciation	(14,121)	(37,779)	(344)	(1,012)	(702)	-	-	-	-	(53,958)
Balance at September 30, 2017	**734,694**	**566,256**	**4,112**	**6,810**	**4,258**	**67,758**	**2,986**	**346,622**	**(21,518)**	**1,711,978**

Consolidated	Buildings	Machinery and equipment	Furniture and fixtures	Company cars	Computer hardware	Land	Reforestation	Construction in progress	Allowance for impairment of assets	Total
Balance at December 31, 2016	**931,701**	**732,304**	**6,759**	**10,558**	**7,108**	**105.404**	**2,986**	**404,644**	**(21,518)**	**2,179,946**
Additions	2,397	8,265	(832)	466	425	134	-	162,709	-	173,564
Merger/Acquisition	270,515	214,818	4.538	547	18	42,380		18,985		551,801
Transfers	88,948	83,685	881	578	186	7,301	-	(181,579)	-	-
Disposals	(3)	(1,196)	(59)	(546)	(2)	-	-	(12)	-	(1,818)
Depreciation	(21,317)	(59,979)	(1,686)	(1,599)	(1,287)	-	-	-	-	(85,868)
Translation adjustments	5,190	6,973	120	94	(32)	3,180	-	(32)	-	15,493
Other	261,717	281,353	284	4,099	(156)	118,438		(8,522)		657,213
Balance at September 30, 2017	**1,539,148**	**1,266,223**	**10,005**	**14,197**	**6,260**	**276,837**	**2,986**	**396,193**	**(21,518)**	**3,490,331**

c) Construction in progress

As at September 30, 2017, works and construction in progress refer to the following main projects: Expansion of Minerva Dawn Farms plant (portioned); Investment in the reopening of Mirassol D'Oeste plant; expansion of the Red Cárnica plant (COL); and structuring and expansion of the distribution centers.

d) Provision for impairment of assets

As required by the accounting practices adopted in Brazil and international standards (IFRS), the Company annually evaluates whether there is evidence of impairment of its assets. In this sense, the industrial plant of Goianésia (GO) has been underutilized for strategic reasons since 2013. Therefore, the analysis of the value of the plant based on cash generation was impaired; thus, the Company decided to evaluate the net sale value of the selling expenses. An evaluation carried out by an independent company identified that said plant's value is higher than its realization value, of R$34,175, of which R$21,518 corresponds to property, plant and equipment and R$12,657 to expected future profitability, which generated the recognition of a provision for impairment.

e) Collaterals

Property, plant and equipment items pledged as collateral for borrowings and financing totaled R$196,764 as at September 30, 2017 (R$187,521 at December 31, 2016).

14. Intangible assets

	Parent		Consolidated	
	09.30.17	12.31.16	09.30.17	12.31.16
Goodwill paid on acquisitions	272,372	98,094	606,258	605,752
Right of use - Aircraft	1,793	1,793	1,793	1,793
Assignment of right of way	250	250	250	250
Trademarks and patents	-	-	96,123	-
Software	7,943	6,539	15,349	8,334
	282,358	**106,676**	**719,773**	**616,129**

Changes in intangible assets during the period ended September 30, 2017 were as follows:

	Parent				
	Goodwill paid on Acquisitions	Right of Use Aircraft	Assignment of Right of Way	Software Acquired	Total
Balance at December 31, 2016	**98,094**	**1,793**	**250**	**6,539**	**106,676**
Acquisition	-	-	-	2,635	2,635
Merger / Acquisition of Companies	174,278	-	-	101	174,379
Amortization	-	-	-	(163)	(106)
Transfer to plant, property and equipment	-	-	-	(1,169)	(1,169)
Balance at September 30, 2017	**272,372**	**1,793**	**250**	**7,943**	**282,358**

	Consolidated					
	Goodwill paid on acquisitions	Right of Use - Aircraft	Assignment of right of way	Trademarks	Software acquired	Total
Balance at December 31, 2016	**605,752**	**1,793**	**250**		**8,334**	**616,129**
Acquisition	-	-	-		3,031	3,031
Merger / Acquisition of companies	5,205	-	-	93,423	631	94,054
Amortization/ impairment	-	-	-		(584)	(584)
Transfer to plant, property and equipment	-	-	-		(1,169)	(1,169)
Translation adjustments	506	-	-	2,700	(99)	3,107
Balance at September 30, 2017	**611,463**	**1,793**	**250**	**96,123**	**15,349**	**719,773**

The Company records the amortization of its software, the only intangible asset that can be amortized, according to the contractual license period, when purchased from third parties, or for the period estimated by the Company for software internally developed. As at September 30, 2017 and December 31, 2016, the average amortization rates were 19.6% and 19.7%, respectively.

Goodwill on expected future profitability

	Consolidated	
	09.30.17	12.31.16
Minerva Dawn Farms (MDF) - (i)	166,487	166,487
Brascasing Industria e Comércio Ltda - (ii)	74,596	74,596
Pulsa S/A - (iii)	61,643	61,643
Frigomerc (iv)	62,126	62,126
Frigorífico Carrasco S.A (v)	47,773	47,773
Mato Grosso Bovinos S/A (vi)	174,278	174,278
Other (vii)	24,560	18,849
	611,463	**605,752**

(i) As per CVM Resolution 580/09 – CPC 15 (R1), the Company reviewed the calculations of identifiable assets acquired and liabilities assumed upon recognition to the fair value of the acquisition of a further 30% of the shares representing the capital stock of Minerva Dawn Farms (MDF), which was classified as a "business combination in stages". Thus, it was necessary to segregate the goodwill calculated in the initial (provisional) recognition to the fair value of the Company's interest in that operation, totaling R$188,391 (R$188,391 on December 31, 2012), segregating goodwill for expected future profitability (R$98,714), customers list (R$87,733) and goodwill of assets (R$1,944), as per CPC pronouncements, instructions and guidance. As previously described, in the fourth quarter of 2012, the Company acquired the residual interest of 20% in MDF, which was held by Dawn Farms, and now holds 100% of MDF's control. On December 31, 2015, the Company recorded a provision for impairment totaling R$21,904;

(ii) In December 2011, the Company acquired 5% of the capital stock of the jointly-owned subsidiary Brascasing Comercial Ltda., and now holds 55% of that company, and consequently, its control. As this transaction is considered as a "business combination in stages", the Company recorded its equity interest and non-controlling interest at their fair value, and recorded goodwill for expected future profitability of R$93,185. After the full acquisition of the Company, goodwill totaled R$98,094. On December 31, 2015, the Company recorded a provision for impairment totaling R$23,498, arising from overproduction/oversupply, due to the reduction of worldwide consumption, mainly from the slowdown in China and the decrease in oil prices, directly impacting markets like Russia, one of the main markets for the Company's business;

(iii) On March 22, 2011, the Company acquired 100% of the voting shares of Frigorífico Pulsa S.A., recording goodwill for expected future profitability of R$61,643;

(iv) During the fourth quarter of 2012, the Company acquired 100% of the shares of Frigomerc S.A., recording goodwill for expected future profitability of R$58,380. On March 16, 2013, the sale agreement of Frigomerc S.A. was amended, which established a supplemental working capital of R$3,746 (USD1,830 thousand), totaling R$62,126 on December 31, 2012;

(v) On April 30, 2014, the Company acquired 100% of the voting shares of Frigorífico Matadero Carrasco S.A. (Frigorífico Carrasco S.A.), recording goodwill for expected future profitability of R$34,700. As per the clauses of the acquisition agreement, there was a goodwill increase for expected future profitability of R$13,073, totaling R$47,773;

(vi) On October 1, 2014, the Company incorporated 100% of the voting shares of Mato Grosso Bovinos S.A. through the exchange of 29 million common shares issued by the Company (BEEF3) through the Extraordinary Shareholders' Meeting (ESM) of both companies, which resulted in the recording of goodwill for expected future profitability of R$174,278; and

(vii) During the second quarter of 2013, the Company acquired the remaining 8% of the shares of Friasa S.A., which resulted in the recording of goodwill for expected future profitability of R$7,233, totaling R$9,298 on June 30, 2013. On February 5, 2016, the Company acquired 100% of the capital stock of its subsidiary Intermeat Assessoria e Comércio Ltda., resulting in goodwill for expected future profitability of R$217 thousand. On July 22, 2016, the Company acquired 100% of the capital stock of its indirect subsidiary IMTP PTY Ltd. through its subsidiary Minerva Australia Holdings PTY Ltd., resulting in goodwill for expected future profitability of R$10,061. On July, 2017, subsidiary Frigomerc S.A acquired 100% of the common shares in JBS Paraguay S.A, which resulted in a goodwill on expected future profitability of R$5,205 being recorded.

As required by the accounting practices adopted in Brazil and international standards (IFRS), the Company annually evaluates whether there is evidence of impairment of its assets. Accordingly, the industrial plant of Goianésia (GO), previously named as "Lord Meat", is underutilized for strategic reasons, as mentioned in Note 13. As at December 31, 2016, the Company carried out an impairment test of all its CGUs, based on their value in use. For all CGUs, the Company considered a 5-year projection, with no growth in perpetuity, in addition to observing the financial budgets prepared by Management for the beginning of the cash flow projections (2017). As a result of this test, the Company recognized a provision for impairment for the CGU MFF, totaling R$21,904. The recoverable value of this CGU totaled R$271,449 and was measured based on the calculation of its value in use, according to its 5-year cash flow projections based on financial budgets approved by the Company's Management. The discount rate applied was 10.4% (10.8% in 2015), not considering growth in perpetuity.

The calculation of the CGUs' value in use, MFF included, is more sensitive to the projected exchange rate (R$/USD) assumption, due to the exposure of the Company's revenues to the foreign market. For sensitivity purposes, in accordance with Management's assessment, a 5% drop in the exchange rate curve used in the projection of the value in use could result in an impairment of the CGU Casing, in addition to an increase in the impairment of MFF, if Management could not transfer this reduction to the product prices of these CGUs.

As at December 31, 2015, the CGU Casing (formerly Brascasing Ind. e Com. Ltda.) recorded a provision for impairment of R$23,498, arising from overproduction/oversupply, due to the reduction of global consumption as a result of worldwide lower growth, mainly from the slowdown in China and the decrease in oil prices, directly impacting markets like Russia, one of the main destinations of the Company's production. As of 2016, this CGU is less exposed to the Russian market, due to the opening of new markets and changes in the Board of Executive Officers' internal structure, the main reasons why this CGU did not need to increase the provision for impairment in 2016.

Pursuant to CPC 1 (R1) (IAS 36), the Company tests for impairment its intangible assets that do not have estimated useful lives at least annually.

15. Borrowings and financing

		Parent		Consolidated	
Type	**Finance charges**	**09.30.17**	**12.31.16**	**09.30.17**	**12.31.16**
4th issuance debentures (1)	CDI + 1.75% p.a.	154,213	300,950	154,213	300,950
BNDES (1/2/3)	TJLP + Spread	20,671	31,053	20,671	31,053
FINEP (7)	TJLP + Spread	-	-	5,836	11,770
Lease (3)	TJLP + 3.5% p.a.	909	1,586	909	1,659
Bank Credit Note (1/2/3/5)	10.5% p.a.	-	544	31,081	544
Bank Credit Note (1/2/3/5)	TJLP + 1.15% p.a.	-	-	28,978	33,754
NCE (1/5)	CDI + spread	1,397,510	554,427	1,397,510	554,427
Progeren (1)	3.9% p.a. + TJLP	-	-	-	-
IFC (2/4/6)	CDI + spread	109,290	115,779	109,290	115,779
FIDC	CDI + spread	-	29,366	-	29,366
Hedging financial instruments – Derivatives	CDI + spread	(7,098)	2,319	(7,098)	2,319
		1,675,495	**1,036,024**	**1,741,390**	**1,081,621**
Foreign currency (US$)					
ACCs (Advances on Foreign Exchange Contracts) (5)	Interest from 2.53% to 3.65% p.a.+ Exchange rate change	425,289	297,101	425,289	297,101
NCE (5)	Interest of 4.42% p.a.+ Exchange rate change	228,824	268,711	228,824	268,711
Senior Unsecured Notes - (5)	Exchange rate change + Interest	3,728,177	2,648,567	4,520,413	4,004,241
Perpetual bonds (5)	Exchange rate change + Interest of 8.75% p.a.	878,108	903,359	965,538	990,872
PPE (1)	Interest of 2.4% p.a. + Libor	63,929	29,734	63,929	29,734
Operation 4131 (5/8)	Exchange rate change + Interest	143,086	188,971	143,086	188,971
Other (5/8)	Exchange rate change + Interest	-	-	335,062	160,076
				-	-
Hedging financial instruments – Derivatives		(252,843)	(193,624)	(252,843)	(193,624)
		5,214,570	**4,142,819**	**6,429,298**	**5,746,082**
Total Borrowings and Financing		**6,890,065**	**5,178,843**	**8,170,688**	**6,827,703**
Current		1,979,116	1,187,894	2,210,617	1,397,051
Noncurrent		4,910,949	3,990,949	5,960,071	5,430,652

The Company offered the following guarantees for its borrowings and financing:

1. Surety/letter of guarantee from the parent company VDQ Holdings S.A. and/or surety from its shareholders;
2. Mortgage;
3. Financed assets;
4. Promissory notes signed by subsidiaries Minerva Alimentos, Pulsa and Frigomerc;
5. Surety or letter of guarantee by the Company;
6. Letter of guarantee from subsidiaries Minerva Alimentos, Pulsa and Frigomerc;
7. Bank guarantee;
8. STLC (Standby Letter of Credit).

As at September 30, 2017, the noncurrent portion of the Company's (parent) borrowings and financing matures as follows:

	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
ACC	-	63,680	-	-	-	-	-	-	-	63,680
Leases	55	18	-	-	-	-	-	-	-	73
BNDES	2,208	8,832	736	-	-	-	-	-	-	11,776
IFC	8,607	17,215	17,215	17,215	17,215	8,607	-	-	-	86,074
NCE	-	380,582	42,857	-	-	-	-	-	-	423,439
Pre-shipment	-	2,076,604	-	-	478,368	-	-	-	2,008,512	4,563,484
Hedging financial instruments – Derivatives	562	(13,684)	-	-	-	-	(111,200)	(113,255)	-	(237,577)
	11,432	**2,533,247**	**60,808**	**17,215**	**495,583**	**8,607**	**(111,200)**	**(113,255)**	**2,008,512**	**4,910,949**

As at September 30, 2017, the noncurrent portion of the consolidated borrowings and financing matures as follows:

	2018	2019	2020	2021	2022	2023	2024	2025	2026	Perpétuo	Total
ACC		63,680									63,680
Leases	55	18	-	-	-	-	-	-	-	-	73
BNDES	2,208	8,832	736	-	-	-	-	-	-	-	11,776
CCB	18,304	41,922	42,098	10,194	11,150	4,881	4,881	-	-	-	133,430
IFC	8,607	17,215	17,215	17,215	17,215	8,607	-	-	-	-	86,074
NCE	-	380,582	42,857	-	-	-	-	-	-	-	423,439
Pré Embarque	-	31,680	-	-	-	-	-	-	-	-	31,680
Senior Unsecured Notes	-	-	-	-	-	704,599	-	-	3,797,686	-	4,502,285
Perpetual bonds	-	-	-	-	-	-	-	-	-	945,211	945,211
Hedging financial instruments – Derivatives	562	(13,684)	-	-	-	-	(111,200)	(113,255)	-	-	(237,577)
	29,736	**530,245**	**102,906**	**27,409**	**28,365**	**718,087**	**(106,319)**	**(113,255)**	**3,797,686**	**945,211**	**5,960,071**

Below are the Company's and its subsidiaries' main borrowing and financing as at September 30, 2017. On that date, the Company was compliant with all covenants established for each type of borrowing and financing:

IFC – International Finance Corporation

In September 2013, IFC and the Company entered into a 10-year financing agreement, in the amount of R$137,718, which was paid on October 24, 2013. The debt balance came to R$109,209 as at September 30, 2017, and interest is calculated based on CDI + spread, which are paid semi-annually. The debt matures on April 15, 2023.

Debt notes / bonds abroad

Through its subsidiaries Minerva Overseas Ltd. and Minerva Overseas Ltd. II, the Company issued debt notes abroad in the amount of US$ 200,000 thousand and US$ 250,000 thousand, respectively. The Notes are collateralized by the Company and mature in 2017 and 2019, respectively. Additionally, in February 2012, the Company issued US$ 350,000 thousand in Notes abroad, maturing in February 2022, through its wholly-owned subsidiary Minerva Luxembourg S.A. ("Issuer"). Also with regards to this operation, in March 2012, the Company completed the re-tap of the notes maturing in February 2022, in the amount of US$ 100,000 thousand. The maturity of the notes remains the same. In August 2014, the Company concluded the re-tap of the notes maturing in January 2023, in the amount of US$ 200,000 thousand. The maturity of the notes remains the same.

The Notes issued by Minerva Overseas I and II (Bonds 2017 and 2019, respectively) pay semi-annual coupons at 9.5% and 10.875% p.a., respectively, and the Notes issued by Minerva Luxembourg (Bonds 2022 and re-tap) pay semi-annual coupons at 12.25% p.a. and (Bonds 2023 and re-tap) pay semi-annual coupons at 7.75% p.a. The Company shall guarantee all the obligations of the Issuer in regard to the issue referred to above.

The Notes (Bond 2022 and re-tap) and (Bond 2023 and re-tap) were not recorded according to the U.S. Securities Act of 1933, as amended (Securities Act), and shall not be offered or sold in the United States, except in transactions recorded under the Securities Act or those exempt from these registry requirements.

The Notes' main early maturity clauses are as follows: (i) failure to fulfill the obligations established under the confidential offering circular, even relating to the limitation of division of dividends and change in equity interest, as mentioned in item (iv) below; and (ii) failure to pay any overdue Note.

The Notes and the debentures are expected to maintain a financial covenant which measures the ability to cover debt in relation to EBITDA (earnings before interest, taxes, depreciation and amortization).

The contractual ratio of both financial instruments indicates that the debt coverage level may not exceed 3.5 times the EBITDA in the last 12 months. For these purposes, the following definitions are considered: **(I)** "net debt" means the sum of the balance of loans and financing, without considering exchange rate changes occurred in the period since the contracting of the debt, less the sum of **(i)** available cash (as defined below) and **(ii)** "inflation adjustment losses" (as defined below); **(II)** "available cash" means the sum of the balances of the Company's statement of financial position accounts "Cash and cash equivalents" and "Securities"; **(III)** "inflation adjustment losses" means a number of exceptions, including but not limited to exchange rate changes since the issue of the Note, or allowed debts, related to specific transactions. In summary, these exceptions include the refinancing of existing debts, considering certain circumstances and fundraising for various uses, some of which for specific reasons, totaling US$141,000 thousand. Additionally, all expenses related to exchange rate changes since the issue of the Notes are also considered for the purposes of inflation adjustment losses; **(IV)** "EBITDA" means the amount calculated on the accrual basis over the last twelve (12) months, and equals the sum of net revenues, less: **(i)** the cost of services rendered, **(ii)** administrative expenses, plus **(a)** depreciation and amortization expenses, **(b)** finance income (expenses), net, **(c)** equity in the earnings (losses) of subsidiaries and **(d)** direct taxes.

We also point out that the financial covenants refer to authorization or not to incur new debts, by executing all new refinancing-related debts, in addition to a pre-defined amount for credit facilities of working capital and investments. Covenants are calculated based on the consolidated interim financial information.

In the process of issuing such Notes (2022 and re-tap), the Company incurred transaction costs in the amount of R$25,735 on that date; said costs were capitalized in an account reducing the liabilities of these Notes, and are being amortized on a *pro rata temporis* basis from the issue date to their maturity in 2022.

On February 13, 2013, the Company concluded the "offer to buyback debt notes" issued abroad (Bonds) by the Company's subsidiaries, maturing in 2017, 2019 and 2022. By means of an "early buyback offer", the following was bought back: US$10,685 thousand (R$21,017 on that date) of the principal amount of the 2017 Notes, equivalent to approximately 32% of the outstanding 2017 Notes, US$317,976 thousand (R$625,459 on that date) of the principal amount of the 2019 Notes, equivalent to approximately 85% of the outstanding 2019 Notes, and US$320,137 thousand (R$629,709 on that date) of the principal amount of the 2022 Notes, equivalent to approximately 71% of the outstanding 2022 Notes.

Part of this offer consisted in the payment of a premium to the holders of the notes, embedded and implicit in the transaction and in the proposed exchange relations, amounting to US$147,064 thousand that is amortized in financial expenses during the effective term of the 2023 Notes.

The early buyback offer of debt notes was carried out using the proceeds from the issue of the 2023 Notes (which will bear annual interest of 7.75%) and is part of a clear strategy to manage liabilities, aiming at the constant improvement of the Company's debt cost. The acceptance of the buyback process by over 75% of the holders of all the Notes maturing in 2017, 2019 and 2022 shows that the Company has obtained good results with the implementation of its strategy.

On December 30, 2015, the Company concluded the cancelation of the Notes that had been bought back since the second half of 2013, which are recognized under "Cash and cash equivalents" and "Loans and financing". The canceled Notes were expected to mature in 2019, 2022 and 2023. The following were canceled: US$ 6,533 of the principal amount of the 2019 Notes (R$ 25,510 on that date), US$ 24,355 of the principal amount of the 2022 Notes (R$ 95,101 on that date) and US$ 181,985 of the principal amount of the 2023 Notes (R$ 710,615 on that date), totaling US$212,873 (R$ 831,226 on that date).

On September 20, 2016, the Company concluded the "offer to buyback bonds" issued abroad by its subsidiary Minerva Luxembourg S.A., maturing in 2023. By means of an "early buyback offer", US$ 617,874 were bought back (R$ 2,010,562 on that date) of the principal amount of the 2023 Notes, equivalent to approximately 71% of the outstanding 2023 Notes.

The early buyback offer of debt notes was carried out using the proceeds from the issue of the 2026 Notes (which will bear annual interest of 6.50%) and is part of a clear strategy to manage liabilities, aiming at the constant improvement of the Company's debt cost.

Part of this offer consisted in the payment of a premium to the holders of the notes, embedded and implicit in the transaction and in the proposed exchange relations, amounting to US$40,143 thousand, as well as transaction costs in the amount of US$28,859 totaling US$ 69,002 that will be amortized in the financial expenses account during the effective term of the 2026 Notes.

On February 10, 2017, the Company exercised the early option to purchase its debt securities bearing annual interest of 12.250% and maturing in 2022 (2022 Notes). The total debt was US$105,508 (R$328,710 on that date). The price paid was 106,125 of the face value, plus interest accrued until that date.

In June 2017, the Company concluded the re-tap of the notes maturing in September 2026, totaling US$ 350,000 thousand, which bear interest of 6.50% p.a. (2026 Notes). As at September 30, 2017, the liabilities related to the Notes totaled R$4,520,413, consolidated (R$4,004,241 at December 31, 2016).

Perpetual bonds

On March 27, 2014, the Company concluded the issue of perpetual bonds abroad totaling US$300,000 thousand, with semi-annual payments at an annual rate of 8.75%, by means of its wholly-owned subsidiary Minerva Luxembourg S.A. The issue of the notes aimed to extend the average maturity of the Company's debt and improve its capital structure through the use of a different fundraising instrument, diversifying even more the investors' base. The transaction was settled on April 3, 2014. The Company shall guarantee all the obligations of the Issuer in regard to the issue referred to above. As at September 30, 2017, the liability related to the Notes, consolidated, totaled R$ 965,538 (R$ 990,872 on December 31, 2016). These Notes have the same financial covenant of the aforementioned Notes.

Equipment financing - BASA

On December 21, 2007, a private agreement was entered into between Minerva Indústria e Comércio de Alimentos S.A. and Banco da Amazônia S.A., totaling R$53,793, whose balance as at September 30, 2017 was R$28,978(R$33,754 at December 31, 2016). This debt matures within 144 months as of the date of signature of the debentures indenture. The financing agreement establishes some restrictions on the financed company, namely: **(i)** Minerva Indústria e Comércio de Alimentos S.A. is obliged not to give preference to other credits, not to amortize shares, not to issue debentures, not to take out new debts without prior authorization from the Superintendency for the Development of Amazonia (SUDAM) and Banco da Amazônia S.A., except **(a)** for loans to meet the needs of ordinary managed businesses of the financed company, or intended for mere material replacement or substitution; and **(b)** for trading discounts the financed company holds, arising from sales or services; and **(ii)** Minerva Indústria e Comércio de Alimentos was forced to subordinate the changes in its corporate structure to prior approval by SUDAM, after hearing Banco da Amazônia S.A.

i) Level of subordination

As at September 30, 2017, 2.41% of the Company's and its subsidiaries' total debt has collaterals (2.75% at December 31, 2016).

ii) Possible restrictions imposed on the issuer, particularly with respect to setting indebtedness limits and taking out new debts, the distribution of dividends, the disposal of assets, the issuance of new securities and the sale of shareholding control

The Notes also have clauses that limit the Company with respect to (i) new debts if the Net Debt/EBITDA ratio is higher than 3.75/1.00 and 3.50/1.00, respectively; (ii) the distribution of dividends. Accordingly, Minerva undertakes not to pay and not allow its subsidiaries to pay any dividends or interest on equity held by others than its subsidiaries, (except (a) dividends or distributions paid on qualified interests of Minerva, and (b) dividends or distributions payable by a subsidiary, on a *pro rata* basis, or more favorable to Minerva); (iii) the change of shareholding control; and (iv) the disposal of assets, which can only be achieved by complying with the requirements, among which, in the case of sale of assets, it is necessary that the sale value be the market value.

The CCB issued in favor of the BNDES is expected to have early maturity if the shareholders' agreement, articles of incorporation or Bylaws of the Company or its controlling companies, include a provision whereby a special quorum is required to approve issues that limit or restrict the control over any of these companies by their related controlling shareholders, or rather, a provision that leads to: (i) restrictions on the Company's ability to grow or develop technology; (ii) restrictions on the Company's access to new markets; or (iii) restrictions or losses on the Company's ability to pay financial obligations arising from the Bank Credit Note (CCB).

The CCB dated January 7, 2009, issued by the Company with Banco da Amazônia S.A., has early maturity clauses if the Company's shareholding control is transferred without prior and written consent by the creditor.

4th issue of non-convertible debentures

On June 15, 2013, the Company offered debentures not convertible into shares, totaling R$300,000 and maturing on June 15, 2018. The debentures were offered through restricted placement efforts (CVM Instruction 476). The principal amounting to R$300,000 bears interest at the accumulated variation (effective rate) of 100% of the average daily rates of the Interbank Deposits (DI), plus a surcharge of 1.75% p.a. The proceeds were used to extend the Company's debt profile and strengthen its working capital. The debentures are guaranteed by VDQ Holdings S.A. In the process of issuance of said debentures, the Company incurred transaction costs totaling R$3,153, which will be fully amortized until 2018, recorded in its interim financial information as a reduction of the liability, to be amortized over the effective period of the debentures. As at September 30, 2017, the amount was R$154,213 (R$300,950 at December 31, 2016).

There are no premiums obtained on renegotiation clauses during the debenture fundraising process.

16. Accounts payable

	Parent		Consolidated	
	09.30.17	12.31.16	09.30.17	12.31.16
Domestic suppliers	383,714	193,699	862,473	581,932
Foreign suppliers	20,708	29,957	60,672	39,955
Related parties	41,992	58,299	-	3,616
	446,414	**281,955**	**923,145**	**625,503**

Aging list of accounts payables:

	Parent		Consolidated	
	09.30.17	12.31.16	09.30.17	12.31.16
Current:	433,264	242,303	856,788	552,588
Past-due:				
Up to 30 days	11,204	28,492	40,433	42,160
31 to 60 days	1,379	557	3,053	3,543
61 to 90 days	553	576	2,599	851
91 to 180 days	14	10,027	20,272	26,361
	446,414	**281,955**	**923,145**	**625,503**

17. Labor and tax liabilities

	Parent		Consolidated	
	09.30.17	12.31.16	09.30.17	12.31.16
Labor				
Salaries and management fees	1,039	614	7,971	4,154
Payroll taxes – FGTS and INSS (employees and independent contractors)	10,512	7,615	23,273	15,109
Accrued vacation/Christmas bônus and related charges	49,189	20,090	96,830	39,686
Other pays and charges	3,837	1,848	4,553	3,108
Total labor	**64,577**	**30,167**	**132,627**	**62,057**
Tax				
State VAT (ICMS)	8,078	3,845	9,059	5,510
Tax Debt Refinancing – Federal taxes	49,876	-	66,214	-
Tax Debt Refinancing – State taxes	33,849	19,972	33,849	19,972
Corporate Income Tax (IRPJ)	5,092	-	25,066	5,310
Social Contribution on Net Profit (CSLL)	1,885	-	7,762	1,464
VAT	-	-	14,600	7,313
Other	14,448	4,995	29,297	12,529
Total tax	**113,228**	**28,812**	**185,847**	**52,098**
Total	**177,805**	**58,979**	**318,474**	**114,155**
Current	**135,811**	**42,003**	**276,475**	**97,060**
Noncurrent	**41,994**	**16,976**	**41,999**	**17,095**

Provisional Act No. 783, dated May 31, 2017, regulated by PGFN Administrative Ruling No. 690, dated June 29, 2017, allows to settle National Treasury Attorney General´s Office (PGFN) debts, of a tax nature or not, that have matured through April 30, 2017 and have been included in the Debts to the Federal Government Register through the date taxpayers join the program, which is called Special Tax Debt Settlement Program (PERT).

In joining the program, the taxpayer undertakes to pay regularly the debts past due after April 30, 2017, included or not in the Debts to the Federal Government Register, and remain compliant with the Severance Pay Fund (FGTS) obligations. Adhesion to the Program implies irrevocable and irreversible acknowledgement of the debts included in the PERT. The subsequent inclusion of debts under any installment payment scheme is prohibited, except for ordinary request for tax payment in installments. As at September 30, 2017, the outstanding balances, Parent and consolidated, are R$49,876 and R$66,214, respectively.

The Company adhered to the following payment terms:

I. Payment cash and in kind of, at least, 20% of the total consolidated debt, without reduction, in five monthly consecutive installments, maturing from August to December 2017, and the remaining amount by using social contribution tax loss carryforwards or other credits relating to taxes administered by the Federal Revenue Service (the payment scheme Minerva S.A adhered to under the Federal Revenue Service program);

II. Down payment of 7.5% or 20% of the debt amount under the program, in up to five months, and payment of the debt balance, beginning January 2018, in a lump sum or in up to 145 months. In 2017, the taxpayer should make a down payment, calculated at 7.5% or 20% of the debt amount, with no discounts. The down payment is payable in up to five months. For 2018, the debt balance of the installment program, after discounts are applied, may be paid in a lump sum (art. 3, II, 'a', of Provisional Act No. 783/2017) or in up to 145 months (art. 3, II, 'b', of Provisional Act No. 783/2017); (the payment scheme Minerva S.A. adhered to under the PGFN program).

18. Other payables

	Parent		Consolidated	
	09.30.17	**12.31.16**	**09.30.17**	**12.31.16**
Advances from customers (a)	547,120	542,016	592,392	580,496
Fair value - share swap (b)	2,283	3,021	2,283	3,021
Dividends payable (c)	-	48,728	-	48,767
Payables - acquisitions (d)	12,234	12,234	75,460	12,234
Other operational provisions	21,660	8,302	102,013	89,597
Total	**583,297**	**614,301**	**772,148**	**734,115**
Current	**583,297**	**614,301**	**733,852**	**691,414**
Noncurrent	**-**	**-**	**38,296**	**42,701**

(a) Amounts received in advance from the Company's customers based on the credit policy defined by Management;

(b) The Company entered into contracts with Credit Suisse to swap the results of future financial flows ("Swap") on the variation of the price of its shares. This transaction does not change the percentage of the Company's outstanding shares and did not result in cash disbursement, since it is an adjustment to fair value of the transaction with future realization;

(c) The Company's bylaws determine the distribution of a minimum mandatory dividend of 25% of the profit for the year after recording the legal reserve, as per Law No.6.404/76;

(d) Payables due to acquisition of the direct subsidiaries Red Cárnica S.A.S and Red Industrial Colombiana S.A.S e das controladas indiretas JBS Argentina S.A., JBS Paraguay S.A., Industria Paraguay Frigorifica S.A and Frigorifico Canelones S.A.

19. Income Tax and Social Contribution

Deferred taxes are recorded to reflect future tax effects attributable to temporary differences between the tax base of assets and liabilities and their respective carrying amounts, as well as to reflect the tax credits resulting from the revaluation of assets, and are held as follows:

	Parent		Consolidated	
	09.30.17	09.30.16	09.30.17	09.30.16
Temporary add-backs				
Sundry provisions	17,922	15,557	17,922	15,557
Fair value of biological assets	375,031	460,332	375,031	473,539
Temporary deductions				
Sundry provisions	(8,519)	(9,584)	(8,519)	(9,584)
Fair value of biological assets	(408,540)	(480,343)	(408,650)	(488,235)
Deferred taxes base	(24,106)	(14,038)	(24,106)	(8,723)
Deferred income tax and social contribution - temporary difference	(8,196)	(4,773)	(8,196)	(2,966)
Realization of deferred income tax and social contribution - temporary difference	-	-	1,532	715
Deferred income tax and social contribution on tax loss carryforwards	(3,051)	-	(3,051)	-
Total deferred income tax and social contribution	**(11,247)**	**(4,773)**	**(9,715)**	**(2,251)**

Changes in deferred tax liabilities, related to deferred taxes on the revaluation reserve, temporary differences and differences arising from the application of international financial reporting standards (IFRS) are as follows:

	Parent				
	Balance as at January 1, 2017	Recognized in profit or loss	Realization of deferred taxes	Merger of subsidiaries	Balance as at September 30, 2017
Taxes on revaluation reserve	26,796	-	(751)	-	26,045
Taxes on adjustment of biological assets	11,778	138,903	(127,511)	-	23,170
Taxes on goodwill on subsidiary	48,532	-	-	6,424	54,956
Other deferred taxes	(14,144)	2,897	(5,342)	-	(16,589)
Total deferred tax liabilities	**72,962**	**141,800**	**(133,604)**	**6,424**	**87,582**

	Balance as at January 1, 2017	Recognized in profit or loss	Realization of deferred taxes	Merger / acquisition of companies	Translation adjustments	Balance as at September 30, 2017
Taxes on revaluation reserve	26,796	-	(751)	-	-	26,045
Taxes on adjustment of biological assets	11,778	138,903	(127,511)	-	-	23,170
Taxes on goodwill on subsidiary	48,532	-	-	-	-	48,532
Other deferred taxes	11,566	1,365	(5,342)	210,330	683	218,602
Total deferred tax liabilities	**98,672**	**140,268**	**(133,604)**	**210,330**	**683**	**316,349**

Based on budget, business plan and budget projection, Management estimates that the tax credits arising from temporary differences shall be realized by 2021.

a) Current - payable

Income tax and social contribution are calculated and recorded based on the taxable result, including tax incentives that are recognized as taxes are paid and taking into consideration the rates established by the prevailing tax legislation.

b) Reconciliation of income tax and social contribution balances and expenses

The accrued balance and the result of the taxes on profit are as follows:

	Parent		Consolidated	
	09.30.17	09.30.16	09.30.17	09.30.16
Profit before taxes	50,550	255,317	74,397	264,148
Additions				
Temporary differences	6,881	15,557	8,763	20,517
Permanent differences	501,036	241,224	501,305	241,697
Realization of temporary differences	-	(1,543)	-	(1,664)
Realization of revaluation reserve	-	2,572	-	2,572
Effect of the first-time adoption of IFRS	870,654	1,378,520	884,025	1,490,955
Deductions				
Temporary differences	(8,519)	(8,042)	(8,867)	(8,689)
Permanent differences	(410,480)	(136,624)	(410,522)	(136,624)
Effect of the first-time adoption of IFRS	(980,207)	(1,456,533)	(997,971)	(1,551,205)
Tax base	**29,915**	**290,448**	**51,130**	**321,707**
Tax loss carryforwards	(8,975)	(87,134)	(8,975)	(90,611)
Tax base after tax loss carryforwards	**20,940**	**203,314**	**42,155**	**231,096**
Income taxes				
Income tax payable	(5,092)	(49,591)	(23,106)	(57,368)
Social contribution payable	(1,885)	(18,298)	(8,910)	(21,788)
Current income tax and social contribution expense	**(6,977)**	**(67,889)**	**(32,016)**	**(79,156)**

Income tax and social contribution were calculated in accordance with prevailing legislation (Law No. 12.973/2014).

Income tax and social contribution calculations and returns are subject to revision by tax authorities for varying statutory periods in relation to the payment or filing date.

Based on studies and projections for the following years and considering the limits established by prevailing legislation, Management expects that the existing tax credits will be realized over a maximum term of ten years.

The net book profit has no direct relationship with the taxable profit for income tax and social contribution due to the differences between the accounting criteria and the pertinent tax legislation. Therefore, we recommend that the evolution of the realization of the tax credits resulting from tax loss carryforwards and temporary differences should not be taken as an indication of future taxable income.

20. Leases

The Company is a lessee in a number of agreements, classified as operating or finance leases.

a) Finance lease

Finance lease transactions are recognized in the Company's current and noncurrent liabilities by debiting property, plant and equipment.

b) Operating lease

The accounting criterion for operating leases remains as required by the Brazilian Corporate Law in effect, that is, expenses incurred on lease payments are recognized on a monthly basis. The Company currently has three operating lease agreements related to two plants located in Asunción, Paraguay, through its subsidiary Frigomerc S.A., and one plant in Batayporã (MS).

The lease agreements are as follows:

Leased asset	Weighted average interest rate	Weighted average maturity (years)	Expense amount 09/30/2017	Amount of expenditure 09/30/2016
Industrial plant - Brazil	IPCA + 11% @ cattle / IGPM	Indefined	1,530	1,125
Industrial plants - Paraguay	Fixed + Exchange rate changes	Aug 2018	3,590	4,965
			5,120	**6,090**

21. Provision for tax, labor, civil and environmental risks

Summary of the contingent liabilities recognized

The Company and its subsidiaries are parties to a number of lawsuits that are part of the normal course of their business, for which provisions were created based on the estimates of their legal advisors and Management. The main information on these lawsuits is presented below:

Lawsuits	Parent		Consolidated	
	09.30.17	12.31.16	09.30.17	12.31.16
Provisions for tax risks	1,890	1,890	41,330	1,890
Provisions for labor lawsuits	26,202	26,347	52,791	33,547
Provision for environmental risks	-		33,122	
Provision for civil risks	1,496	1,496	20,618	1,496
	29,588	**29,733**	**147,861**	**36,933**

	Parent			
	Labor lawsuits	Civil and tax lawsuits	Environmental lawsuits	Total
Balance at December 31, 2016	26,347	3,386	-	29,733
Provisions reversed in the period	3,703	-	-	3,703
Provisions reversed in the year	(3,848)	-	-	(3,848)
Balance at September 30, 2017	**26,202**	**3,386**	**-**	**29,588**

	Consolidated			
	Labor lawsuits	Civil and tax lawsuits	Environmental lawsuits	Total
Balance at December 31, 2016	33,547	3,386	-	36,933
Provisions recognized in the year	6,049	-	-	6,049
Provisions for acquisition of companies	21,900	58,562	-	113,584
Provisions reversed in the year	(8,705)	-	-	(8,705)
Balance at September 30, 2017	**52,791**	**61,948**	**-**	**147,861**

Description of contingent civil, tax, labor and environmental assets and liabilities

Civil and tax risks

Of the total consolidated balance of civil and tax risks, in the amount of R$61,948 (R$3,386 at December 31, 2016), the amount of R$58,562 arises from contingencies and contingent liabilities recognized as required by CPC 15 (R1), applicable to business combinations, derived from the acquisition of JBS Mercosul, in Argentina (JBS Argentina S.A.), Paraguay (JBS Paraguai S.A) and Uruguay (Frigorífico Canelones), by the companies controlled by Minerva S.A. Contingent tax and civil liabilities amount to R$35,154, of which R$32,662 refer to former JBS Argentina S.A., as specified below: (i) the amount of R$16,665 refers to questioning of the constitutionality of the use of reduced tax rate on gross revenues, whose reductions were applied by Argentine provinces; (ii) R$5,779 refers to tax discussion on the noncollection of taxes on export revenue, in the periods between 2008 and 2015; (iii) R$5,249 refer to the improper use of the general regime for determining the taxes on gross sales in the Provinces of Córdoba and Corrientes, for the periods from November 2012 to May 2015 and October 2016 to June 2017; the amount of R$506 refers to former JBS Paraguai S.A.; and the amount of R$1,986, to former Frigorífico Canelones, of which, R$1,980 refers to reductions of taxes on equity for 2012 to 2016, which may be questioned by tax authorities.

Labor contingencies

Most of these labor claims involve overtime, commuting time, health hazard premium and mandatory thermal comfort breaks. Based on the opinion of the lawyers that handle these lawsuits and Management's experience in similar cases, as at September 30, 2017, provisions were recognized for labor lawsuits assessed as probable loss in the amount of R$26,202, Parent, and R$52,791, consolidated (R$26,347, Parent, and R$33,547, consolidated, at December 31, 2016).

Of the consolidated balance of labor risks, in the amount of R$52,791, the amount of R$21,900 arises from contingencies and contingent liabilities recognized as required by CPC 15 (R1), applicable to business combinations, derived from the acquisition of JBS Mercosul, in Argentina (JBS Argentina S.A.), Paraguay (JBS Paraguay S.A) and Uruguay (Frigorífico Canelones), by the companies controlled by Minerva S.A. These contingencies and contingent liaibilities by country are as follows: The amount of R$11,999 - JBS Argentina S.A, the amount of R$7,326 - JBS Paraguai S.A. and the amount of R$2,576 - Frigorífico Canelones, for which there are contingent liabilities in the amount of R$603 arising only from JBS Paraguai S.A.. There are no contingent labor liabilities from the companies acquired in Argentina (JBS Argentina S.A.) and Uruguay (Frigorífico Canelones). Most of the lawsuits involve the same claims as those referred to in the paragraph above.

Environmental risks

The consolidated balance of environmental risks, in the amount of R$33,122, recorded in the third quarter of 2017, arises from contingent risks recognized as required by CPC 15 (R1), applicable to business combinations, derived from the acquisition of JBS Mercosul, in Argentina (JBS Argentina S.A.), Paraguay (JBS Paraguay S.A) and Uruguay (Frigorífico Canelones), by the subsidiaries in those countries of Minerva S.A. These contingencies and contingent liaibilities by country are as follows: the amount of R$11,432 - JBS Argentina S.A, the amount of R$16,747 - JBS Paraguai S.A. and the amount of R$4,942 - Frigorífico Canelones, for which there are contingent liabilities in the amount of R$5,775 arising only from JBS Paraguai S.A. Most of the lawsuits involve claims for the adequacy of some areas of the plants so that the technical standards required by the relevant agencies in each of the countries where acquirees operate are met.

Other lawsuits (assessed as possible loss)

Other tax, civil and environmental lawsuits

As at September 30, 2017, the Company and its subsidiaries had other ongoing tax, civil and environmental lawsuits totaling approximately R$87,737, R$2,134 and R$540, respectively, whose likelihood of loss is considered possible, but not probable, in accordance with the Company's legal counsel, and for which Management does not consider necessary to recognize a provision for possible loss.

Labor and social security lawsuits

As at September 30, 2017, the Company and its subsidiaries had other ongoing labor (public-interest civil actions and class actions) and social security lawsuits totaling approximately R$3,350 and R$2,201 respectively, whose likelihood of loss is considered possible, but not probable, and for which Management does not consider necessary to record a provision for possible loss.

Rural worker assistance fund (Funrural)

The Company filed for a writ of mandamus to suspend the withholding and payment of Funrural and SENAR. To avoid losing the right to require the contribution of Funrural and SENAR, the INSS (Social Security Authority) issued various tax assessment notices against the Company to date. The amount involved in these notices, whose likelihood of loss was assessed as possible, is approximately R$452,439.

Formal fine

The Company was notified by the State Finance Department of Tocantins for possible deficiencies in the register books related to operations carried out from January 2010 to December 2014. The amount involved in this dispute, whose likelihood of loss was assessed possible, is approximately R$49,022.

CETESB

On August 31, 2016, an incident with a vaporizing equipment resulted in an ammonia leak in one of the Company's fridge chambers. The Environmental Agency of the State of São Paulo (CETESB) issued a deficiency notice for the alleged environmental damage, which was challenged by the Company at the administrative level. The loss was assessed as possible by our external legal counsel. The amount involved in this dispute is approximately R$12,813.

Shipwreck – Barcarena (PA)
On October 6, 2015, the ship that would export live cattle from Vila do Conde port, in Barcarena (PA), careened.

Although the full responsibility for the cargo was on the contracted shipping company, the Company received a number of notices of violation for environmental damage, and became defendant in a public-interest civil action. As at September 30, 2017, the amount involved in these lawsuits, whose likelihood of loss was assessed as possible, is approximately R$37,382.

22. Equity

a. Capital stock

The Company's subscribed and paid-in capital as at September 30, 2017 is R$134,752 (R$134,752 at December 31, 2016), represented by 239,860,259 (239,844,659 at December 31, 2016) book-entry common shares with no par value, all of which are free and clear of any burden or encumbrance. In 2016, expenses on the issuance of new shares totaled R$5,898. Accordingly, capital stock in the interim financial information is R$128,854.

The Board of Directors' Meeting of May 25, 2015 partially approved the capital increase with the issue of one million and seven hundred thousand (1,700,000) common shares, totaling R$22,950. The partial approval of the capital increase refers to the payment of the third installment of the price owed by the Company due to the acquisition of 100% of the shares of Frigorífico Matadero Carrasco S.A., pursuant to the sale agreement entered into on March 18, 2014.

On June 15, 2015, the Board of Directors registered the Company's capital increase in the amount of R$93,492 resulting from the conversion of 93,492 debentures, corresponding to all the outstanding debentures on that date, at the conversion price of R$7,60636 per share, through the issue of 12,291,293 Company common shares.

On June 18, 2015, the Board of Directors closed the legal terms for exercising the preemptive right, the right to subscribe unsubscribed shares, and the right to withdrawal.

Considering the partial approval of one million and seven hundred thousand (1,700,000) common shares in the amount of R$22,950, on May 25, 2015, a capital increase in the amount of R$5 was approved, through the issue of 392 Company common shares, from R$950,593, representing 191,993,355 common shares, to R$950,598, representing 191,993,702 common shares.

The Extraordinary Board of Directors' Meeting of April 11, 2016 approved the Company's capital increase in the amount of R$746,474, through the issue of 47,850,957 common shares. With the approval, capital increased from R$950,598, representing 191,993,702 common shares, to R$1,697,073, representing 239,844,659 common shares.

The Annual and Extraordinary Board of Directors' Meeting of April 29, 2016 approved the capital decrease in the amount of R$1,562,321, without changing the number of shares issued by the Company, to absorb the accumulated losses, as disclosed in the Company's interim financial information for the period ended June 30, 2017. With the capital decrease, the Company's capital stock came to R$134,752, representing 239,844,659 common shares.

On March 22, 107, the Board of Directos approved the cancellation of all 9,984,400 common shares issued by the Company, acquired under the 2016 buyback program and currently held in treasury. The cancellation of shares will not imply any changes in the total capital stock amount. As a result of the cancellation of shares, the Company's capital stock will remain at R$134,752, represented by 229,860,259 common shares.

b. Capital reserve

Capital reserve is comprised of amounts received by the Company not recorded in profit or loss as revenue, since they refer to amounts intended to strengthen its capital, without having as consideration any effort of the Company to deliver goods or services.

As at September 30, 2017, the Company's capital reserve totaled R$187,504 (R$294,851 at December 31, 2016).

c. Revaluation reserve

In 2003 and 2006, the Company revalued its property, plant and equipment. The remaining balance totaled R$54,097 as at September 30, 2017 (R$55,556 at December 31, 2016), net of tax effects.

As mentioned above and in compliance with Law No. 11.638/2007, the Company decided to maintain the revaluation reserve until December 31, 2007, until its full realization, which should occur through depreciation or disposal of revalued assets.

d. Legal reserve

Calculated at 5% of the profit for each fiscal year, pursuant to article 193 of Law No. 6.404/76, up to the limit of 20% of the capital stock. In the year when the balance of the legal reserve, plus the amounts of capital reserves addressed by paragraph 1 of article 182 of Law No. 6.404/76, exceeds 30% of the capital stock, the allocation of a portion of the profit for the year to the legal reserve will not be mandatory. As at September 30, 2017, the legal reserve totaled R$9,744.

e. Earnings reserve

The earnings reserve was recorded based on the remaining balance of the profit for the year, after the allocations to the legal reserve and the distribution of minimum mandatory dividends, and will be used to finance the Company's operations. As at September 30, 2017, the profit reserve totaled R$144,496, which corresponds to the sum of the balances of the "Statutory reserve" (R$107,802), "Legal reserve" (R$9,744) and "Earnings retention reserve - Art. 196" (R$26,950) accounts.

f. Earnings retention reserve - Art. 196

The reserve refers to the retention of the remaining balance of retained earnings, in the amount of R$26,950, in order to meet the business growth project established in its investment plan, according to the capital budget approved and proposed by the Company's Management. The balance of this reserve will be used "ad referendum" of the Annual Shareholders' Meeting, pursuant to article 196 of the Brazilian Corporate Law.

g. Treasury shares

On March 20, 2017, pursuant to paragraph 1 of article 30 of Law No. 6.404/76 and Instruction 567 of the Brazilian Securities Commission (CVM), the Board of Directors approved the acquisition of up to nine million, two hundred and forty-seven thousand, one hundred and forty-nine (9,247,149) registered, book-entry common shares with no par value, representing 10% of the ninety-two million, four hundred and seventy-one thousand, four hundred and eighty-five (92,471,485) Company outstanding shares on that date. The Company's Board of Directors also approved the cancelation of shares issued by the Company and acquired within the scope of the 2016 buyback plan, totaling 9,984,400 registered, book-entry common shares with no par value, amounting to R$107,346 treasury shares on that date.

The table below shows the changes in treasury shares:

	Number	Amount (R$)	Average cost R$	Average market value
Balance at December 31, 2016	**4,313,300**	**43,112**	**9,99**	**12,15**
Shares bought back	13,072,900	142,966	11,47	-
Cancellation of shares	(9,984,400)	(107,346)	10,75	-
Balance at September 30, 2017	**7,401,800**	**78,732**	**10,71**	**11,20**

h. Dividends and interest on capital

The Company's Bylaws establish the distribution of minimum mandatory dividends of 25% of the profit for the year, adjusted pursuant to the law.

i. Valuation adjustments to equity

According to CPC 02 R2/IAS 21 - Effects of Changes in Foreign Exchange Rates and Translation of Interim Financial Information, changes in financial instruments (direct and indirec) are recorded in foreign currency and accounted for under the equity method.

Pursuant to CPC 37 R1/IFRS 1 – First-Time Adoption of International Financial Reporting Standards, as a result of the application of CPC 02 R2 prior to the date of first-time adoption, IFRS first-time adopters must zero the balances of exchange gains (losses) on investments recorded in equity (on the cumulative translation adjustments item) by transferring them to retained earnings/accumulated losses (on the profit reserve item), and disclose the profit distribution policy applicable to such balances. It is worth noting that the Company does not calculate these adjustments for distribution of profit.

23. Management compensation

As at September 30, 2017, the Company recorded expenses on key management personnel compensation (members of the Company's Board of Directors and Supervisory Board and Statutory Executive Officers) in the amount of R$9,890 (R$10,493 at September 30, 2016). All compensation is short term, as shown below:

	Members 2017	09.30.17	09.30.16
Board of Executive Officers, Board of Directors and Supervisory Board	19	9,890	10,493
	19	**9,890**	**10,493**

The alternate members of the Board of Directors and Supervisory Board are compensated for each day they attend a Board of Directors' meeting.

The Company does not offer post-employment benefits in case of termination of employment contract.

24. Segment reporting

	Business segments					
	Live Cattle		Meat		Consolidated	
	09.30.17	09.30.16	09.30.17	09.30.16	09.30.17	09.30.16
Net revenue	241,185	193,302	7,897,856	6,898,964	8,139,041	7,092,266
COGS	(195,003)	(156,336)	(6,408,309)	(5,508,218)	(6,603,312)	(5,664,554)
Operating expenses	(28,610)	(19,941)	(822,433)	(729,771)	(851,043)	(749,712)
Finance income (costs), net	(2,062)	(39,622)	(608,227)	(374,230)	(610,289)	(413,852)
Profit (loss) before taxes	**15,510**	**(22,597)**	**58,887**	**286,745**	**74,397**	**264,148**

In the geographic-based presentation, the segment revenue is based on the customer's location. Segment assets are based on the geographical location of the assets.

Revenues from transactions conducted with a single foreign customer do not exceed 10% of total revenues.

The main business segments of the Company and its subsidiaries are the production and sale of fresh beef, live cattle and its by-products.

25. Net operating revenue

	Parent		Consolidated	
	09.30.17	09.30.16	09.30.17	09.30.16
Revenue from domestic sales	1,973,061	1,962,457	3,531,127	2,624,773
Revenue from foreign sales	2,947,347	3,144,308	5,198,652	4,908,845
Deductions – taxes and other	(420,660)	(366,537)	(590,738)	(441,352)
Net operating revenue	**4,499,748**	**4,740,228**	**8,139,041**	**7,092,266**

As required by paragraph 2 of article 20 of CVM Instruction No. 480/09, projections and estimates presented by publicly-held companies shall be revised on a periodic basis, at time intervals hat are adequate to the subject of the projectio, which, under no circumstances, shall exceed one year. Additionally, paragraph 4 of article 20 of CVM Instruction No. 480/09 establishes that, every time standardized financial statements or interim financial information are filed, the Company shall trace the projected to the results actually obtained and indicate any variances. The Company disclosed in its Reference Form for 2016 projections relating to net revenue for 12 months, from July 2017 and June 2018. Based on the assumptions and variables indicated in item 11.1 of the Company's Reference Form, the Company's consolidated net revenue for 12 months, from July 2017 to June 2018, is expected to range from R$13.0 billion to R$14.4 bilion. As at September 30, 2017, the Company's consolidated net revenue totaled R$3,417,814, according to information on results actually realized disclosed in in its interim financial information. Based on the results realized through September 30, 2017, there was no significant variances or need to adjust the Company's expected net revenue for the projected period.

26. Finance income (costs), net

	Parent		Consolidated	
	09.30.17	**09.30.16**	**09.30.17**	**09.30.16**
Finance income:				
Income from short-term investments	62,231	89,210	85,858	110,080
	62,231	**89,210**	**85,858**	**110,080**
Finance costs:				
Interest expense	(439,245)	(445,453)	(686,603)	(605,368)
Other finance income (costs)	(242,039)	(568,575)	(145,599)	(520,619)
	(681,284)	**(1,014,028)**	**(832,202)**	**(1,125,987)**
Exchange rate changes, net	129,081	620,559	136,055	602,055
Finance income (costs), net	**(489,972)**	**(304,259)**	**(610,289)**	**(413,852)**

27. Earnings (loss) per share

a) Basic earnings (loss)

Basic earnings (loss) per share is calculated by dividing the profit (loss) attributable to the Company's shareholders by the weighted average number of common shares issued during the period, excluding the common shares purchased by the Company and held in treasury

Basic	**09.30.17**	**09.30.16**
Profit (loss) attributable to Company's owners	**32,326**	**182,655**
Weighted average number of common shares issued (thousands)	229,860	239,845
Weighted average number of treasury shares	(7,402)	(2,740)
Weighted average number of outstanding common shares (thousands)	**222,458**	**237,105**
Basic earnings (loss) per share - R$	**0,14531**	**0,77035**

b) Diluted earnings (loss) per share

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of outstanding common shares, assuming the conversion of all potentially dilutive common shares. The Company has only one class of potentially dilutive common shares: debentures mandatorily convertible into shares:

Diluted	09.30.17	09.30.16
Profit (loss) for the year attributable to the Company's owners	**32,326**	**182,655**
Weighted average number of outstanding common shares (thousands)	222,458	237,105
Weighted average number of common shares for diluted earnings (loss) per share (thousands)	**222,458**	**237,105**
Diluted earnings (loss) per share - R$	**0,14531**	**0,77035**

28. Financial risk management and financial instruments

The Company's transactions are exposed to market risks, particularly with respect to exchange rate changes and interest rate changes, credit and cattle price risks. The Company's investment management policy establishes the use of derivative financial instruments for hedging against these risk factors. Additionally, the Company may also contract derivative financial instruments to implement operating and financial strategies defined by the Board of Executive Officers and duly approved by the Board of Directors.

Market risk management is carried out through the use of two models: calculation of VaR (Value at Risk) and calculation of impacts by applying stress scenarios. In the case of VaR, Management uses two distinct models: Parametric VaR and Monte Carlo Simulation VaR. Risks are constantly monitored and calculated at least twice a day.

It is worth noting that the Company does not use exotic derivatives and does not have any such instrument in its portfolio.

a. Policy on the treasury's hedging transactions

The Treasury Department is responsible for the implementation of the Company's hedging management policy and follows the decisions of the Risk Committee, which is composed of the Company's Board of Executive Officers and employees.

The Risk Management Board is responsible for overseeing and monitoring compliance with the guidelines designed by the hedging policy, and reports itself to the CEO and the Risk Committee.

The Company's hedging policy, approved by its Board of Directors, takes into consideration its two main risk factors: exchange rate and finished cattle.

I. Currency hedging policy

The currency hedging policy aims to hedge the Company against currency fluctuations and is divided into two segments:

i. Flow

Cash flow hedging strategies are daily discussed with the Market Committee.

The purpose of the cash flow hedging policy is to guarantee the Company's operating profit and hedge its flow of currencies, other than the Brazilian real, within a year.

Hedge operations may use financial instruments available in the market, such as: US dollar futures transactions on the BM&F, NDFs, funds raised in foreign currency, options and inflow of funds in US dollars.

ii. Balance sheet

The balance sheet hedge is monthly discussed at Board of Directors' meetings.

The purpose of the balance sheet hedging policy is to hedge the Company against its long-term debt in foreign currency.

Balance sheet exposure is the flow of US dollar-denominated debt with maturity higher than one year.

Hedge operations may use financial instruments available in the market, such as: US dollar cash withholding, bond buyback, NDFs, futures contracts on the BM&F, swaps and options.

II. Cattle hedging policy

A política de hedge de boi tem como objetivo minimizar os impactos da oscilação do preço da arroba bovina no resultado da Companhia. A política se divide em dois tópicos:

i. Cattle forward contracts

In order to guarantee raw material, especially in the cattle offseason, the Company purchases cattle for future delivery and uses the BM&F to sell futures contracts, minimizing the risk of price fluctuations per arroba of cattle.

Hedge operations may use finished cattle instruments available in the market, such as: finished cattle futures contracts on the BM&F and options on finished cattle futures contracts on the BM&F.

ii. Hedging of meat sold

In order to guarantee the cost of the raw material used in its meat production, the Company uses the BM&F to purchase futures contracts, minimizing the risk of price fluctuations per arroba of cattle and hedging its operating margins obtained when meat is sold.

Hedge operations may use finished cattle instruments available in the market, such as: finished cattle futures contracts on the BM&F and options on finished cattle futures contracts on the BM&F.

Statement of derivative positions

The statement of derivative positions was prepared to present the derivative financial instruments contracted by the Company in the periods ended September 30, 2017 and December 31, 2016, according to their purpose (asset hedging and other purposes):

Asset hedging transactions						
Description	/ thousand		Fair value (R$ thousand)		Cumulative effect (R$ thousand)	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016	Amount receivable / (received)	Amount payable / (paid)
Futures contracts	-	-	-	-	-	-
Promise to buy	-	-	-	-	-	-
DOL (US$)	-	-	-	-	7,430	-
Other	-	-	-	-	-	-
BGI (arroba)	337	-	45,180	49	5,956	-
Corn (bags)	-	-	-	-	-	255
1-day DI rate (R$)	-					-
SOJ (bags)	-	-	-	-	-	-
Promise to sell	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
DOL (US$)	85,750	-	276,074	-	2,659	421
BGI (arroba)	492	425	65,852	63,063	-	3,717
Corn (bags)	-	32	-	1,128	-	-
Soybean (bags)	-	-	-	284	-	-
Options contracts						
Holder of a call	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	3,035
Other	-	-	-	-	-	-
BGI (arroba)	660	165	581	413	-	528
Holder of a put	-	-	-	-	-	-
Foeign currency	-	-	-	-	-	-
DOL (US$)	-	-	-	-	-	835
Other	-	-	-	-	-	-
BGI (arroba)	1,172	-	57	-	-	1,306
1-day DI rate (R$)	15	-	963	-	-	-
Seller of a call	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
Other	-	-	-	-	-	-
BGI (arroba)	-	165	-	168	-	-
1-day DI rate (R$)					-	
Seller of a put	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
DOL (US$)	-	-	-	-	-	-
Other	-	-	-	-	-	-
BGI (arroba)	512	-	19	-	1,433	-
1-day DI rate (R$)	15	-	-	-	-	-
		-		-		
Forward contracts						
Long position	-	-	-	-	-	-
NDF (dollar)	-	-	-	-	-	1,532
Short position						
NDF (cattle)	-	-	-	-	-	-
NDF (Euro)	337,786	198,885	393,015	182,510	-	4,967
NDF (dollar)	460,217	989,829	459,360	1,033,239	18,699	-

The reference values represent the base value, i.e. the opening amount at which the derivative agreement is entered into in order to calculate the positions and market value. The fair values were calculated as follows:

- **USD Futures Contracts:** US dollar futures contracts traded on the BM&F total fifty thousand US dollars (US$50,000) per notional contract and are adjusted on a daily basis. The fair value is calculated by multiplying the notional amount in US dollars by the reference US dollar for the contract disclosed by the BM&F;
- **Finished Cattle Futures Contracts (BGI):** Finished cattle futures contracts (BGI) traded on the BM&F are valued at 330 arrobas. The fair value is calculated by multiplying the notional amount in Brazilian reais by the reference value for the contract disclosed by the BM&F;
- **Short Position Forward Contracts - NDF (Euro):** The contracts are traded on OTC markets and, therefore, are not standardized neither adjusted on a daily basis. Their fair value is calculated by multiplying the negotiated notional amount and market rate of that date, and if carried until maturity, use the PTAX Euro selling rate disclosed by the Brazilian Central Bank;
- **Short Position Forward Contracts - NDF (US Dollar):** The contracts are traded on OTC markets and, therefore, are not standardized neither adjusted on a daily basis. Their fair value is calculated by multiplying the negotiated notional amount and market rate of that date, and if carried until maturity, use the PTAX 800 selling rate disclosed by the Brazilian Central Bank.

The fair values were estimated at the end of the reporting period, based on "relevant market information". Changes in the assumptions and in financial market transactions may materially affect the estimates presented in the interim financial information.

Outstanding OTC NDF, swap and options transactions traded on the São BM&FBovespa are marked to market. As at September 30, 2017 and December 31, 2016, they were recorded under "NDF receivable/payable", "Swaps" and "Options receivable", respectively.

Derivative financial instruments	09/30/2017 Mark-to-market	12/31/2016 Mark-to-market
Options	618	244
Swap	(461)	(3,953)
NDF (EUR+DOL+BOI)	258,265	192,443
Total	**258,422**	**188,734**

b. Currency and interest rate risks

The risk of fluctuations in exchange rate and interest rate on loans and financing, short-term investments, receivables in foreign currency arising from exports, investments in foreign currency, and other payables denominated in foreign currency may be managed by using derivative financial instruments traded on stock exchanges, or OTC transactions such as swap, NDFs and options.

The table below shows the Company's consolidated position, specifically with respect to its financial assets and liabilities, divided by currency and exchange exposure, thus presenting a picture of the net position of assets and liabilities per currency, compared with the net position of derivative financial instruments intended for hedging and management of the exchange exposure risk:

	Consolidated		
	09.30.2017		
	Currencies		
	Domestic	Foreign	Total
Assets			
Cash	3,393	-	3,393
Banks	201,363	2,531,830	2,733,193
Short-term investments	386,598	76,507	463,105
Accounts receivable	446,926	685,404	1,132,330
Total current	**1,038,280**	**3,293,741**	**4,332,021**
Total assets	**1,038,280**	**3,293,741**	**4,332,021**

	Consolidated		
	09.30.2017		
	Currencies		
	Domestic	Foreign	Total
Liabilities			
Borrowings and financing - Current	1,433,741	799,240	2,232,981
Accounts payable	862,473	60,672	923,145
Total current	2,296,214	859,912	3,156,126
Borrowings and financing - noncurrent	314,747	5,882,901	6,197,648
Total noncurrent	314,747	5,882,901	6,197,648
Total liabilities	2,610,961	6,742,813	9,353,774
Financial net debt	1,572,681	3,449,072	5,021,753
Exchange rate hedging derivatives – Net position	(7,098)	(252,843)	(259,941)
Exchange rate position, net	1,565,583	3,196,229	4,761,812

The net position of derivative financial instruments is broken down as follows:

Financial instruments (net)	Asset (liability) position on 09/30/2017	Asset (liability) position on 12/31/2016
Futures contracts - USD	(276,074)	-
Option contracts (USD, cattle, corn and IDI)	1,581	244
Swaps	(461)	(3,952)
NDF (USD + EURO + BGI)	(852,375)	(1,215,749)
Total, net	**(1,127,330)**	**(1,219,457)**

Financial assets and liabilities are restated in the interim financial information of September 30, 2017 and December 31, 2016, at amounts that approximate the market values. Their respective revenues and expenses are recognized and presented on these dates according to their expected realization or settlement.

Note that the amounts related to export orders (firm sale commitments) refer to orders from approved customers not invoiced yet (and therefore not accounted for), but which are already hedged against the risk of changes in foreign currency rates (US dollar or another foreign currency) through derivative financial instruments.

Below is a list of NDF agreements held by the Company as at September 30, 2017:

Type	Position	Currency	Maturity	Notional
NDF	SALE	DOL	11/01/2017	(80,000)
NDF	SALE	DOL	11/16/2017	(15,000)
NDF	SALE	DOL	12/01/2017	(50,000)
NDF	SALE	EUR	10/02/2017	(40,000)
NDF	SALE	EUR	11/01/2017	(65,000)

Credit risks

The Company is potentially subject to credit risks related to accounts receivables, which are minimized with the diversification of its customer portfolio, given that the Company does not have a customer or business group that accounts for more than 10% of its revenues and restricts the granting of credit to customers with good financial and operating indices.

c. Cattle price risks

The Company's business is exposed to the volatility of cattle prices, its main raw material, whose variation results from factors outside Management's control, such as climate, volume of supply, transportation costs, agricultural policies and others. The Company, in accordance with its inventory policy, maintains its management strategy for this risk, working on physical control, which includes purchases in advance, confinement of cattle and the signing of contracts for future settlement (OTC and stock exchange), which ensure the realization of its inventories at a determined price level.

Over-the-counter Market (OTC)	Fair value 09/30/2017
Term Contract Purchased	
Notional value (@)	350,438
Futures Contract Price (R$/@)	127
Total R$/1000	**44,344**

BM&F market Futures Contract Sold	Valor Justo 30/09/2017
Notional value (@)	316,800
Futures Contract Price (R$/@)	135
Total R$/1000	**42,745**

d. Cash sensitivity analysis

The purpose of the sensitivity analysis statements is to disclose separately the derivative financial instruments which, in the Company's opinion, are intended to hedge the exposure to risks. These financial instruments are grouped according to the risk factor that they intend to hedge (price risk, currency risk, credit risk etc.).

The scenarios were calculated based on the following assumptions:

- An upward movement represents an increase in prices or risk factors as at Spetember 30, 2017;
- A downward movement represents a decrease in prices or risk factors as at September 30, 2017;
- Probable scenario: 6% impact; 25% fluctuation; and 50% fluctuation.

The cash sensitivity statements were prepared in compliance with CVM Resolution 475/08 and take into consideration the positions in derivative financial instruments and their impacts on cash only.

Transaction	Movement	Risk	Probable scenario 6% fluctuation	Possible scenario 25% fluctuation	Remote scenario 50% fluctuation
Hedge derivatives	High	Cattle	85,784	81,857	76,689
Cattle	High	Cattle	2,661	11,086	22,172
Net			**88,445**	**92,943**	**98,861**
Hedge derivatives	High	USD	(44,126)	(183,859)	(367,717)
Invoices + Cash - in $US	High	USD	124,460	518,583	1,037,166
Net			**80,334**	**334,725**	**669,449**
Hedge derivatives	High	Euro	(23,581)	(98,254)	(196,508)
Invoices - in $EUR	High	Euro	11,888	48,722	97,444
Net			**(11,693)**	**(49,532)**	**(99,063)**
Hedge derivatives	High	USD	17,369	72,370	144,741
Borrowings in $US	High	USD	(381,706)	(1,590,441)	(3,180,882)
Net			**(364,337)**	**(1,518,071)**	**(3,036,141)**
Share swap	Low	Shares	(2,041)	(8,506)	(17,012)
Net			**(2,041)**	**(8,506)**	**(17,012)**

Exchange rate USD 3,1680 – PTAX sale (Source: The Central Bank of Brazil)

Exchange rate EUR 3,7430 – PTAX sale (Source: The Central Bank of Brazil)

Statement of gains (losses) on hedging instruments

- **Hedging derivatives x Cattle:** In the probable scenario with a 6% market fluctuation, the Company could gain R$88,445; whereas in a 25% fluctuation scenario, said gain would come to R$92,943, and R$5,923 upon a fluctuation of 50%;
- **Hedging derivatives x Invoices + Cash in US$:** In the probable scenario with a 6% market fluctuation, the Company could gain R$80,334; whereas in a 25% fluctuation scenario, said gain would come to R$334,725, and R$669,449 upon a fluctuation of 50%;
- **Hedging derivatives x Invoices + Cash in EUR:** In the probable scenario with a 6% market fluctuation, the Company could lose R$11,888; whereas in a 25% fluctuation scenario, said loss would come to R$49,532, and R$99,063 upon a fluctuation of 50%;

- **Hedging derivatives:** In the probable scenario with a 6% market fluctuation, the Company could lose R$364,337; whereas in a 25% fluctuation scenario, said loss would come to R$1,518,071, and R$3,036,141 upon a fluctuation of 50%;
- **Stock swap:** In the probable scenario with a 6% market fluctuation, the Company could lose R$2,041; whereas in a 25% fluctuation scenario, said loss would come to R$8,506, and R$17,012 upon a fluctuation of 50%.

e. Margin requirements

A margin requirement call is applied to exchange transactions, whereby in order to cover margin calls, the Company uses public and private fixed income bonds, such as CDBs (bank deposit certificates) held in its portfolio, thus mitigating impacts on its cash flow.

As at September 30, 2017, the amounts deposited for margin totaled R$52,700.

f. Stock swap contract

The Board of Directors' Meeting of March 14, 2014 approved swap agreements with "Credit Suisse Próprio Fundo de Investimento Multimercado" (Credit Suisse). This transation totaled R$34,023.

29. Statements of comprehensive income

As required by CPC 26 (R1) (IAS 1) – Presentation of Financial Statements, the Company presents below the changes in comprehensive income (loss) for the periods ended September 30, 2017 and 2016:

	Parent		Consolidated	
	09.30.17	09.30.16	09.30.17	09.30.16
Profit for the period	32,326	182,655	32,666	182,741
Valuation adjustment to equity	(2,708)	117,524	(2,708)	117,520
Total comprehensive income	**29,618**	**300,179**	**29,958**	**300,261**
Comprehensive income attributable to:				
Company's owners	29,618	300,179	29,618	300,179
Noncontrolling interests	-	-	340	82
Total comprehensive income	**29,618**	**300,179**	**29,958**	**300,261**

30. Noncash transactions – Statements of cash flows

The Company recorded the following noncash transactions in the quarter, relating to the merger of subsidiary Mato Grosso Bovinos S.A., which were excluded from the cash flows for the period ended September 30, 2017:

	R$
Cash and cash equivalents	7,484
Accounts receivable	53,265
Other receivables	5,429
Recoverable taxes	28,716
Related parties	211,097
Property, plant and equipment	216,109
Intangible assets	101
Accounts payable	(10,924)
Taxes and payroll taxes payable	(70)
Deferred taxes	(6,424)
Other payables	(8,112)
Provision for risks	(4,074)
Total selling price	492,597
Subsidiaries' cash and cash equivalents	(7,484)
Acquisition cash flow	
Less subsidiaries' cash and cash equivalents	485,113

For the recent operations of the indirect subisidiaries JBS Argentina S.A, JBS Paraguay S.A and Friforífico Canelones S.A, acquired by subsidiaries Pul Argentina S.A, Frigomerc S.A and Pulsa S.A, respectively, noncash transactions were excluded from the consolidated cash flows for the period ended September 30, 2017, as shown below:

	Frigomerc S.A	PUL Argentina S.A	Pulsa S.A	Total
Cash and cash equivalents	31,667	31,389	18,662	81,718
Accounts receivable	121,787	137,162	36,820	295,769
Other receivables	25,930	50,717	10,200	86,847
Recoverable taxes	31,420	52,405	9,702	93,527
Inventories	51,895	95,288	16,051	163,234
Property, plant and equipment	295,348	794,913	118,406	1,208,667
Intangible assets	397	93,404	235	94,036
Borrowings and financing	(136,633)	(98,336)	(25,478)	(260,447)
Accounts payable	(53,233)	(102,981)	(22,153)	(178,367)
Taxes and payroll taxes payable	(8,037)	(27,879)	(13,111)	(49,027)
Deferred taxes	2,736	(208,556)	211	(205,609)
Other payables	(13,689)	(6,070)	(2,908)	(22,667)
Provision for risks	(26,138)	(75,504)	(10,747)	(112,389)
Total selling price	323,450	735,952	135,890	1,195,292
Subsidiaries' cash and cash equivalents	(31,667)	(31,389)	(18,662)	(81,718)
Acquisition cash flow				
Less subsidiaries' cash and cash equivalents	291,783	704,563	117,228	1,113,574

31. Insurance coverage

The Company and its subsidiaries have an insurance policy that mainly takes into consideration the concentration of risks, the significance and the replacement value of the assets. The main information on insurance coverage effective on September 30, 2017 is as follows:

	Coverage	Insured Amount
Buildings	Fire and sundry risks	812,079
Facilities, equipment and inventories	Fire and sundry risks	955,894
Vehicles and aircraft	Fire and sundry risks	153,878
Overseas transportation	Fire and sundry risks	66,164
Civil liability	Operational risks	20,000
		2,008,015

The Company and its subsidiaries have coverage for all products transported in Brazil and abroad. The risk assumptions adopted, given their nature, are not part of the scope of an audit and, accordingly, were not reviewed by the Company's independent auditor.

The Company contracted insurance policies for all plants and distribution centers.

32. Events after the reporting date

5th Issuance of Debentures

On October 2, 2017, the Company issued simple, non-convertible, unsecured, single series debentures, for private placement, in the amount of R$350 million, maturing on October 2, 2020. Such debentures are pegged to Agibusiness Receivables Certificates (CRA), which are the subject of the 2nd series of the 1st issuance of CIBRASEC - Companhia Brasileira de Securitização, distributed through an offering, under CVM Instruction No. 400, at a rate of 105.5%of CDI.

Early redemption of the 4th Issuance of Debentures

On October 16, 2017, the Company completed the early redemption of the total debentures under the 4th issuance of simple, non-convertible, unsecured, debentures, with floating guarantee, for public distribution, with restricted placement efforts, under clause 4.8 of the Debentures Indenture, bearing CDI interest plus 1.75% p.a. The total early redemption amount (principal of R$155,761,470.57 million) was paid by following the procedures adopted by CETIP S.A.

* * *

3Q17 Earnings Release

Barretos, November 9, 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 26 cattle slaughtering plants located in Brazil, Paraguay, Argentina, Uruguay and Colombia, announces today its results for the third quarter of 2017 (3Q17). The financial and operating information herein is presented in BRGAAP and Brazilian reais (R$), in accordance with International Financial Reporting Standards (IFRS).

3Q17 Highlights

- Free cash flow to equity excluding the investment related to the acquisition of Mercosur's operations was R$343.7 million. In the 9M2017, the free cash flow to equity accumulated was R$51.6 million. Considering the total paid in this acquisition, 3Q17 free cash flow was R$769.9 million negative. In the third quarter 2017, Minerva's operating cash flow totaled R$ 496.5 million.
- Minerva's net revenue grew 34.9% in 3Q17 over 3Q16, reaching record R$3,417.8 million. In the twelve-month period, net revenue amounted to R$10,695.4 million, 8.6% up year-on-year. Including proforma revenue from the new units acquired in the Mercosur, net revenue totaled R$13,335.4 million, in line with the guidance announced by the Company for the next twelve months beginning July 2017, between R$13.0 billion to R$14.4 billion. Based on its third-quarter results, the Company reaffirms the maintenance of its guidance.
- Exports accounted for 58.1% of the Company's consolidated sales between July and September 2017, favored by the industry's volatile scenario, which created various commercial opportunities in the local and international markets. The combined effect from i) the continuous focus on developing the commercial efficiency programs to increase capillarity in the local market and encouraging the diversification of channels and sourcing, ii) the higher capacity utilization in Brazilian units, iii) the reopening of the Mirassol D'Oeste unit, in the state of Mato Grosso, and iv) the consolidation of sales from the new units acquired in the Mercosur in August and September contributed to the 40.6% upturn in domestic sales compared to 2Q17. Export sales grew by 26.8% over the previous quarter, influenced by the impacts described above and once again due to the mismatch between global beef supply and demand.
- Third-quarter EBITDA totaled R$311.8 million, another record figure, accompanied by an EBITDA margin of 9.1%. Minerva's EBITDA performance was influenced by the consolidation of two months of operation in the Mercosur plants, which operate at lower margins than those of Minerva's assets. We expect that synergy gains in the coming months will improve the performance of these assets to match the standard of the Company's units in the respective regions. In the last twelve months ended September, proforma EBITDA, including the results from the Mercosur assets acquired on August 1, 2017, came to R$1,194.9 million, accompanied by a margin of 9.0%.
- Cash position at the end of September 2017 totaled R$3.2 billion, 1.5x higher than short-term maturities. At the close of the quarter, financial leverage, measured by the net debt/LTM EBITDA ratio, was 4.2x, including the payment of US$300 million on July 31, 2017, related to the acquisition of the Mercosur assets.
- Lastly it is important to highlight that it is expected the opening of new markets to the beef produce countries in South America in the next months, such as Japan for Uruguay, United States for the Paraguayan meatpackers, and the reopening of the USA market for Brazil.

Minerva (BEEF3)

Price on 11/8/2017:
R$11.20

Market cap:
R$2,574.4million

229,860,259 shares

Free Float – 52.0%

Conference calls
November 10, 2017

Portuguese
2:00 p.m. (Brasília)
11:00 a.m. (US EST)
Phone: +55 (11) 2188-0400
Code: Minerva

English
12:00 p.m. (Brasília)
09:00 a.m. (US EST)
Phone: +1 (412) 317 5479
Code: Minerva

IR Contact:

Eduardo Puzziello
Kelly Barna
Matheus Oliveira

Phone: (11) 3074-2444

ri@minervafoods.com

Key Indicators

R$ Million	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Slaughtering ('000 head)	804.2	590.0	36.3%	576.0	39.6%	2,382.2	2,196.0	8.5%
Sales volume ('000 tons)	215.5	151.2	42.5%	148.7	44.9%	622.2	571.2	8.9%
Gross revenue	3,659.5	2,694.7	35.8%	2,767.4	32.2%	11,459.1	10,421.5	10.0%
Domestic market	1,531.8	1,064.9	43.8%	1,089.5	40.6%	4,713.1	3,537.2	33.2%
Export market	2,127.8	1,629.7	30.6%	1,677.9	26.8%	6,746.0	6,884.3	-2.0%
Net revenue (1)	3,417.8	2,533.7	34.9%	2,579.3	32.5%	13,335.4	9,845.9	35.4%
Adjusted EBITDA (1)	311.8	249.3	25.1%	277.3	12.4%	1,194.9	1,076.3	11.0%
Adjusted EBITDA margin (1)	9.1%	9.8%	-0.7 p.p.	10.8%	-1.6 p.p.	9.0%	10.9%	-2.0 p.p.
Net Debt/LTM Adjusted EBITDA ratio (1)	4.2	3.2	0.9	4.1	0.1	4.2	3.2	0.9
Net (loss) income	85.8	47.4	80.9%	-55.6	-254.3%	45.0	249.2	-82.0%

(1) LTM3Q17 includes proforma net revenue and EBITDA figures for the plants of the Mercosur assets acquired on August 1, 2017.

Message from Management

The last events in the political and industry scenario changed the competitive landscape, leading to an environment that was extremely challenging and volatile, but full of opportunities to grow and increase operational profitability in South America. In this context, Minerva has been agile and flexible, generating higher sales volume, revenue growth by more than 35% compared to the same period last year and cash flow generation. We took important measures in the last few months: i) we increased Brazilian units' installed capacity utilization to more than 80% during the third quarter; ii) we reopened the Mirassol D'Oeste unit, in the state of Mato Grosso; and iii) we began integrating the units acquired in the Mercosur (3 slaughtering units in Paraguay, 5 slaughtering units and 2 food processing units in Argentina and one slaughtering unit of Uruguay).

After the conclusion of this important acquisition on August 1, we will focus on materializing the gains from the integration in the coming quarters. The integration will bring synergy gains and increase the Company's competitive advantages, thanks to greater geographic diversification, improved access to different markets, and greater competitive edge compared to other players in a scenario of low supply and high demand for beef worldwide.

Due to the combined effect from the consolidation of the new Mercosur operations, the reopening in July of the Mirassol D'Oeste unit, and the increased capacity utilization, 3Q17 net revenue totaled R$3.4 billion, a Company quarterly record. The third-quarter gross and EBITDA margins stood at 18.1% and 9.1%, respectively, impacted by the consolidation of the new units. Proforma leverage at close of September 2017 remained stable at 4.2x, despite the new operations acquired. However, our main value creation focus is the sustainable deleveraging of our balance sheet, reducing Minerva's total indebtedness.

The 3Q17 highlights also include the approvals of Paraguayan beef by the United States and of Brazilian beef by Singapore and Argentina, thanks to the regions' higher technological and health standards and weak global supply. Another example of this movement is the expectation for the opening of the Japanese market to Uruguayan producers in the next months. Other countries such as Argentina, Paraguay, Uruguay and Colombia are also going through the same certification process and we expect that in the next few years the region's beef producing countries, together, will have unrestricted access to the world's most important consuming markets. We highlight Brazil's strong export volume between July and September, of more than 100,000 tons/month.

With respect to beef consumption in Brazil, we began to notice signs of growth resumption as of the second half, influenced by reduced inflation, interest rates and unemployment. Due to the seasonal effect, the fourth quarter tends to be the year's strongest period in terms of domestic consumption. In addition to this trend, the Company continues to focus on improving its commercial strategy and expanding its distribution channels in Brazil through its Go to Market

strategy focused on small and medium retailers and the food service segment. In 3Q17, we reached the milestone of more than 60,000 points of sales in Brazil. It is worth mentioning the recent growth in beef consumption in other South American countries, such as Colombia, Argentina, Paraguay and Chile. This increased consumption reflects the region's improved macroeconomic prospects.

South America will continue to create excellent opportunities for our industry in the coming months and years, thanks to: i) the greater availability of animals ready for slaughter, due to the positive cattle cycle in Brazil and Paraguay; ii) the sustained mismatch between supply and demand for beef in important regions, such as the Far East and the Middle East; iii) the effective opening of new markets, whose effects should be fully enjoyed in the next few years; and iv) the recent domestic market recovery in the South American countries where our products are distributed. The final integration of the new operations will increase Minerva's geographical diversification and will further strengthen the Company's commercial strategy, benefiting our results.

We believe that South America has all the competitive advantages to become the world's most important beef production platform, either due to its production cost structure or its natural advantages. We therefore expect the region's share of the international market to grow substantially in 2018. Aware of this scenario, Minerva will continue focusing on executing its business plan - which envisages greater penetration in the domestic and international markets, as well as on increasing the geographic diversification of third-party product sales, continuously improving operational and commercial efficiency programs, efficiently managing risks, paying close attention to financial deleveraging, and generating consistent long-term returns for our shareholders.

Fernando Galletti de Queiroz, CEO

Industry Overview

Brazil

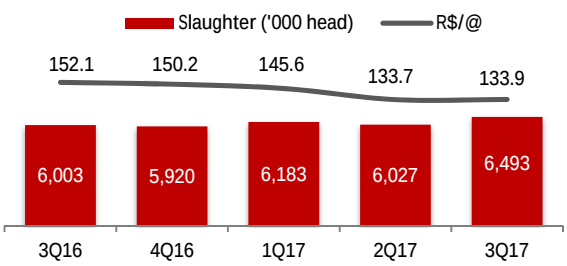
Cattle Supply

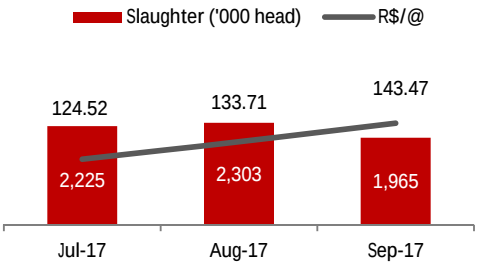
Slaughter volume totaled approximately 6.5 million head of cattle in 3Q17, 7.7% up on 2Q17 and 8.2% up on 3Q16.

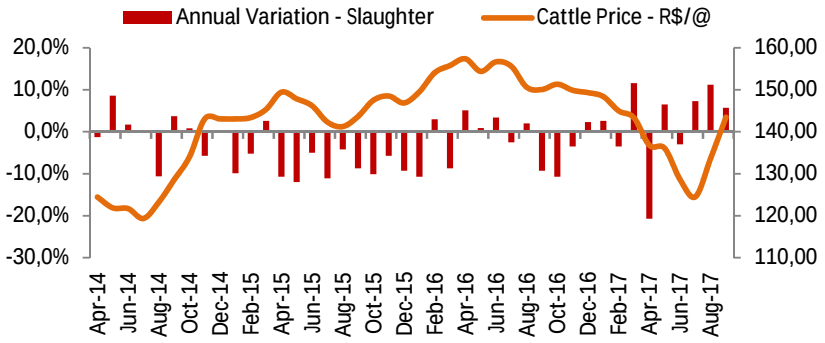
The third quarter has been historically characterized by lower supply of animals ready for slaughter due to the offseason, which reduces the volume of finished cattle in pasture and increases the number of finishing animal's feedlots. Nevertheless, this year's third quarter was atypical, with an increase in slaughter volume, due to the high availability of animals which were not slaughtered in the previous quarter, influenced by events which impacted the industry in 2Q17, a substantially higher export volume and a still modest resumption in domestic consumption. Due to the combination of these factors, in 3Q17 the industry registered its highest slaughter volume since the fourth quarter of 2014.

In 3Q17, the arroba price (reference: Finished cattle Esalq/BM&F – state of São Paulo) averaged R$133.9, in line with the 2Q17 figure and 11.9% down on 3Q16, due to 1) the high slaughter volume in July and August, absorbing the animals available from 2Q17; (2) the beginning of the offseason, and (3) new events in mid-September, which increased the industry's dynamics volatility.

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







Source: Ministry of Agriculture, Livestock and Supply, CEPEA/ESALQ | 3Q17 Preliminary slaughter figures

Export Market

Brazilian fresh beef exports recorded excellent result in 3Q17, totaling 341,000 tons, 30.7% and 32.2% up on 2Q17 and 3Q16, respectively. Third-quarter revenue amounted to US$1,443 million, 31.4% up on 2Q17 and 35.5% up on the same period last year.

The growth in exports was fueled by the undersupply in the international market and the recovery in important consuming markets, such as China, Russia, Egypt and certain Middle Eastern countries.

Figures 4 and 5 – Fresh Beef Exports

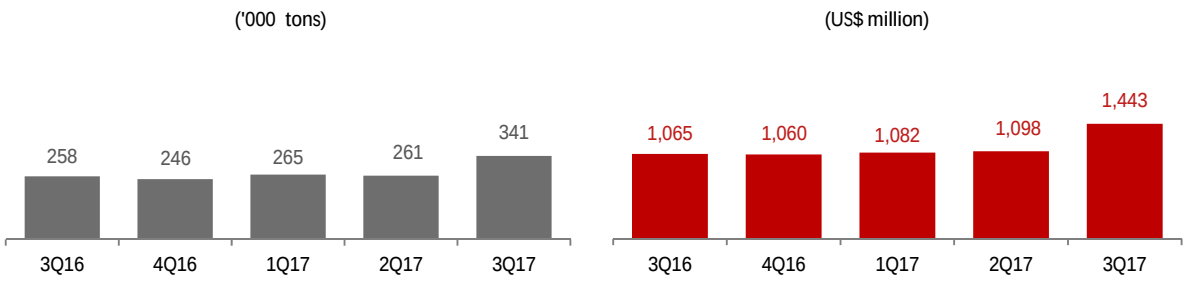


Figure 6 - Average price of fresh beef

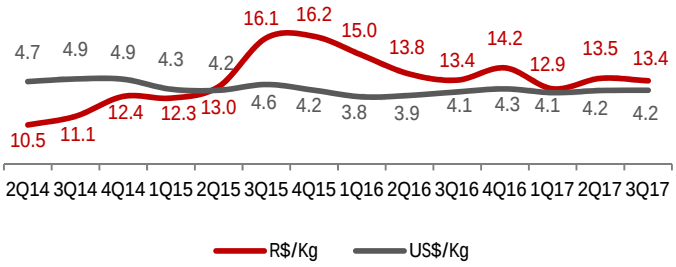
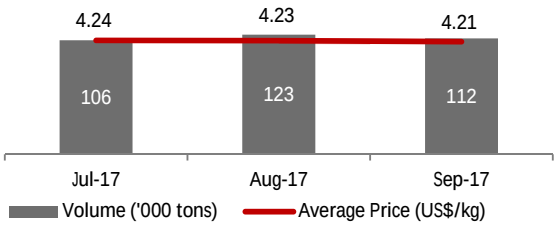


Figure 7 - Brazilian Fresh Beef Exports

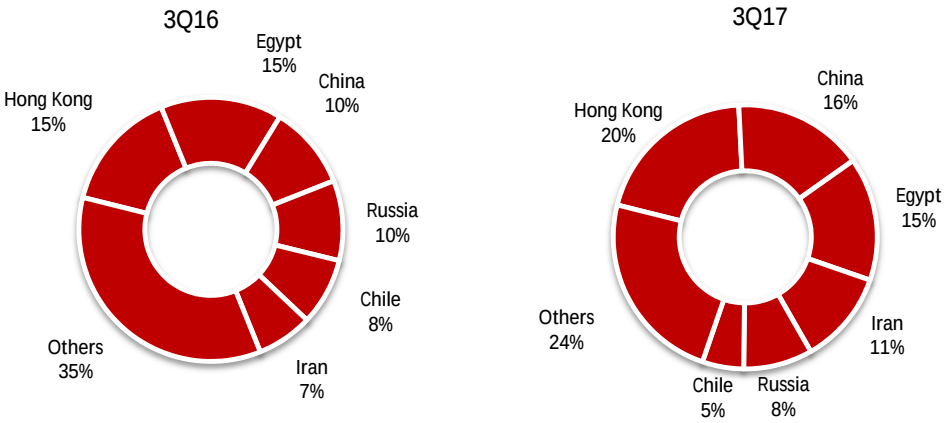


Source: Ministry of Trade, Industry and Development

The average dollar price of beef increased by 2.4% over 3Q16, totaling US$4.2/kg, influenced by the recovery in demand from relevant importing markets.

In 3Q17, Brazil's main export destinations were Hong Kong and China, which accounted for 36% of the total, 11 p.p. higher than in 3Q16. Egypt, in turn, was the third main export destination, corresponding to 15% of the 3Q17 total, followed by Iran, which grew by 400 bps and corresponded to 11% of the quarter's total exports.

Figures 8 and 9 – Export Destinations (% of Revenue)



Source: Ministry of Trade, Industry and Development

Domestic Market

Domestic market consumption performed well in the third quarter, particularly in July and August, with sales being boosted by father's day. As a result, sales of hindquarter cuts improved (loins and rounds), especially in the wholesale market, as shown in the chart below:

Figure 10 - Wholesale - Rump + Loins

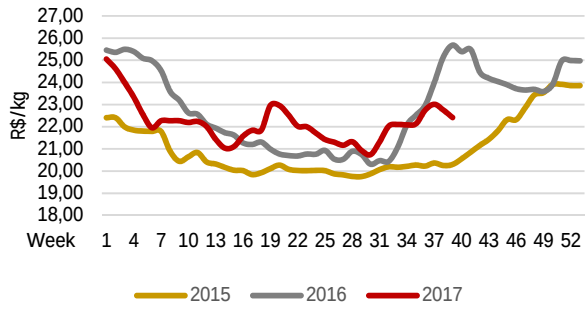
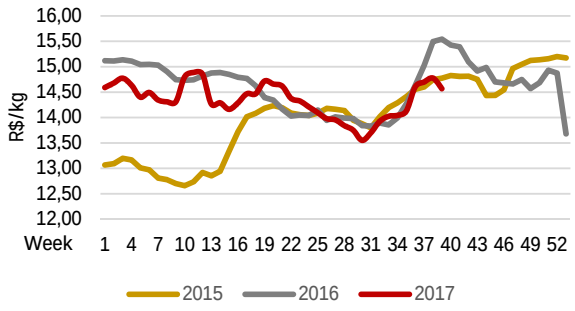


Figure 11 - Wholesale - Round Cuts



Source: Scot Consultoria

However, the price increase was interrupted in mid-September, following uncertainties faced by the industry due to new events which destabilized the sector's dynamics. Consequently, the industry, which had been recording high levels of slaughtering, was forced to adjust its activities and reduce animal supply, thus impacting prices.

Fueled by the seasonal effect, demand for beef is expected to increase in the last quarter of 2017 and reach a consumption peak for the year. As an example, sales in Brazil reached record in October. In addition, we expect 2018 to bring substantial improvements in macroeconomic indicators, such as low inflation, strong GDP growth, reduced unemployment, lower individual default and lower household indebtedness. These factors, combined, should further boost demand for beef in the upcoming year.

Paraguay

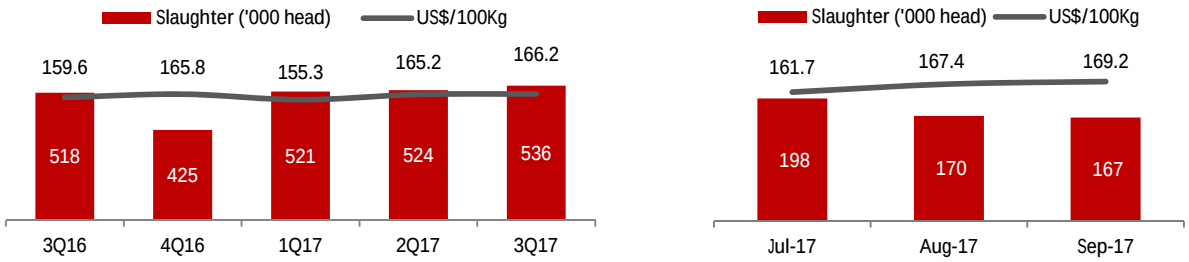
Cattle Supply

Slaughter volume totaled 536,000 head in 3Q17, 3.5% and 2.3% higher than in 3Q16 and 2Q17, respectively. As a result, the third quarter was responsible for the year's record slaughter volume. The highest slaughter volume was registered in July. Nevertheless, in August and September the industry went through an operational adjustment and activities slightly slowed down.

Despite this modest adjustment, the healthy results posted in recent quarters reflect the operational and productivity improvements achieved in the last few years, both on the field and in the industry. This movement has been increasingly consolidating Paraguay as one of South America's most important beef exporting markets.

At the close of 3Q17, cattle prices averaged US$166.2/100Kg, influenced by the adjustment in supply and demand, remaining virtually stable over 2Q17 and increasing by 4.1% over 3Q16.

Figures 12 and 13 – Cattle Slaughter and Average Cattle Price



Source: SENACSA

Domestic Market

It is important to note the domestic consumption growth during the past few years in Paraguay. With a population of around 6 million inhabits, it is expected a per capita consumption of approximately 35kg for 2018, 4% up the consumption estimated for the year of 2017, following the expectation of the GDP growth (+4%), stable inflation of around 4% and unemployment level of 6%, according to International Monetary Fund (IMF).

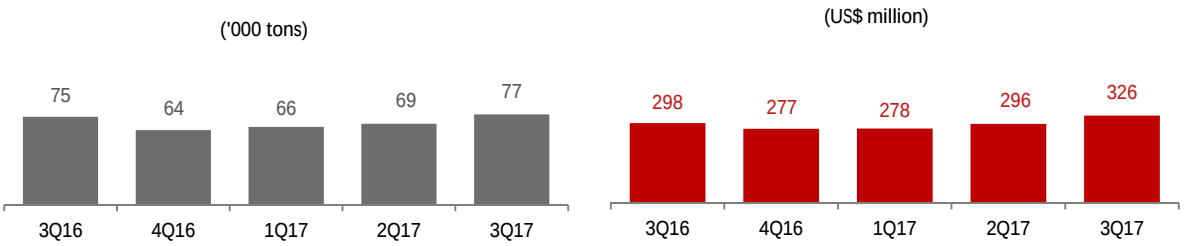
Export market

In 3Q17, Paraguay's exports totaled approximately 77,000 tons, 11% more than in the previous quarter and 3% up on 3Q16.

Chile was once again Paraguay's most important export destination, accounting for 36% of the country's total and remaining virtually stable compared to the same period in 2016. On the other hand, Russia's share narrowed by 10 p.p. compared to 3Q16. However, this share of exports was absorbed by other important markets, such as Egypt and Iran, as shown in the charts below (Figures 16 and 17).

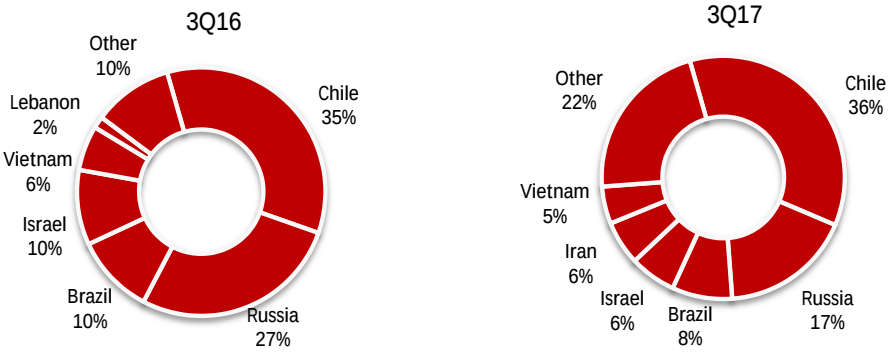
It is worth noting that, due to the country's recent improvements, in October the United States Department of Agriculture (USDA) approved beef imports from Paraguay through its Animal and Plant Health Inspection Service (APHIS). Thanks to this status, units with export capacity may request a visit from the USDA veterinarians to obtain the unit's final certification. Paraguayan units will only be entitled to export to the United States after being granted said certification. It is also important to emphasize that Chile, an extremely demanding consuming market, has recently recognized Paraguay as free of foot-and-mouth disease due to vaccination, thus benefiting supply of animals ready for slaughter for that country.

Figures 14 and 15 – Fresh Beef Exports



Source: SENACSA

Figures 16 and 17 – Export Destinations (% of Revenue)



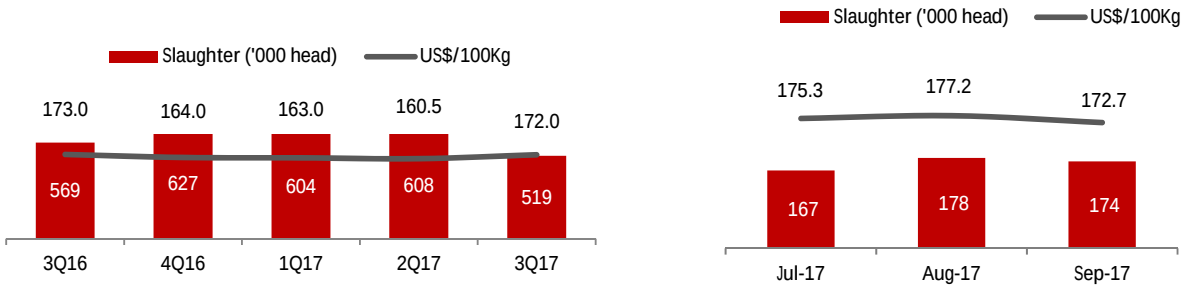
Source: SENACSA

Uruguay

Cattle Supply

Uruguay's slaughter volume amounted to 519,000 head in 3Q17, 15% and 9% down on 2Q17 and 3Q16, respectively. In July alone, slaughter fell by 23% compared to the previous month, influenced by the effect of the offseason and various domestic strikes during the quarter. In addition to this scenario, the price of cattle averaged US$172/100kg in September, 7% above the 2Q17 average, but in line with the 3Q16 figure.

Figures 18 and 19 – Cattle Slaughter and Average Cattle Price



Source: INAC

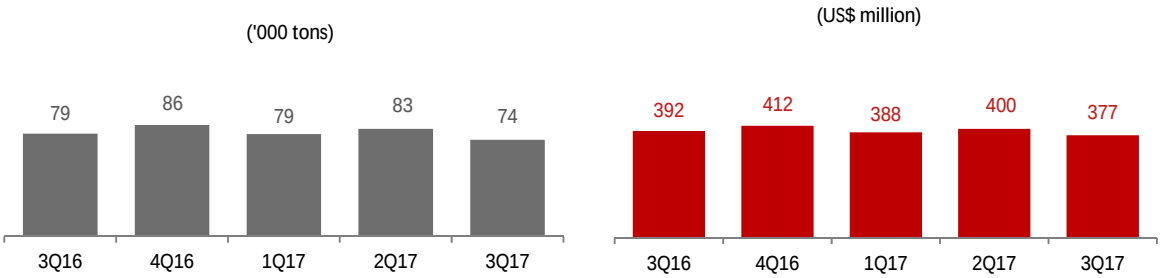
Export Market

Uruguayan exports were impacted by the reduced slaughter in 3Q17, leading to export volume of 74,000 tons, (6.0% and 10.3% down on 3Q16 and 2Q17, respectively), accompanied by revenue of US$376.5 million, 5.9% down on 2Q17 and 4.1% down on 3Q16.

China was Uruguay's main export destination, accounting for 35% of the total (in revenue), up by 4 p.p. over 3Q16, followed by the United States, which corresponded to 17% of the country's export revenue. The two countries combined accounted for more than half of Uruguayan fresh beef exports. It is worth to highlight that it is expected the opening of the Japanese market to Uruguay, which should boost the niche products exports, specially the premium cuts.

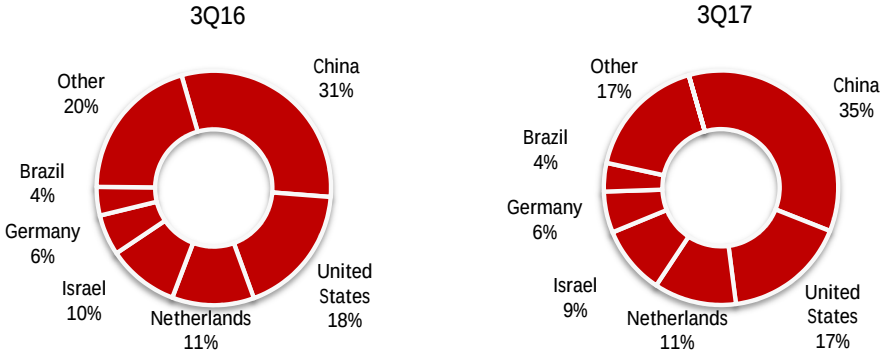
However, despite the lower export volume, the average export price increased by 5.7% over 2Q17 and 2.7% over 3Q16.

Figures 20 and 21 – Fresh Beef Exports



Source: INAC

Figures 22 and 23 – Export Destinations (% of Revenue)



Source: INAC

Argentina

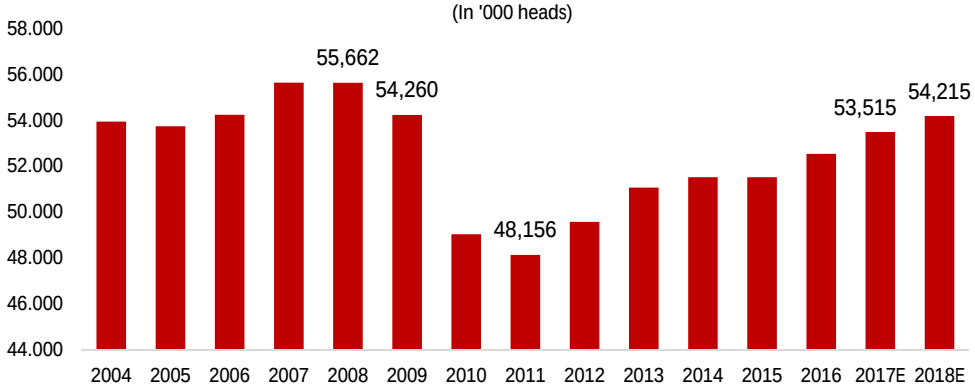
Industry

In the last decade, the Argentinean beef industry suffered from high destabilization, due to a great number of changes in commercial policies, such as the creation of taxes on beef exports. During this period, producing in the country was not commercially attractive and, consequently, the industry took a large step backwards. Given this scenario, Argentina moved down from the 3rd to the 13th position in the ranking of the main beef exporters in less than 10 years, according to the Argentine Rural Society (SRA). The reduced exports discouraged rural production and, consequently, Argentina's cattle herd contracted from 55.7 million head in 2007 to its lowest figure in 2011, when it came to 48.2 million head, down by 13%.

Nevertheless, the Federal Government changed certain rules applied to the sector as of 2015, encouraging the recovery of the herd. The result from these measures can be perceived by the herd's growth in 2016, boosting estimates for 2017 and 2018, as shown in the chart below:

Figure 24 - Argentinean Cattle Herd

(In '000 heads)



Source: USDA | E: Estimates

Thanks to this recovery process, Argentina is currently the country with the 6th largest herd worldwide, following Brazil, India, China, the United States and the European Union.

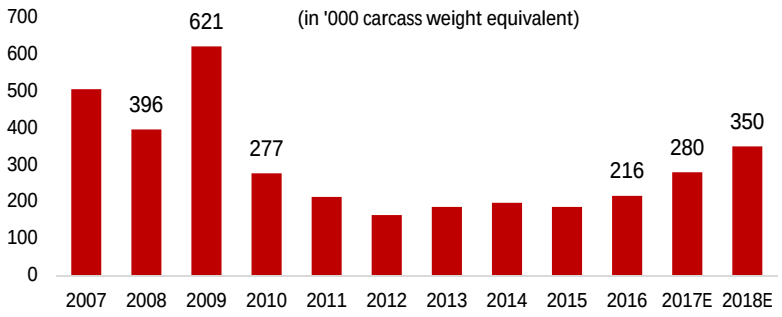
Argentinean Market

Argentina is South America's largest beef consuming market, expected to reach 57.8 kg/inhab in 2018, according to the IMF. For 12 years, the domestic market was responsible for maintaining the country's industry running, as, at that time, exports were unattractive due to the high taxes imposed by the government. As of 2015, after the change of the government's rationale, Argentina began to show signs of economic improvement, mainly felt through more controlled inflation and reduced unemployment, indicators which are expected to further improve in 2018, according to the IMF. The tailwinds experienced by the country were ratified by the result of the election on October 22, 2017, which renewed one third of the Senate's chairs. On that occasion, the government scored a great victory, gaining more support in the Senate, even more than expected by the market. It is important to highlight that Argentina has strong growth potential and the country is highly expected to regain its space among the world's most important economies in the coming years. In this scenario, is expected a growth of 3% in the beef consumption in Argentina, comparing to 2017.

Export Outlook

Although the local market is still absorbing a large share of Argentina's beef production (approximately 90% of production is directed to the country's own domestic market according to the USDA), exports are expected to total 280,000 tons in 2017 and 350,000 tons in 2018 (according to the USDA – see the "USDA Estimates for 2018" section below), the highest figure since 2009. If the volume expected for 2018 is confirmed, Argentinean exports will grow significantly, by approximately 30% and 62% over 2016 and 2017, respectively, as shown in the chart below:

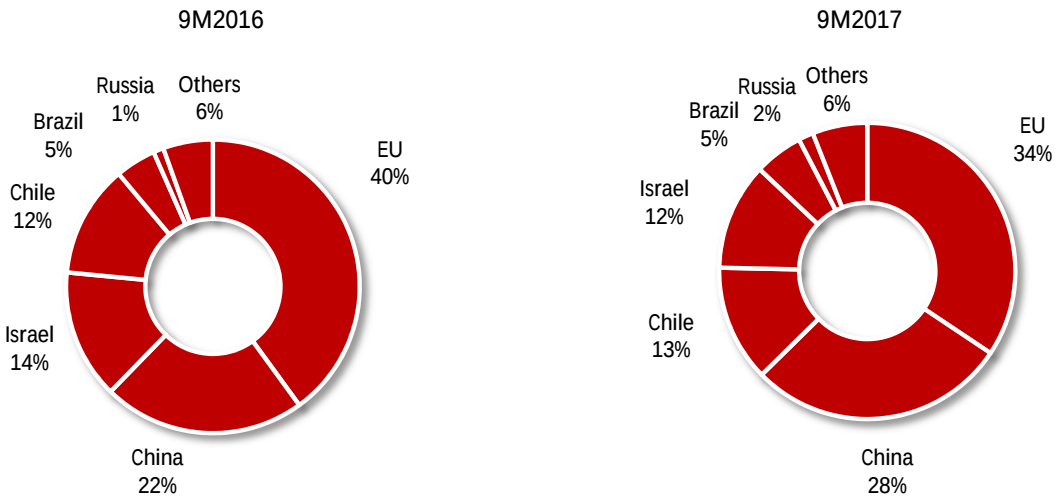
Figure 25 - Argentinean Beef Exports



Source: USDA | E: Estimates

Argentina's main beef export destinations are Europe Union, China, Chile and Middle East countries among others. China's consumption has been constantly increasing, a fact that may help boost the country's exports (see the "USDA Estimates for 2018" section below). According the chart below, China increased 6 pp its share from January to September 2017, comparing to the same period of 2016. Europe has always been an important destination for Argentinean products due to its demand for noble cuts, the country's main export products. Reflecting this European trust, the country's Hilton Quota is set at 29,500 tons (limit export volume of high-quality cuts for the European Union, with tax benefits). Argentina currently has the highest share of this quota. The chart below shows the main export destinations for Argentinean Beef between January and September 2017:

Figures 26 and 27 – Export Destinations (% of Revenue)



Source: *Instituto de Promoción de la Carne Vacuna Argentina*

USDA Estimates for 2018

According to the United States Department of Agriculture (USDA), global beef production is expected to grow by around 2% in 2018, to 62.6 million tons, with Brazil and United States being the highlights. Global beef exports, in turn, are expected to grow by approximately 3% in 2018, to 10.1 million tons, mainly fueled by increased shipments from Argentina, Brazil and Australia.

Demand in East Asia will remain strong. China will continue to boost world trade, as the stagnant domestic production will not be able to meet the country's growing consumption. It is worth mentioning that the volume of Chinese imports is expected to expand by 11% in 2018. According to the USDA, although the United States regained access to the Chinese beef market in the first half of 2017, shipments from that country are likely to be limited in the short term, due to market requirements that restrict the United States' ability to maximize commercial opportunities, such as the use of herd growth inducers.

According to the USDA projections, exports from major Mercosur producers (Brazil, Paraguay, Argentina and Uruguay) will amount to 3 million tons in 2018, led by Brazil (+4%) and Argentina (+25%). This export volume is 123,000 tons higher than the volume expected for 2017 and greater than the 2007 figure, the region's export record.

For the North American Department, Argentina will be the 2018 highlight, with exports reaching 350,000 tons, 70,000 tons more than in 2017 and the highest volume since 2009, when the process to sell the herd began.

On the export side, the institution estimates that volume will increase in line with beef production. The USDA also estimates production of 9.7 million tons, 250,000 tons more than in 2017. Most of this growth (185,000 tons) is expected to be absorbed by the local market, which will show signs of expansion after the strong economic crisis in 2015 and 2016. The remaining 65,000 tons should be exported.

Consequently, Mercosur will consolidate its position as the world's leading beef exporting region.

We present below USDA's estimates for exports and imports of the most important countries in the global beef industry:

	Beef Exports*			
Countries	2015	2016	2017E	2018E
Brazil	1,705	1,698	1,760	1,825
Uruguay	373	421	432	420
Argentina	186	216	280	350
Paraguay	381	389	380	380
Mercosur	2,645	2,724	2,852	2,975
Australia	1,854	1,480	1,450	1,525
New Zealand	639	587	570	570
Oceania	2,493	2,067	2,020	2,095
USA	1,028	1,159	1,285	1,320
Canada	398	443	475	475
Mexico	228	258	280	295
NAFTA	1,654	1,860	2,040	2,090

India	1,806	1,764	1,825	1,850
E.U. (27)	303	344	400	420
Other	644	663	654	626
TOTAL	9,545	9,422	9,791	10,056

Source: USDA | *in '000 carcass weight equivalent (cwe)| E: Estimate

Beef Imports*				
Countries	2015	2016	2017E	2018E
USA	1,529	1,367	1,341	1,374
China	666	818	925	1,025
Japan	707	719	780	815
South Korea	414	513	550	560
Russia	621	522	520	480
Hong Kong	339	453	425	410
E.U.	363	369	340	360
Egypt	360	340	250	280
Chile	213	269	290	280
Canada	280	254	225	235
Mexico	175	188	205	210
Other	1,964	1,879	1,897	1,963
TOTAL	7,631	7,691	7,748	7,992

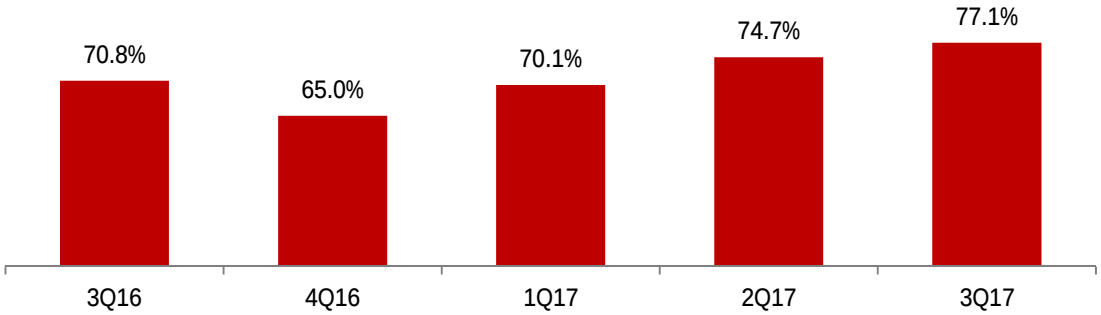
Source: USDA | *in '000 carcass weight equivalent (cwe)| E: Estimate

Minerva – Results Analysis

Slaughter

Minerva's slaughter volume totaled approximately 804,200 head in 3Q17 (39.6% more than in 2Q17 and 36.3% up on 3Q16), accompanied by capacity utilization rate of 77.1%, 2.3 p.p. and 6.3 p.p. up on 2Q17 and 3Q16 respectively. The upturn in slaughter volume was influenced by the following factors: (i) the positive environment in the Brazilian industry, with high supply of animals which were not slaughtered in the previous quarter due to events which generated uncertainties in our sector; (ii) the beginning of operations in the plants acquired in Paraguay, Uruguay and Argentina, whose results were consolidated as of August 1, 2017; and (iii) the resumption of activities in the Mirassol D'Oeste plant in Mato Grosso state. It is worth remembering that the 3Q17 consolidated capacity utilization rate was still impacted by the operational ramp-up in the industrial units acquired in Paraguay.

Figure 28 - Installed Capacity Utilization



Source: Minerva

Consolidated Gross Revenue

Gross revenue totaled record R$3.7 billion in 3Q17, 35.8% up year-on-year and 32.2% up quarter-on-quarter. Revenue from the Beef Division grew 22.7% over 3Q16 and 29.9% over the previous quarter, accounting for 76% of the Company's total gross revenue, reflecting the consolidation of the results from the new assets acquired in the Mercosur, the reopening of the Mirassol D'Oeste plant and the increased capacity utilization of the assets in Brazil. As a result, domestic sales grew by 10.5% over 3Q16 and 31.2% over 2Q17, totaling R$862.6 million. The Beef Division's export sales amounted to R$1,906.9 million, expanding by 29.3% over 2Q17 and 29.1% over 3Q16.

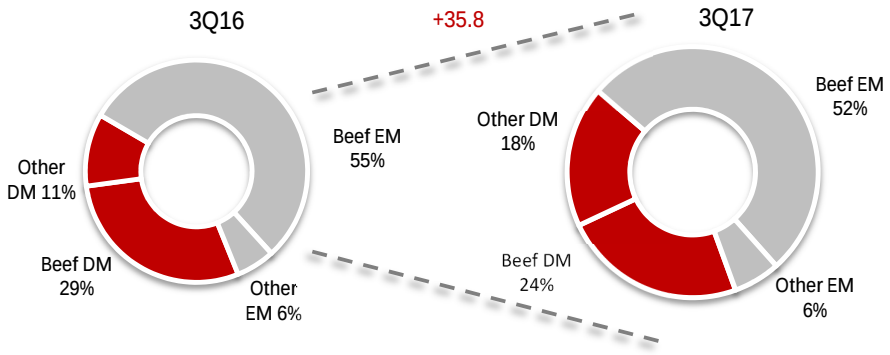
In 3Q17, revenue from the Others Division climbed 103.7% over 3Q16 and 40.2% over the previous quarter, to R$890.0 million. This performance reflects the effects from the Company's continuous efforts to execute its Go to Market strategy on the distribution of third-party products, the good performance of the trading, the recovery in live cattle exports, and the consolidation of industrialized products from the operations in Argentina.

R$ Million	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Gross revenue	3,659.5	2,694.7	35.8%	2,767.4	32.2%	11,459.1	10,421.5	10.0%
Beef Division	2,769.6	2,257.7	22.7%	2,132.5	29.9%	8,704.0	8,868.7	-1.9%
Others Division	890.0	436.9	103.7%	634.9	40.2%	2,755.1	1,552.8	77.4%

R$ Million	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Domestic market	1,531.8	1,064.9	43.8%	1,089.5	40.6%	4,713.1	3,537.2	33.2%
% Gross revenue	41.9%	39.5%	2.3 p.p.	39.4%	2.5 p.p.	41.1%	33.9%	7.2 p.p.
Beef Division	862.6	780.3	10.5%	657.3	31.2%	2,769.8	2,705.4	2.4%
Others Division	669.1	284.6	135.1%	432.2	54.8%	1,943.3	831.8	133.6%

R$ Million	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Export market	2,127.8	1,629.7	30.6%	1,677.9	26.8%	6,746.0	6,884.3	-2.0%
% Gross revenue	58.1%	60.5%	-2.3 p.p.	60.6%	-2.5 p.p.	58.9%	66.1%	-7.2 p.p.
Beef Division	1,906.9	1,477.4	29.1%	1,475.2	29.3%	5,934.2	6,163.3	-3.7%
Others Division	220.8	152.3	44.9%	202.7	8.9%	811.8	721.0	12.6%

Figures 29 and 30 – Breakdown of Consolidated Gross Revenue



Source: Minerva

Beef Division

Influenced by the consolidation of the results from the new assets acquired in the Mercosur, the reopening of the Mirassol D'Oeste plant and the increased capacity utilization of the assets in Brazil, the Beef Division posted gross revenue of R$2,769.6 million in 3Q17, 22.7% more than in 3Q16 and 29.9% up on 2Q17. This result was influenced by the strong performance in both the export market, accompanied by revenue of R$1,906.9 million (+29.1% yoy and +29.3% qoq), and the domestic market, with revenue of R$862.6 million (+31.2% yoy and +10.5% qoq).

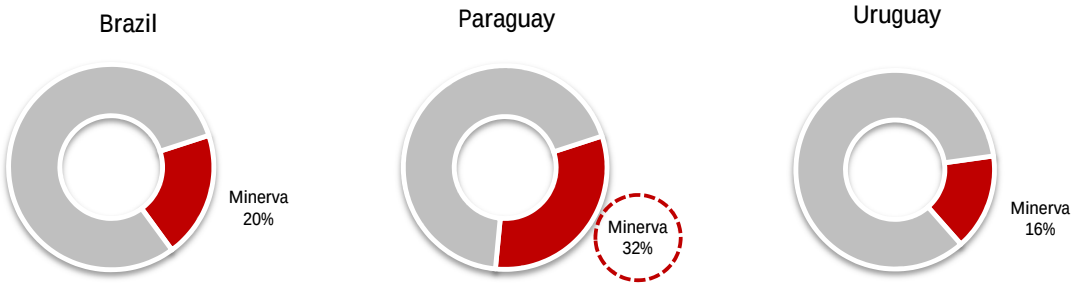
The Company rerouted 69% of the division's sales to the export market, which proved attractive due to the recovery in major importing countries, such as Russia and Chile, in addition to the strong demand from Middle Eastern countries. It is important to mention that, in the domestic market, the average price of fresh beef slightly increased over 2Q17 (+1.1%), performing better than the finished cattle arroba price in the previous quarter, appointing to an economy recovering.

Exports

In 3Q17 over 2Q17, Minerva's share of the export market in the countries where it operates increased. Minerva's share of the Brazilian export market came to 20%, influenced by the higher capacity utilization and the reopening of the Mirassol D'Oeste plant. The Company's share as a percentage of Paraguayan and Uruguayan exports also expanded, reflecting the operational start-up of the acquired plants as of August 1 (two of the quarter's months). After

the acquisition, Minerva became the player with the highest slaughtering capacity in Paraguay, with a market share of 32%. The Company's share of the Uruguayan export market corresponded to 16%, a result which was also affected by the beginning of operations in the Canelones plant, in early August.

Figures 31, 32 and 33 – 3Q17 Market Share (% of Revenue)



Source: Minerva, Secex, INAC and SENACSA

We present below the Company's exports by region in LTM3Q17 over LTM3Q16:

Africa: the region's share of the Company's exports fell 5 p.p. in LTM3Q17 over LTM3Q16, accounting for 10% of the total. This impact still reflects the reduction in exports to Egypt in the last few quarters. Nevertheless, the country has already started to show signs of improvement and beef consumption once again recorded strong levels in 3Q17, accompanied by revenue approximately three times higher than in the previous quarter.

Americas: the region's share of Minerva's total exports corresponded to 18% in LTM3Q17, 4 p.p. higher than in LTM3Q16. Chile remained as the America's main consuming country. The country alone grew by 32% (in revenue) as a percentage of Minerva's exports to the Americas in LTM3Q17 over LTM3Q16.

Asia: the region's share of total exports declined 5 p.p. in the last twelve months ended September 2017 over the same period in 2016, accounting for 22% of Minerva's total exports. This result reflects the rerouting of a portion of the cuts previously shipped to the region to countries which consume the same cuts, such as Middle Eastern countries. On the other hand, revenue from countries such as Taiwan and Singapore increased by respectively 159% and 24% in the period analyzed.

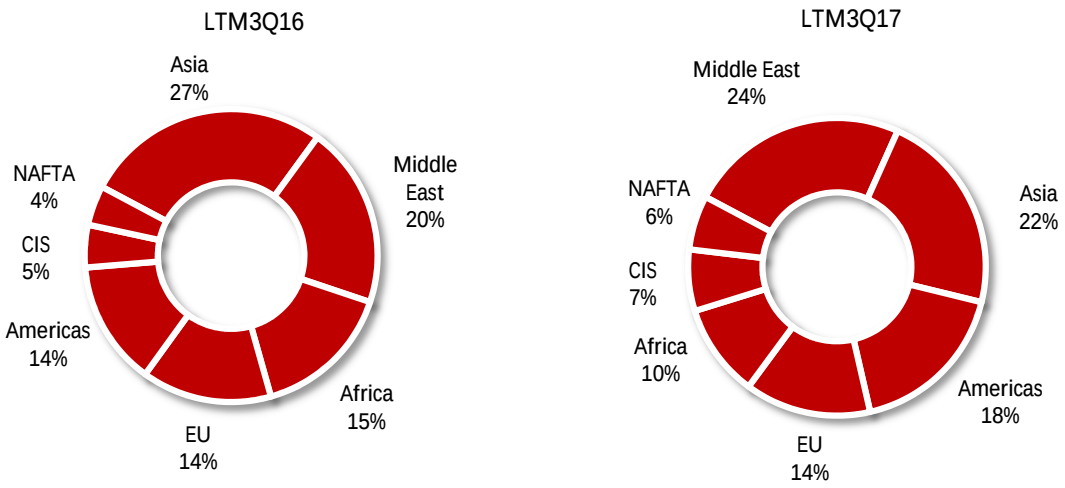
CIS (Commonwealth of Independent States): in LTM3Q17, this region, represented mainly by Russia, corresponded to 7% of the Company's exports, 2 percentage points. up year-on-year. Russian beef imports have been strongly recovering in recent months. Russia grew by 46% as a percentage of the Company's export revenue in LTM3Q17 over LTM3Q16, fueled by the country's improved economic scenario.

Europe: the region's share of the Company's exports came to 14% in LTM3Q17, remaining stable over LTM3Q16. Germany and the Netherlands were the region's main destinations. It is worth emphasizing that the region contributes to the Company's export profitability, as it is a destination which demands noble hindquarter cuts.

NAFTA: in LTM3Q17, the NAFTA region accounted for 6% of total exports, 200 bps up on the previous year. The share of the United States, the region's main destination, increased by 48% as a percentage of the Company's exports in the analyzed period.

Middle East: the Middle East was the most representative destination as a share of Minerva's exports in the last twelve months ended September 2017, accounting for 24% of total export revenue, 400 bps up on LTM3Q16. Sales to Saudi Arabia (one of the region's main destinations) and the United Arab Emirates climbed by more than 72% and 24%, respectively. Other countries worthy of mention are Israel and Lebanon.

Figures 34 and 35 – Consolidated Sales Breakdown by Region



Source: Minerva

We present below a complete breakdown of the Beef Division:

Gross Revenue (R$ million)	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Fresh Beef - EM	1,745.6	1,374.2	27.0%	1,350.3	29.3%	5,455.6	5,763.8	-5.3%
Processed Beef – EM	3.8	17.8	-78.5%	14.0	-72.7%	31.2	40.1	-22.3%
Others – EM	157.5	85.4	84.5%	110.9	42.1%	447.4	359.4	24.5%
Subtotal – EM	1,906.9	1,477.4	29.1%	1,475.2	29.3%	5,934.2	6,163.3	-3.7%
Fresh Beef – DM	742.2	639.3	16.1%	536.3	38.4%	2,320.2	2,219.5	4.5%
Processed Beef – DM	16.1	22.9	-29.7%	24.2	-33.3%	70.7	63.9	10.6%
Others - DM	104.3	118.0	-11.6%	96.9	7.7%	379.0	422.0	-10.2%
Subtotal – DM	862.6	780.3	10.5%	657.3	31.2%	2,769.8	2,705.4	2.4%
Total	2,769.6	2,257.7	22.7%	2,132.5	29.9%	8,704.0	8,868.7	-1.9%

Volume ('000 tons)	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Fresh Beef - EM	117.0	81.0	44.4%	84.2	39.0%	345.0	334.0	3.3%
Processed Beef – EM	0.2	0.7	-75.1%	0.6	-68.8%	1.2	1.6	-25.7%
Others – EM	17.2	7.6	124.8%	9.4	82.8%	41.0	31.1	32.1%
Subtotal – EM	134.4	89.4	50.4%	94.2	42.7%	387.2	366.7	5.6%
Fresh Beef – DM	60.0	53.0	13.2%	43.9	36.9%	187.0	170.2	9.9%
Processed Beef – DM	1.2	1.7	-31.4%	1.5	-22.9%	4.8	4.6	2.8%
Others - DM	19.9	7.1	180.2%	9.1	117.5%	43.2	29.6	45.8%
Subtotal – DM	81.1	61.8	31.1%	54.5	48.7%	235.0	204.5	14.9%
Total	215.5	151.2	42.5%	148.7	44.9%	622.2	571.2	8.9%

Average price - EM (US$/kg)	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Fresh Beef - EM	4.7	5.2	-9.8%	5.0	-5.5%	4.9	4.8	3.6%
Processed Beef – EM	6.8	7.7	-11.3%	7.6	-10.9%	8.1	6.8	18.3%
Others – EM	2.9	3.4	-15.8%	3.7	-21.0%	3.4	3.2	6.6%
Total	4.5	5.1	-12.0%	4.9	-8.0%	4.8	4.6	3.1%
Average dollar (Source: BACEN)	3.16	3.24	-2.5%	3.21	-1.6%	3.21	3.62	-11.6%

Average price – EM (R$/Kg)	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Fresh Beef - EM	14.9	17.0	-12.1%	16.0	-7.0%	15.8	17.3	-8.4%
Processed Beef – EM	21.5	24.9	-13.5%	24.6	-12.3%	25.9	24.7	4.6%
Others – EM	9.2	11.2	-17.9%	11.8	-22.3%	10.9	11.6	-5.8%
Total	14.2	16.5	-14.2%	15.7	-9.4%	15.3	16.8	-8.8%

Average Price – DM (R$/Kg)	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Fresh Beef – DM	12.4	12.1	2.5%	12.2	1.1%	12.4	13.0	-4.8%
Processed Beef – DM	13.7	13.4	2.5%	15.8	-13.4%	14.8	13.8	7.6%
Others - DM	5.3	16.7	-68.5%	10.6	-50.5%	8.8	14.2	-38.4%
Total	10.6	12.6	-15.7%	12.1	-11.7%	11.8	13.2	-10.9%

EM - Export Market, DM – Domestic Market

Others Division

Gross revenue from the Others Division totaled R$890.0 million in 3Q17, up by 103.7% and 40.2% over 3Q16 and 2Q17, respectively.

One of the division's highlights was the resale of third-party products (One-Stop-Shop concept), both of alternative proteins (poultry, pork and processed products) and imported products. Revenue from this segment grew by more than 46% over 3Q16 and by approximately 7% over 2Q17. The Company's focus on meeting demand from small and medium retailers and the food service segment (which are more resilient in adverse scenarios) and the constant improvement in the distribution channels have been the major drivers of this strong performance in recent quarters.

Another highlight was Live Cattle exports, which began to show signs of recovery, posting revenue growth of 15% and 47% over 3Q16 and 2Q17, respectively. This performance reflects the growing demand from Middle Eastern countries.

It is also worth mentioning the industrialized products segment, which recorded strong growth as of the integration with the Argentinean units under the SWIFT brand. This segment previously only included Minerva Fine Foods. After the acquisition, we will now report the consolidated results of the two units, in Brazil and Argentina. In 3Q17 over 2Q17, revenue from this segment moved up by 160.5%.

Net revenue

Third-quarter net revenue totaled R$3,417.8 million, 34.9% more than in 3Q16. Last-twelve-month net revenue, excluding the proforma figures from the Mercosur plants acquired on August 1, 2017, amounted to R$10,695.4 million, 8.6% higher than in LTM3Q16. Considering the acquisitions proforma figures, net revenue amounted R$13,335.4 million in the last twelve months.

R$ Million	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Gross Revenue	3,659.5	2,694.7	35.8%	2,767.4	32.2%	11,459.1	10,421.5	10.0%
Sales taxes and deductions	-241.7	-161.0	50.2%	-188.1	28.5%	-763.7	-575.6	32.7%
Net revenue (1)	3,417.8	2,533.7	34.9%	2,579.3	32.5%	10,695.4	9,845.9	8.6%
% Gross revenue	93.4%	94.0%	-0.6 p.p.	93.2%	0.2 p.p.	93.3%	94.5%	-1.1 p.p.

(1) LTM3Q17 excludes proforma net revenue figures from the Mercosur assets acquired on August 1, 2017.

Cost of Goods Sold (COGS) and Gross Margin

In 3Q17, COGS accounted for 81.9% of net revenue, implying a gross margin of 18.1%.

R$ Million	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Net revenue	3,417.8	2,533.7	34.9%	2,579.3	32.5%	10,695.4	9,845.9	8.6%
COGS	-2,797.7	-2,042.7	37.0%	-2,074.8	34.8%	-8,702.1	-7,798.0	11.6%
% Net revenue	81.9%	80.6%	1.2 p.p.	80.4%	1.4 p.p.	81.4%	79.2%	2.2 p.p.
Gross Profit	620.1	491.0	26.3%	504.5	22.9%	1,993.4	2,047.9	-2.7%
Gross margin	18.1%	19.4%	-1.2 p.p.	19.6%	-1.4 p.p.	18.6%	20.8%	-2.2 p.p.

Selling, General and Administrative Expenses

Selling expenses accounted for 5.9% of 3Q17 net revenue, 0.4 p.p. up on 2Q17, influenced by higher freight expenses due to higher live cattle exports. General and administrative expenses increased by 0.6 p.p. over 3Q16 as a percentage of net revenue, fueled by the integration of the acquisitions in the Mercosur, besides the resumption of activities in the Mirassol D'Oeste plant.

R$ Million	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Selling expenses	-202.1	-159.7	26.5%	-143.4	40.9%	-632.2	-690.3	-8.4%
% Net revenue	5.9%	6.3%	-0.4 p.p.	5.6%	0.4 p.p.	5.9%	7.0%	-1.1 p.p.
G&A expenses	-139.6	-87.7	59.1%	-117.1	19.3%	-437.3	-345.4	26.6%
% Net revenue	4.1%	3.5%	0.6 p.p.	4.5%	-0.5 p.p.	4.1%	3.5%	0.6 p.p.

EBITDA

In 3Q17, the adjusted EBITDA by non-recurring items (amounted R$15.5 million) totaled R$311.8 million, expanding by 12.4% over 2Q17 and 25.1% over 3Q16. The 3Q17 adjusted EBITDA margin stood at 9.1%, influenced by two months of operations in the Mercosur plants, which operate at a margin around 5-6%, lower than that of Minerva's assets. The integration process of the new units is going faster than expected, and we expect the synergy gains from sales, raw material acquisition and G&A expenses, in conjunction with the conclusion of the ramp-up process of the Paraguayan plant located at the city of Belém, and together with the implementation of operational and commercial efficiency programs and standardization process that the Company has been practicing along the years in its units to increase the margins of these assets to the same standard as that shown in the other Minerva's assets. In the last twelve months ended September 2017, considering the proforma figures from the Mercosur assets consolidated as of August 1, 2017, adjusted EBITDA totaled R$1,194.9 million, accompanied by a margin of 9.0%.

R$ Million	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Net (loss) income	85.8	47.4	80.9%	-55.6	-254.3%	45.0	249.2	-82.0%
(+/-) Deferred income & social contribution taxes	21.2	-32.3	-165.6%	-16.8	-226.4%	15.9	94.9	-83.3%
(+/-) Asset impairment	0.0	0.0	n.a.	0.0	n.a.	21.9	23.5	-6.8%
(+/-) Financial result	155.7	214.1	-27.2%	321.9	-51.6%	832.8	627.8	32.7%
(+/-) Depreciation and amortization	33.5	20.1	67.3%	27.7	21.0%	105.4	80.8	30.4%
EBITDA	296.3	249.3	18.9%	277.3	6.9%	1,021.0	1,076.3	-5.1%
EBITDA margin	8.7%	9.8%	-1.2 p.p.	10.8%	-2.1 p.p.	9.5%	10.9%	-1.4 p.p.
(+/-) proforma EBITDA from Mercosur assets	0.0	0.0	n.a.	0.0	n.a.	158.4	0.0	n.a.
(+/-) others non-recurring operational revenues/expenses	15.5	0.0	n.a.	0.0	n.a.	15.5	0.0	n.a.
Adjusted EBITDA	311.8	249.3	25.1%	277.3	12.4%	1,194.9	1,076.3	11.0%
Adjusted EBITDA Margin	9.1%	9.8%	-0.7 p.p.	10.7%	-1.6 p.p.	9.0%	10.9%	-2.0 p.p.

Financial result

The financial result was negative by R$155.7 million in 3Q17, while in the last twelve months ended September, this line amounted to R$876.8 million.

The FX variation line (non-cash) was positive by R$122.1 million in 3Q17, influenced by the appreciation of the Real against the U.S. dollar by R$0.15 (4.2%) at the end of the quarter.

Financial expenses totaled R$226.7 million in 3Q17, 12.2% up on 3Q16 and 8.2% up on 2Q17, due to two factors: i) the higher 3Q17 average gross debt, fueled by the re-issue of the 2016 Notes to pay for the acquisition of the Mercosur assets; and ii) the non-recurring effect from the payment of the interest related to the adherence in 3Q17 to the Special Tax Regularization Program (Pert), which led to a single payment of approximately R$45 million to regularize tax debits due to the state, with the granting of discounts for the payment of interest, booked under the financial expenses.

"Other financial income/expenses" came in as expense of R$25.8 million, due to the financial discounts in commercial agreements with large chains, commercial discounts, payment of taxes and commissions.

R$ Million	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Financial expenses (interest)	-226.7	-202.0	12.2%	-209.6	8.2%	-913.2	-808.3	13.0%
Financial expenses (Pert)	-44.6	0.0	n.d.	0.0	n.d.	-44.6	0.0	n.d.
Financial income	19.3	38.5	-49.8%	38.7	-50.1%	118.2	120.5	-1.9%
FX variation	122.1	4.2	n.d.	-124.3	-198.2%	170.8	642.1	-73.4%
Other revenue / expenses	-25.8	-54.8	-52.9%	-26.7	-3.3%	-208.7	-582.1	-64.1%
Financial result	-155.7	-214.1	-27.3%	-321.9	-51.6%	-876.8	-627.8	39.7%
Average Dollar (R$/US$) (Source: BACEN)	3.16	3.24	-2.5%	3.21	-1.6%	3.21	3.62	-11.6%
Closing Dollar (R$/US$) (Source: BACEN)	3.17	3.25	-2.4%	3.31	-4.2%	3.17	3.25	-2.4%

(*) Other Expenses (R$ million)	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
FX hedge	1.2	-19.9	-106.0%	7.5	-84.0%	-6.6	-480.6	-98.6%
Commodities hedge	-0.9	-6.8	-86.8%	-5.3	-83.0%	-42.7	-16.9	152.7%
Financial discounts, rates, commissions, commercial discount and other financial expenses	-26.1	-28.1	-7.1%	-28.9	-9.7%	-159.4	-84.6	88.4%
Total	-25.8	-54.8	-52.9%	-26.7	-3.4%	-208.7	-582.1	-64.1%

Net Result

The Company posted net income before income and social contribution taxes of R$107.0 million in 3Q17. Third-quarter net income after income and social contribution taxes amounted to R$85.8 million, accompanied by a net margin of 2.5%, 0.6 p.p. higher than in 3Q16.

R$ Million	3Q17	3Q16	% Chg	2Q17	% Chg	LTM3Q17	LTM3Q16	% Chg
Net (loss) income before taxes	107.0	15.2	605.0%	-72.4	-247.9%	60.8	344.2	-82.3%
Income and social contribution taxes	-21.2	32.3	-165.6%	16.8	-226.4%	-15.9	-94.9	-83.3%
Net (loss) income	85.8	47.4	80.9%	-55.6	-254.3%	45.0	249.2	-82.0%
% Net margin	2.5%	1.9%	0.6 p.p.	-2.2%	4.7 p.p.	0.4%	2.5%	-2.1 p.p.

Cash Flow

Operating Cash Flow

In the third quarter of 2017, operating cash flow totaled R$496.5 million. The variation in working capital requirements was positive by R$293.4 million in the quarter, resulting in: (1) "Receivables" (-R$183.8 million) related to the sales growth and the consolidation of Mercosur operations, and which was compensated by; (2) "Suppliers" line, which returned R$177.6 million to the Company's cash, due to the acquisition of a larger volume of raw materials in deferred payment in 3Q17.

In addition, there was also a positive variation in the "Other Accounts Payable" line, reflecting the Company's credit policy, which requires prepayment based on the risk assessment of clients from certain countries. Due to the Company's rerouting of a portion of its sales to Asia and Middle East, this line's quarter-on-quarter variation was R$330.8 million, as shown in the chart below.

R$ Million	3Q17	3Q16	2Q17	LTM3Q17
Net (loss) income	85.8	47.4	-55.6	45.0
(+) Net income adjustments	117.3	281.5	394.5	830.5
(+) Variation in working capital requirements (1)	293.4	-479.9	-281.4	170.1
Operating cash flow	496.5	-151.0	57.5	1.045.5

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

Free Cash Flow

Although the consolidation of Mercosur new operations, cash flow generation after capex, interest payments and working capital was positive by R$343.7 million in 3Q17. In the last twelve months ended September 30, 2017, free cash flow was positive by R$237.3 million, as shown below. However, is important to mention that 3Q17 free cash flow was impacted by the whole recognition of Mercosur units acquisition amounted R$1.1 billion. Adjusting the cash flow to consider the acquisition payment, free cash flow was negative by R$769.9 million in 3Q17 and in the last twelve months, free cash flow to equity was negative by R$876.3 million.

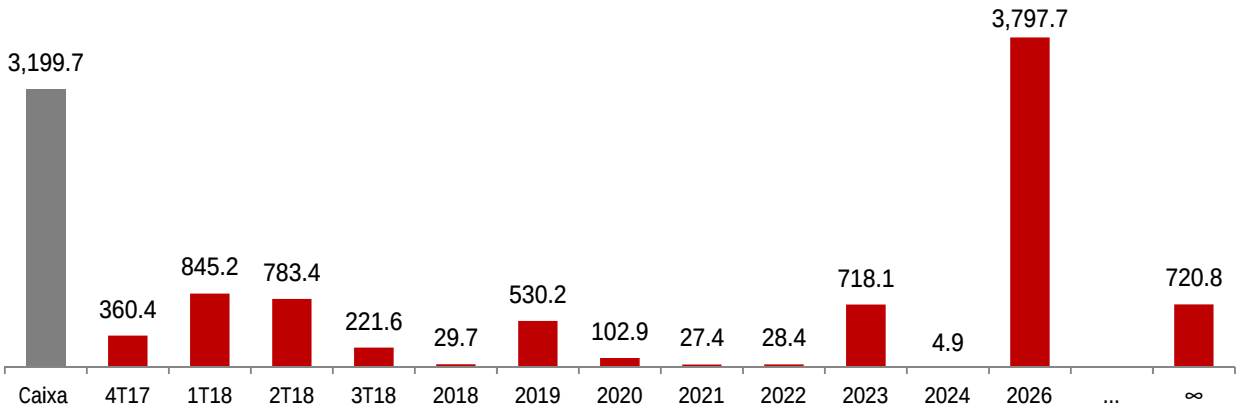
R$ Million	3Q17	2Q17	1Q17	4Q16	LTM3Q17
EBITDA	311.8	277.3	197.6	249.9	1.036.5
(+) Capex (on a cash basis)	-72.4	-65.0	-58.5	-60.8	-256.7
(+) Financial result (on a cash basis) (1)	-189.0	-162.6	-163.0	-198.0	-712.6
(+) Variation in working capital requirements (2)	293.4	-281.4	-36.5	194.6	170.1
Free cash flow	343.7	-231.7	-60.4	185.7	237.3
Mercosur acquisition	-1.113.6	0.0	0.0	0.0	-1.113.6
Free cash flow to equity after Mercosur acquisition capex	-769.9	-231.7	-60.4	185.7	-876.3

(1) Considering the cash from FX hedge.
(2) Excluding equity valuation adjustments and accumulated conversion amounts.

Capital Structure

Minerva closed 3Q17 with cash and cash equivalents of R$3.2 billion, which is sufficient to amortize its debt through 2023. Approximately 75% of total debt was exposed to the exchange rate variation at the end of September 2017. Leverage measured by the net debt/LTM EBITDA ratio was 4.16x on September 30, 2017, with debt duration of 5.4 years. In August, the Company concluded the payment of the Mercosur units acquisition totaled US$300 million.

Figure 36 – Debt amortization schedule on 9/30/2017
(R$ million)



R$ Million	3Q17	3Q16	% Chg	2Q17	% Chg
Short-term debt	2,210.6	1,263.7	74.9%	2,307.0	-4.2%
% Short-term debt	27.1%	18.8%	8.3 p.p.	27.6%	-0.5 p.p.
Local currency	1.433.7	452.7	216.7%	1,422.0	0.8%
Foreign currency	776.9	811.0	-4.2%	885.0	-12.2%
Long-term debt	5,960.1	5,469.4	9.0%	6,054.8	-1.6%
% Long-term debt	72.9%	81.2%	-8.3 p.p.	72.4%	0.5 p.p.
Local currency	307.6	709.8	-56.7%	309.3	-0.5%
Foreign currency	5,652.4	4,759.6	18.8%	5,745.6	-1.6%
Total debt	8,170.7	6,733.1	21.4%	8,361.9	-2.3%
Local currency	1,741.4	1,162.5	49.8%	1,731.3	0.6%
Foreign currency	6,429.3	5,570.6	15.4%	6,630.6	-3.0%
(Cash and cash equivalents)	-3,199.7	-3,235.7	-1.1%	-4,376.8	-26.9%
Net debt (1)	4,966.3	3,470.1	43.1%	3,980.8	24.8%
Net Debt/LTM EBITDA (x)	4.2	3.2	0.9	4.1	0.1

(1) Net debt includes FIDC subordinated shares totaling R$4.7 million in 3Q17, R$27.3 million in 3Q16 and R$4.2 million in 2Q17.

Local currency (R$ '000)	Sep/17	Jun/17
3Q17	0	107,945
4Q17	80,428	63,806
1Q18	683,525	562,283
2Q18	591,618	687,972
3Q18	78,171	93,415
2018	10,870	10,888
2019	176,038	85,210
2020	66,121	64,994
2021	22,528	22,528
2022	23,484	23,644
2023	8,607	8,607
2024	0	0
2026	0	0
∞	0	
TOTAL	1,741,390	1,731,293

Foreign currency (R$ '000)	Sep/17	Jun/17
3Q17	0	472,013
4Q17	279,979	3,656
1Q18	161,639	103,059
2Q18	191,782	306,276
3Q18	143,477	32,915
2018	18,866	713
2019	354,206	233,983
2020	36,785	0
2021	4,881	0
2022	4,881	0
2023	709,480	731,481
2024	4,881	0
2026	3,797,685	3,940,778
∞	720,755	805,683
TOTAL	6,429,299	6,630,558



Investments

Investments in fixed assets totaled R$72.4 million in 3Q17. From this total amount, R$51.7 million went to operational maintenance, while R$20.7 million was allocated to expansion which corresponded to the reopening of Mirassol D'Oeste unit, operational improvements, mainly in the implementation of the new units' business management integration system. Besides, the Company concluded the acquisition of Mercosur operation totaled R$1.1 billion.

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

CAPEX (R$ million)	3Q17	2Q17	1Q17	4Q16	LTM3Q17
Maintenance	51.7	42.5	45.0	43.8	183.0
Expansion	20.7	22.5	13.4	17.0	73.6
Acquisition	1,113.6	0	0	0	1,113.6
Total	1,186.0	65.0	58.5	60.8	1,370.3

Subsequent events

5th Debenture Issue

On October 2, 2017, the Company held an offering of simple, non-convertible, unsecured debentures, in a single series, for private placement, totaling R$350 million and maturing on October 2, 2020. The debentures were linked to the Certificates of Agribusiness Receivables (CRA) object of the 2nd Series of the 1st Issue of CIBRASEC – *Companhia Brasileira de Securitização*, distributed through an offering, pursuant to CVM Instruction 400, and remunerated at 105.5% of the CDI interbank rate.

Early Redemption of the 4th Debenture Issue

On October 16, 2017, the Company concluded the early redemption of all the debentures of the 4th Issue of Simple, Non-convertible, Unsecured Debentures, with a Personal Guarantee, for Public Distribution, with Restricted Placement Efforts, pursuant to clause 4.8 of the Private Instrument of Indenture of the 4th Issue, which paid interest of CDI+1.75% p.a. The total early redemption amount (principal amount of R$155,761,470.57 million) was paid in accordance with the procedures adopted by CETIP S.A. – Organized OTC Market for Securities and Derivatives.

Minerva Day – São Paulo and New York



Schedule

8.30am Registration + Welcome Coffee

9.00am Fernando Galletti de Queiroz - CEO
Openning: 2017 Retrospective and 2018 Perspective

9.30am Guest: Alexandre Mendonça de Barros (MB Agro Partner)
2018 Sector Perspectives

10.20am Coffee Break

10.40am Luis Ricardo Alves Luz - COO Beef Brazil/Colombia
Brazil Scenario and Oportunities

11.00am Iain Anderson Mars - CCO
Potential New Markets

11.30am Patrício Silveira - COO Uruguay and Paraguay | Gustavo Kahl - Country Head Argentina
Mercosur Integration & Argentinian Market

12.00pm Edison Ticle - CFO
Financial and Operating Results

12.20pm Q&A

Click Here to RSVP



Schedule

1.30pm Registration + Welcome Coffee

2.00pm Guest: Alexandre Mendonça de Barros (MB Agro Partner)
2018 Sector Perspectives

2.50pm Coffee Break

3.10pm Fernando Galletti de Queiroz - CEO
2017 Retrospective and 2018 Perspective

3.40pm Iain Anderson Mars - CCO
Potential New Markets

4.10pm Gustavo Kahl - Country Head Argentina
Mercosur Integration & Argentinian Market

4.40pm Edison Ticle - CFO
Financial and Operating Results

5.00pm Q&A

Click Here to RSVP

About Minerva S.A.

Minerva Foods is one of the leading producers and sellers of beef, leather, and exports of live cattle 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. Currently, the Company has a daily slaughtering capacity of 26,380 head of cattle and daily beef deboning capacity equivalent to 27,966 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, Argentina, Uruguay and Colombia, Minerva operates 26 slaughter and deboning plants and three processing units. In the 12 months ended September 30, 2017, the Company recorded gross sales revenue of R$11.5 billion, 10% more than in the same period last year.

Relationship with Auditors

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 2016 and the third quarter of 2017.

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 September 30, 2017, and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.

APPENDIX 1 - INCOME STATEMENT (CONSOLIDATED)

(R$ '000)	3Q17	3Q16	2Q17
Revenue from domestic sales	1,531,767	1,064,935	1,089,499
Revenue from exports	2,127,763	1,629,733	1,677,899
Gross sales revenue	3,659,530	2,694,668	2,767,398
Revenue deductions – taxes and other	-241,716	-160,970	-188,110
Net operating revenue	3,417,814	2,533,698	2,579,288
Cost of goods sold	-2,797,691	-2,042,674	-2,074,785
Gross profit	620,123	491,024	504,503
Selling expenses	-202,125	-159,731	-143,402
General and administrative expenses	-139,622	-87,746	-117,052
Other operating revenues (expenses)	-15,635	-14,314	5,489
Result before Financial Expenses	262,741	229,233	249,538
Financial expenses	-271,327	-201,990	-209,587
Financial revenues	19,318	38,502	38,691
FX variation	122,069	4,209	-124,329
Other expenses	-25,804	-54,778	-26,680
Financial result	-155,744	-214,057	-321,905
Results before taxes	106,997	15,176	-72,367
Income and social contribution taxes - current	-19,826	28,045	14,348
Income and social contribution taxes - deferred	-1,354	4,220	2,406
Net income before non-controlling interest	85,817	47,441	-55,613
Net income attributed to controlling shareholders	85,817	47,387	-55,854
Net income attributed to non-controlling shareholders	0	54	241
Net (loss) income	85,817	47,441	-55,613

APPENDIX 2 - BALANCE SHEET (CONSOLIDATED)

(R$ '000)	3Q17	4Q16
ASSETS		
Cash and cash equivalents	3,199,691	3,397,870
Accounts receivable from clients	1,132,330	673,983
Inventories	683,168	454,459
Biological assets	188,947	141,706
Taxes recoverable	876,054	791,361
Other receivables	325,507	199,901
Total current assets	6,405,697	5,659,280
Taxes recoverable	201,611	196,462
Deferred tax assets	193,013	246,757
Other receivables	13,078	38,362
Judicial deposits	21,005	22,212
Fixed assets	3,490,331	2,179,946
Intangible assets	719,773	616,129
Total non-current assets	4,638,811	3,299,868
Total assets	11,044,508	8,959,148
LIABILITIES		
Loans and financing	2,210,617	1,397,051
Suppliers	923,145	625,503
Labor and tax liabilities	276,475	97,060
Other payables	733,852	691,414
Total current liabilities	4,144,089	2,811,028
Loans and financing	5,960,071	5,430,652
Labor and tax liabilities	41,999	17,095
Provision for contingencies	147,861	36,933
Accounts payable	38,296	42,701
Deferred tax liabilities	316,349	98,672
Total non-current liabilities	6,504,576	5,626,053
Shareholders' equity		
Capital stock	128,854	128,854
Capital reserves	187,504	294,851
Revaluation reserves	54,097	55,556
Profit reserve	144,496	155,929
Accumulated profit (loss)	33,787	0
Treasury shares	-78,732	-43,112
Equity valuation adjustments	-74,163	-71,455
Total shareholders' equity attributed to controlling shareholders	395,843	520,623
Non-controlling interest	0	1,444
Total shareholders' equity	395,843	522,067
Total liabilities and shareholders' equity	11,044,508	8,959,148

APPENDIX 3 – CASH FLOW (CONSOLIDATED)

(R$ '000)	3Q17	3Q16	2Q17
Operating cash flow			
Net (loss) income	85,817	47,441	-55,613
Reconciliation of net income to net cash provided by operating activities:			
Depreciation and amortization	33,546	20,055	27,727
Net income attributed to non-controlling shareholders	0	-54	-241
Fair value of biological assets	-23,932	16,849	1,373
Realization of deferred taxes – temporary differences	1,354	-4,220	-2,406
Financial charges	228,975	201,783	208,887
FX variation – not realized	-121,159	44,400	159,242
Provision for contingencies	-1,454	2,671	-80
Accounts receivable from clients and other receivables	-183,777	-93,172	-127,345
Inventories	10,403	-499	-4,738
Biological assets	801	-35,142	-3,640
Taxes recoverable	-42,479	-18,065	7,663
Judicial deposits	-16	204	128
Suppliers	177,607	-4,634	73,673
Labor and tax liabilities	119,665	-14,315	11,554
Other payables	330,812	-314,281	-238,676
Equity valuation adjustments and accumulated conversion amounts	-11,667	-1,069	2,758
Operating cash flow	604,496	-152,048	60,266
Cash flow from investments			
Acquisition of subsidiary less cash on acquisition	-1,113,574	0	0
Acquisition of intangible assets	-8,488	-10,853	-1,795
Acquisition of fixed assets	-58,508	-58,342	-75,999
Cash flow from investments	-1,180,570	-69,195	-77,794
Cash flow from financing activities			
Loans and financing	673,580	2,901,512	1,793,534
Loans and financing settled	-1,233,005	-2,195,656	-316,177
Variation in minority interest	-1,784	50	241
Dividends	0	0	-11,433
Treasury shares	-39,821	-25,801	-16,643
Cash flow from financing activities	-601,030	680,105	1,449,522
Net Cash - cash equivalent decrease/increase	-1,177,104	458,862	1,431,994
Cash and cash equivalents			
Beginning of period	4,376,795	2,776,883	2,944,801
End of period	3,199,691	3,235,745	4,376,795
Net Cash - cash equivalent decrease/increase	-1,177,104	458,862	1,431,994