(Convenience translation into English from the original previously issued in Portuguese)

MINERVA S.A.

Individual (company) and consolidated quarterly Information for the quarter ended September 30, 2012

MINERVA S.A.

Individual (company) and consolidated quarterly information for the quarter ended September 30, 2012

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(Convenience translation into English from the original previously issued in Portuguese)

INDEPENDENT AUDITORS' REPORT ON THE INTERIM FINANCIAL STATEMENTS

To The Board of Directors and Shareholders of
Minerva S.A.
Barretos - SP

Introduction

We have reviewed the individual (company) and consolidated interim financial statements of **Minerva S.A**. ("Company"), contained in the quarterly information form for the quarter ended September 30, 2012, which comprises the balance sheet as of September 30, 2012, the related statements of operations, the comprehensive income for the three and nine months ended on that date, the statements of changes in shareholders' equity and cash flows for the nine-month period then ended, including the explanatory notes.

The Company's management is responsible for the preparation of the individual interim financial statements in accordance with the Committee for Accounting Pronouncements (CPC) Technical Pronouncement 21 (R1) – Interim financial statements, and of the consolidated interim financial statements in accordance with the CPC Technical Pronouncement 21 (R1) and International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and for the presentation of these interim financial statements in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Quarterly Information. Our responsibility is to express an opinion on the interim information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and international standards for reviewing interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). An interim review consists principally of applying analytical and other review procedures, and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

Conclusion about the individual interim financial statements

Based on our review, we are not aware of any fact that leads us to believe that the individual interim financial statements included in the quarterly information referred to above have not been prepared, in all material respects, in accordance with CPC 21 (R1) applicable to Quarterly Information and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Conclusion about the consolidated interim financial statements

Based on our review, we are not aware of any fact that leads us to believe that the consolidated interim financial statements included in the quarterly information referred to above have not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to Quarterly Information and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other issues

Interim statements of value added

We also reviewed the individual and consolidated statements of value added prepared under the responsibility of the Company's management, for the nine-month period ended September 30, 2012, whose presentation in the interim financial statements is required according to the standards issued by CVM applicable to the preparation of quarterly information and considered as supplementary information by IFRS, which do not require the presentation of the statement of value added. This statement was submitted to the same review procedures previously described and based on our review, we are not aware of any fact that would lead us to believe that they have not been fairly stated, in all material respects, in relation to the interim financial statements, Company and Consolidated, taken as a whole.

Restatement of financial information due to the reclassification of debentures mandatorily convertible into shares

As described in Note 3(f), the financial statements as of December 31, 2011 were restated on November 21, 2012, and our opinion on those financial statements reissued on the same date. Also, aiming to comply with Official Letter CVM/SEP/GEA-5 No. 058/2013, of February 25, 2013, the Company's Management reclassified the accounting of the Indenture for the 2nd Issue of Debentures Convertible into Shares amounting to R$ 138,382 thousand and R$ 183,796 thousand as of September 30, 2012 and December 31, 2011, respectively (net of transaction costs), formerly classified in Shareholders' Equity, in the caption "convertible debentures" in current liabilities (annual interest) and non-current liabilities (principal, less transaction costs). This financial information was amended and is being restated as provided for in Technical Pronouncement CPC 23 – Accounting Practices, Changes in Estimates and Correction of Errors. In our opinion such restatements and reclassifications of the financial statements referred to above are adequate and were properly made.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, March 18, 2013.

BDO RCS Auditores Independentes SS
CRC 2 SP 013846/O-1

Francisco de Paula dos Reis Junior
Accountant CRC 1 SP 139268/O-6

(Convenience translation into English from the original previously issued in Portuguese)

MINERVA S.A.

Balance sheets as of September 30, 2012 and December 31, 2011
(In thousands Brazilian reais)

		Company		Consolidated	
	Note	30/09/2012	31/12/2011	30/09/2012	31/12/2011
Assets					
Cash and cash equivalents	5	849,799	694,875	920,486	746,382
Trade accounts receivable	6	125,272	153,169	194,165	207,402
Inventories	7	128,849	110,784	193,600	168,423
Biological assets	8	38,395	47,680	38,395	47,680
Recoverable taxes	9	458,168	406,733	490,175	432,832
Other receivables		108,387	79,677	133,292	100,648
Total current assets		**1,708,870**	**1,492,918**	**1,970,113**	**1,703,367**
Other receivables		20,499	15,396	29,340	16,640
Related-party transactions	11	190,224	94,160	5,193	597
Recoverable taxes	9	98,886	98,886	108,266	108,897
Deferred taxes	10	223,194	168,911	259,710	205,500
Court deposits		7,193	9,629	7,707	9,943
Investments	12	398,449	391,266	-	-
Property, plant and equipment	13	867,926	828,670	1,155,926	1,114,584
Intangible assets	14	4,905	3,583	341,354	339,663
Total non-current assets		**1,811,276**	**1,610,501**	**1,907,496**	**1,795,824**
Total assets		**3,520,146**	**3,103,419**	**3,877,609**	**3,499,191**

The accompanying notes are an integral part of these financial statements.

MINERVA S.A.

Balance sheets as of September 30, 2012 and December 31, 2011
(In thousands Brazilian reais)

	Note	Company		Consolidated	
		30/09/2012	31/12/2011	30/09/2012	31/12/2011
		(Restated)	(Restated)	(Restated)	(Restated)
Liabilities					
Loans and financings	15	445,761	403,968	545,164	540,665
Convertible debentures	19	3,873	903	3,873	903
Trade accounts payable	16	263,115	285,032	293,321	311,117
Salaries, social charges and tax liabilities	17	53,393	44,153	66,200	54,463
Other accounts payable		76,237	48,448	104,012	73,744
Total current liabilities		**842,379**	**782,504**	**1,012,570**	**980,892**
Loans and financings	15	1,830,346	1,381,261	2,063,614	1,494,475
Convertible debentures	19	138,382	183,796	138,382	183,796
Salaries, social charges and tax liabilities	17	38,491	46,365	38,886	46,437
Provisions for contingencies	20	17,365	19,282	17,368	19,286
Provisions for investment losses	12	101,167	45,329	-	-
Related-party transactions	11	119,005	44,784	66,264	66,606
Accounts payable		-	-	33,145	30,893
Deferred taxes liabilities	18	65,968	64,136	66,012	64,136
Total non-current liabilities		**2,310,724**	**1,784,953**	**2,423,671**	**1,905,629**
Shareholder's equity	22				
Capital Stock		300,484	252,251	300,484	252,251
Capital reserves		169,160	190,042	169,160	190,042
Revaluation surpluses		73,807	75,724	73,807	75,724
Income reserve		48,366	48,366	48,366	48,366
Retained earnings		(171,785)	-	(171,785)	-
Treasury shares		(29,693)	(7,482)	(29,693)	(7,482)
Asset and liability valuation adjustments		(23,296)	(22,939)	(23,296)	(22,939)
Total shareholder's equity attributable to controlling shareholders		**367,043**	**535,962**	**367,043**	**535,962**
Minority interest		-	-	74,325	76,708
Total shareholder's equity		367,043	535,962	441,368	612,670
Total liabilities and shareholders' equity		**3,520,146**	**3,103,419**	**3,877,609**	**3,499,191**

The accompanying notes are an integral part of these financial statements.

(Convenience translation into English from the original previously issued in Portuguese)

MINERVA S.A.

Statement of Operations as of September 30, 2012 and December 31, 2011
for the nine-month quarters ended September 30, 2012 and 2011
(In thousands Brazilian reais)

		Company				Consolidated			
	Note	3rd Quarter 2012	Accumulated 2012	3rd Quarter 2011	Accumulated 2011	3rd Quarter 2012	Accumulated 2012	3rd Quarter 2011	Accumulated 2011
Sales revenue - Internal market		371,879	1,059,351	439,258	1,271,765	371,207	1,090,308	484,075	1,388,487
Sales revenue - External market		713,168	1,869,825	549,627	1,414,369	852,311	2,280,238	653,277	1,702,584
Deductions from revenue - Taxes and other		(63,819)	(175,467)	(65,988)	(188,419)	(71,524)	(197,316)	(73,534)	(206,660)
Net revenue	24	**1,021,228**	**2,753,709**	**922,897**	**2,497,715**	**1,151,994**	**3,173,230**	**1,063,818**	**2,884,411**
Cost of goods sold		(782,818)	(2,169,952)	(779,387)	(2,097,504)	(886,093)	(2,508,902)	(909,385)	(2,465,111)
Gross income		238,410	583,757	143,510	400,211	265,901	664,328	154,433	419,300
Operating revenues (expenses):									
Sales expenses		(98,650)	(243,384)	(49,277)	(149,618)	(116,176)	(291,921)	(59,976)	(177,484)
General and administrative expenses		(28,348)	(74,479)	(23,765)	(67,660)	(34,547)	(92,757)	(34,413)	(87,736)
Other operating revenue		5,966	5,634	(512)	12,636	6,555	7,464	434	18,468
Income before financial income (expenses), net, equity in earnings (losses) of controlled companies and taxes		117,378	271,528	69,956	195,569	121,733	287,114	60,478	172,548
Financial expenses		(88,032)	(277,940)	(9,501)	(168,101)	(94,172)	(329,564)	(13,308)	(200,607)
Financial income		9,281	27,737	11,950	27,494	10,731	43,915	10,704	36,834
Exchange rate gains (losses), net		(14,398)	(198,755)	(127,729)	(104,318)	(17,461)	(227,896)	(131,240)	(106,282)
Financial losses, net	25	**(93,149)**	**(448,958)**	**(125,280)**	**(244,925)**	**(100,902)**	**(513,545)**	**(133,844)**	**(270,055)**
Equity in earnings (losses) of controlled companies		**(3,428)**	**(48,725)**	**(15,130)**	**(17,739)**	**-**	**-**	**-**	**-**
Income (loss) before taxes		20,801	(226,155)	(70,454)	(67,095)	20,831	(226,431)	(73,366)	(97,507)
Income and social contribution taxes - current		-	-	-	-	(850)	(2,059)	832	832
Income and social contribution taxes - deferred		588	51,465	89,226	97,638	588	51,465	87,997	123,318
Income (loss) before minority interest		**21,389**	**(174,690)**	**18,772**	**30,543**	**20,569**	**(177,025)**	**15,463**	**26,643**
Income (loss) attributable to:									
Controlling shareholders		21,389	(174,690)	18,772	30,543	21,389	(174,690)	18,772	30,543
Minotiry interest		-	-	-	-	(820)	(2,335)	(3,309)	(3,900)
Net income (loss) for the period		**21,389**	**(174,690)**	**18,772**	**30,543**	**20,569**	**(177,025)**	**15,463**	**26,643**

The accompanying notes are an integral part of these financial statements.

(Convenience translation into English from the original previously issued in Portuguese)

MINERVA S.A.

Statements of changes in shareholder's equity - Company and consolidated
for the periods ended September 30, 2012
(In thousands Brazilian reais)

				Income reserve							
	Capital stock	Capital reserve	Revaluation surplus	Statutory reserve	Appropriated / retained earnings	Accumulated Losses	Treasury shares	Asset and liability valuation adjustments	Total shareholders' equity attributed to controlling shareholders	Minority interest	Total shareholders' equity
Balances as of December 31, 2011 (restated)	252,251	190,042	75,724	3,413	44,953	-	(7,482)	(22,939)	535,962	76,708	612,670
Capital increase	48,233	-	-	-	-	-	-	-	48,233	-	48,233
Treasury shares	-	(20,882)	-	-	-	-	(22,211)	-	(43,093)	-	(43,093)
Realization of revaluation surplus	-	-	(1,917)	-	-	2,905	-	-	988	-	988
Capital reserve (increase / decrease)	-	-	-	-	-	-	-	-	-	-	-
Asset and liability valuation adjustment	-	-	-	-	-	-	-	(357)	(357)	(48)	(405)
Net loss for the period	-	-	-	-	-	(174,690)	-	-	(174,690)	-	(174,690)
Minority interest	-	-	-	-	-	-	-	-	-	(2,335)	(2,335)
Balances as of September 30, 2012 (restated)	**300,484**	**169,160**	**73,807**	**3,413**	**44,953**	**(171,785)**	**(29,693)**	**(23,296)**	**367,043**	**74,325**	**441,368**

The accompanying notes are an integral part of these financial statements.

(Convenience translation into English from the original previously issued in Portuguese)

MINERVA S.A.

Statements of changes in shareholder's equity - Company and consolidated
for the periods ended September 30, 2012
(In thousands Brazilian reais)

				Income reserve							
	Capital stock	Capital reserve	Revaluation surplus	Statutory reserve	Appropriated / retained earnings	Accumulated Losses	Treasury shares	Asset and liability valuation adjustments	Total shareholders' equity attributed to controlling shareholders	Minority interest	Total shareholders' equity
Balances as of December 31, 2010	251,642	184,367	78,335	1,145	30,230	-	(10,132)	(29,093)	506,494	33,779	540,273
Capital increase	3	-	-	-	-	-	-	-	3	-	3
Treasury shares	-	-	-	-	-	-	(14,210)	-	(14,210)	-	(14,210)
Realization of revaluation surplus	-	-	(1,972)	-	-	2,981	-	-	1,009	-	1,009
Capital reserve (increase / decrease)	-	595	-	-	-	-	-	-	595	-	595
Asset and liability valuation adjustment	-	-	-	-	-	-	-	7,074	7,074	336	7,410
Net income for the period	-	-	-	-	-	30,543	-	-	30,543	(3,900)	26,643
Balances as of September 30, 2011 (restated)	**251,645**	**184,962**	**76,363**	**1,145**	**30,230**	**33,524**	**(24,342)**	**(22,019)**	**531,508**	**30,215**	**561,723**

The accompanying notes are an integral part of these financial statements.

(Convenience translation into English from the original previously issued in Portuguese)

MINERVA S.A.

Statements of Cash Flows
Nine-month quarters ended September 30, 2012 and 2011
(In thousands Brazilian reais)

	Note	Company				Consolidated			
		3rd Quarter 2012	Accumulated 2012	3rd Quarter 2011	Accumulated 2011	3rd Quarter 2012	Accumulated 2012	3rd Quarter 2011	Accumulated 2011
Cash flows generated by operating activities									
Income (loss) for the period		21,389	(174,690)	18,772	30,543	20,569	(177,025)	15,463	26,643
Adjustments to reconcile net income by operating activities:									
Depreciation and amortization		9,743	27,762	8,201	25,235	12,740	37,241	10,738	33,063
Non-controlled companies		-	-	-	-	820	2,335	3,309	3,900
Fair value of biological assets		(4,498)	(5,051)	(2,195)	(5,237)	(4,498)	(5,051)	(2,195)	(5,237)
Realization of deferred taxes - temporary differences		(588)	(51,465)	(87,258)	(95,670)	(588)	(51,465)	(89,010)	(124,331)
Realization of revaluation reserve, net		3,428	48,725	15,130	17,739	-	-	-	-
Finance charges		83,079	195,474	47,572	127,097	99,019	248,559	49,831	138,366
Unrealized exchange rate gain (loss)		6,607	191,069	79,483	28,932	22,566	205,897	82,919	32,400
Provision for contingencies		(1,917)	(1,917)	(3,771)	(16,877)	(1,917)	(1,918)	(3,773)	(16,879)
Trade accounts and other receivables	6	(39,678)	(5,916)	(79,974)	(165,270)	(58,538)	(32,107)	(78,115)	(203,137)
Inventories	7	(12,154)	(18,065)	(12,537)	(35,990)	(11,430)	(25,177)	(8,489)	(65,971)
Biological assets	8	196	14,336	258	35,486	196	14,336	258	35,486
Recoverable taxes	9	(18,009)	(51,435)	(23,251)	(69,833)	(20,640)	(56,712)	(13,878)	(70,291)
Related-party receivables	11	(20,745)	(21,843)	100,720	145,149	1,071	(4,938)	6,638	55,566
Court deposits		2,532	2,436	(3,240)	4,719	2,619	2,236	(3,316)	4,427
Trade accounts payable	16	6,363	(21,917)	61,518	106,997	12,280	(17,796)	53,526	111,005
Salaries, social charges and tax liabilities	17	1,618	1,366	490	6,558	1,841	4,186	1,713	8,550
Provision for investment losses	12	4,667	55,838	-	-	-	-	-	-
Other payables		12,252	57,234	(20,976)	(6,429)	12,848	61,725	268	58,177
		54,285	**241,941**	**98,942**	**133,149**	**88,958**	**204,326**	**25,887**	**21,737**
Cash flows provided by operating activities		**54,285**	**241,941**	**98,942**	**133,149**	**88,958**	**204,326**	**25,887**	**21,737**
Cash flows provided by investing activities									
Acquisition of controlled company less cash equivalents for acquisition		-	-	-	-	-	-	-	(12,055)
Acquisition of investments	12	(4,323)	(56,265)	(91)	(86,735)	-	-	-	-
Acquisition of intangible assets	14	(909)	(1,957)	438	401	(1,924)	(3,051)	229	(61,663)
Acquisition of property, plant and equipment	13	(23,134)	(66,383)	(47,401)	(99,660)	(24,408)	(77,223)	(63,707)	(135,776)
Cash flows used in investing activities		**(28,366)**	**(124,605)**	**(47,054)**	**(185,994)**	**(26,332)**	**(80,274)**	**(63,478)**	**(209,494)**
Cash flows provided by financing activities									
Loans and financing	15	660,397	1,665,745	110,804	426,787	1,287,266	2,430,547	113,885	462,873
Repayments of loans and financing	15	(540,383)	(1,558,440)	(145,625)	(300,477)	(1,229,952)	(2,308,395)	(151,666)	(302,827)
Convertible debentures		(22,629)	(45,414)	184,587	184,587	(22,629)	(45,414)	184,587	184,587
Change in minority interest		-	-	-	-	(778)	(2,383)	(8,263)	(7,464)
Capital contribution in cash		23,793	48,233	-	3	23,793	48,233	-	3
Interest on equity capital		-	(17,680)	-	-	-	(17,680)	-	-
Dividends		-	(11,762)	-	-	-	(11,762)	-	-
Treasury shares		(18,362)	(22,211)	(2,855)	(14,210)	(18,362)	(22,211)	(2,855)	(14,210)
Cancellation of treasury shares		-	(20,883)	-	-	-	(20,883)	-	-
Net cash provided by financing activities		**102,816**	**37,588**	**146,911**	**296,690**	**39,338**	**50,052**	**135,688**	**322,962**
Net decrease in cash and cash equivalents		**128,735**	**154,924**	**198,799**	**243,845**	**101,964**	**174,104**	**98,097**	**135,205**
Cash and cash equivalents									
At beginning of period		721,064	694,875	476,005	430,959	818,522	746,382	613,572	576,464
At end of period		849,799	849,799	674,804	674,804	920,486	920,486	711,669	711,669
Net increase in cash and cash equivalents		**128,735**	**154,924**	**198,799**	**243,845**	**101,964**	**174,104**	**98,097**	**135,205**

The accompanying notes are an integral part of these financial statements.

(Convenience translation into English from the original previously issued in Portuguese)

MINERVA S.A.

Statements of comprehensive income for the periods ended September 30, 2012 and 2011
(In thousands Brazilian reais)

		Company				Consolidated			
	Note	3rd Quarter 2012	Accumulated 2012	3rd Quarter 2011	Accumulated 2011	3rd Quarter 2012	Accumulated 2012	3rd Quarter 2011	Accumulated 2011
Net income (loss) for the period	28	21,389	(174,690)	18,772	30,543	20,569	(177,025)	15,463	26,643
Other comprehensive income (loss)									
Asset and liability valuation adjustment		(638)	(357)	8,398	7,074	(596)	(405)	7,344	7,410
Other comprehensive income (loss), net of income and social contribution taxes		**(638)**	**(357)**	**8,398**	**7,074**	**(596)**	**(405)**	**7,344**	**7,410**
Total comprehensive income (loss)		**20,751**	**(175,047)**	**27,170**	**37,617**	**19,973**	**(177,430)**	**22,807**	**34,053**
Income (loss) attributable to:									
Controlling shareholders		20,751	(175,047)	27,170	37,617	20,751	(175,047)	27,170	37,617
Minority interest		-	-	-	-	(778)	(2,383)	(4,363)	(3,564)
Total comprehensive income (loss)		**20,751**	**(175,047)**	**27,170**	**37,617**	**19,973**	**(177,430)**	**22,807**	**34,053**

The accompanying notes are an integral part of these financial statements.

MINERVA S.A.

Statement of value added for the years ended September 30, 2012 and 2011 (In thousands Brazilian reais)

	Company		Consolidated	
	2012	2011	2012	2011
Revenues	2,800,530	2,609,426	3,330,896	3,191,719
Sales of merchandise, goods and services	2,779,176	2,592,168	3,282,788	3,172,468
Other revenues	21,354	17,258	48,108	19,251
Input acquired from third parties	(2,468,730)	(2,314,130)	(2,964,852)	(2,865,828)
(includes the amounts of taxes - ICMS, IPI, PIS and Cofins)				
Cost of goods, merchandise and services sold	(1,894,602)	(1,889,132)	(2,316,396)	(2,361,535)
Materials, energy, third-party services and others	(574,128)	(424,998)	(648,456)	(504,293)
Other (specify)	-	-	-	-
Gross value added	**331,800**	**295,296**	**366,044**	**325,891**
Depreciation, amortization and depletion	(27,762)	(25,235)	(37,241)	(33,063)
Net value added generated by the entity	304,038	270,061	328,803	292,828
Value added received in transfer	(20,988)	9,755	43,915	36,834
Equity in earnings (losses) of controlled companies	(48,725)	(17,739)	-	-
Financial income	27,737	27,494	43,915	36,834
Other	-	-	-	-
Total value added to be distributed (5+6)	**283,050**	**279,816**	**372,718**	**329,662**
Distribution of value added	**283,050**	**279,816**	**372,718**	**329,662**
Personnel	**178,278**	**152,866**	**242,599**	**183,454**
Taxes, fees and contributions	**(45,237)**	**(43,925)**	**(69,113)**	**(51,831)**
Remuneration on debt capital	**324,699**	**140,332**	**376,257**	**171,396**
Interest	314,576	135,223	350,900	164,805
Rents	10,123	5,109	25,357	6,591
	(174,690)	30,543	(177,025)	26,643
Remuneration of equity capital				
Retained earnings / accumulated losses for the year	**(174,690)**	**30,543**	**(177,025)**	**26,643**

The accompanying notes are an integral part of these financial statements.

1. Operations

Minerva S.A. (the "Company") is a publicly held company listed at the "Novo Mercado" (New Market) level of corporate governance 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, the sale and exporting of chilled, frozen and processed meats, and the exporting of live cattle.

The Company has its shares traded on the BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros under the code "Beef3".

On February 21, 2011, Minerva approved the launch of the Program of American Depositary Receipts – ADR Level I ("ADRs Program"). The purpose of the ADRs Program is to increase the liquidity of Minerva shares, both in the US and Brazil, have easier access to US investors, increase the value of the Company's shares and increase Minerva's visibility worldwide.

Company

The Company's headquarters are in Barretos (SP), and it has production units are in the cities of José Bonifácio (SP), Palmeiras de Goiás (GO), Batayporã (MS), Araguaína (TO), Goianésia (GO), Barretos (SP) and Campina Verde (MG). The distribution centers for the domestic market are located in the cities of Palmeiras (GO), Brasília (DF), Viana (ES), Itajaí (SC), São Paulo (SP), Araraquara (SP), Bauru (SP), Araguaína (TO), Belo Horizonte (MG) and Fortaleza (CE), serving the states of Goiás, Espírito Santo, Santa Catarina, São Paulo, Minas Gerais, Tocantins, Ceará and Paraná.

As of September 30, 2012, the Company's industrial facilities had a daily slaughtering capacity of 10,480 head of cattle and a deboning capacity of 2,040 tons (considering the controlled companies: PUL S/A: Minerva Alimentos S/A; and Friasa S/A), and are in compliance with sanitary requirements in order to export to several countries on five continents. All its premises are approved for export. The Barretos unit has a beef processing line (cubed beef and roast beef) which is mainly for exports.

Controlled companies

- **Minerva Indústria e Comércio de Alimentos S.A.:** located in Rolim de Moura (RO), it is engaged in the processing of meat and began the slaughtering of cattle in July 2010;
- **Minerva Dawn Farms S.A.:** located in Barretos (SP), it produces, markets and sells beef, pork and poultry products. It has different scales of production to meet domestic and global demand for food service products. Its activities began in 2009 and, currently, about 80% of its sales are intended for the [foreign] market;

- **PUL S/A:** Acquired in January 2011, it is located near Melo, the capital of the Province of Cerro Largo in Uruguay. It is engaged in meat packing, slaughtering, deboning, with 85% of its sales intended for the foreign market, mainly the US and European markets;
- **Friasa S.A.:** located in Asunción, Paraguay, it is engaged in meat packing, slaughtering, deboning and processing of meats, operating in local and foreign markets;
- **Minerva Overseas I:** located in the Cayman Islands, it is a controlled company created in 2006 to receive bonds in the amount of U.S.$200,000,000 in January 2007. The company was incorporated as a special purpose company (EPE) for the issue of the bonds referred to above, and it has no other operations;
- **Minerva Overseas II:** located in the Cayman Islands, it is a controlled company created in 2010 to receive bonds in the amount of U.S.$250,000,000 in January 2010. The Company was incorporated as a special purpose company (EPE) for the issue of the bonds referred to above, and it has no other operations;
- **Minerva Luxembourg S.A:** located in Luxembourg, it is a controlled company created in the last quarter of 2011 to receive bonds in the amount of U.S.$350,000,000 and a later retap of U.S.$100,000,000, in February and March 2012, respectively. The company was incorporated for the purpose of issuing the bonds referred to above, and has no other operations, except those linked to the Company's indebtedness;
- **Eurominerva Comércio e Exportação Ltda:** located in Barretos (SP), it is a *joint venture* incorporated to export live cattle to the foreign market. It refers to a joint venture for which the Company, in compliance with the provisions of CPC 26, applies the equity method of accounting and proportional consolidation. The accounting practices and estimates adopted in this jointly-controlled company are identical to the ones adopted by the Company;
- **Minerva Beef:** it is a controlled company incorporated for raising funds;
- **Minerva Middle East**: it is an office located in Lebanon to market and sell the Company's products;
- **Transminerva Ltda:** located in Barretos (SP), it is the transportation company incorporated to serve the Company and reduce freight expenses inside Brazil;
- **Brascasing Comercial Ltda.:** located in José Bonifácio (SP), it is engaged in processing beef tripe and serves domestic and foreign markets. By the end of the third quarter of 2011, it referred to a *joint venture* for which the Company, in compliance with the provisions of CPC 26, applies the equity method of accounting and proportional consolidation. In December 2011, the Company acquired 5% of Brascasing's shares, then holding 55% interest and, consequently, the control over operations. In compliance with the provisions of CVM Decision No. 580/09 – CPC 15 (Business Combinations), the Company filed, as of December 31, 2011, the registry of the transaction considering that a "business combination in stages" (Note 2 – Acquisition of interest in controlled companies – Business Combination);

- **Minerva Colômbia S.A.S: l**ocated in Barrinquilla, Colombia, it was incorporated with the purpose of exporting live cattle to the foreign market.

All other controlled companies, Loin Investments, Minerva Log and Livestock, were set up or acquired with the intention of developing new markets for Minerva products and for raising funds. They were in pre-operating stage as of September 30, 2012.

The consolidated information includes the following controlled companies:

	Ownership interest percentage	
	09.30.12	12.31.11
Minerva Industria e Comércio de Alimentos S/A	98.00%	98.00%
Minerva Dawn Farms S/A	80.00%	80.00%
Friasa S/A	92.00%	92.00%
Minerva Overseas I	100.00%	100.00%
Minerva Overseas II	100.00%	100.00%
Eurominerva Comércio e Exportação Ltda	50.00%	50.00%
Minerva Beef	100.00%	100.00%
Minerva Middle East	100.00%	100.00%
Transminerva Ltda	100.00%	100.00%
Brascasing Comercial Ltda	55.00%	55.00%
Minerva Itália	100.00%	100.00%
Loin Investments	100.00%	100.00%
Minerva Log	100.00%	100.00%
Livestock	42.00%	42.00%
Pulsa S.A.	100.00%	100.00%
Minerva Colômbia S.A.S	100.00%	100.00%
Minerva Luxembourg	100.00%	100.00%

The issue of the Quarterly Information as of September 30, 2012 was authorized by the Executive Management and Board of Directors on October 16, 2012.

2. Acquisition of ownership interest in controlled companies – Business combinations

MINERVA DAWN FARMS

On October 1st, 2010, the Company obtained control of Minerva Dawn Farms, by acquiring the rights to subscribe for 18,000 thousand new shares with voting rights of this controlled company. As a result of this operation, the Company's interest in Minerva Dawn Farms increased from 50% to 80% of the voting capital. Until that date Minerva Dawn Farms had been a jointly-controlled company.

The acquisition of control over Minerva Dawn Farms will enable the Company to obtain administrative and commercial synergy with the parent Company, reducing operating expenses and promoting sales growth in the domestic market, using the existing distributors' sales channel in the Company, and also greater autonomy and speed in decision making.

The acquisition of the controlling interest in Minerva Dawn Farms by the Company amounted to R$60,000, which corresponded to the subscription of 18,000,000 new shares. The amount paid for the subscription of the new shares is based on the projected economic value of Minerva Dawn Farms on the transaction date, generating an excess over par value of R$42,000.

Identifiable assets acquired and liabilities assumed

	Property, plant and equipment, net	Fair Value	Appreciation
Property, plant and equipment, net	85,432	87,862	2,430
	85,432	**87,862**	**2,430**

The following fair values were determined on a temporary basis, previously appraised by an independent expert company and reviewed by the Company on the balance sheet date (December 31, [2010]) and adjusted in less than a year in accordance with CVM Resolution No. 580/09 - CPC 15.

Property, plant and equipment: The fair value of property, plant and equipment was determined based on a report prepared by an independent appraiser.

Determining goodwill by future profitability: According to CPC 15 (IFRS 3), the acquisition of another 30% of equity interest in the Company, which has so far been a jointly-controlled company, represents a "business combination in stages". As set forth in such standard, when conducting a business combination in stages, the acquirer must revalue its previously-held equity interest in the acquiree at fair value on the acquisition date and then must recognize in the statement of operations the gain or loss generated from this business combination in stages. In addition, and as recommended in the aforementioned standards, the Company has chosen to state the non-controlling interest in the acquiree at its fair value or through the portion belonging to the Company at the fair value of the acquiree's identifiable net assets.

Goodwill and appreciation of identifiable assets related to the previously-held equity interest and acquisition of another 30% interest were recognized in the year ended December 31, [2010], as shown below:

In thousands of Brazilian reais	12/31/2010
Goodwill from future profitability of the acquirer's previously-held equity interest	130,946
Appreciation of previously-held acquirer's identifiable assets	1,944
	132,890

As provided for in CVM Resolution 580/09 - CPC 15, and previously mentioned, the Company conducted a review of the temporary amounts recorded for the transaction "business combination in stages", held on December 31, [2010], reviewing the amounts of acquired assets and assumed liabilities, in compliance with the provisions of CPC pronouncements, interpretations and guidelines, where applicable.

Based on this review, it was found that much of the appreciation calculated as goodwill by expectation of future profitability in the existing ownership interest and acquired as of December 31, 2010, amounts to R$130,946. It is a client portfolio, which has a long-lasting relationship with the Company, arising mainly from the specificity and need for full-scale production for these clients. For being framed in the basic characteristics for recording of an intangible asset (identification, control and generation of future economic benefits), in accordance with CVM Resolution 644/10 – CPC 04 and, as determined by CVM Resolution 580/09-CPC 15, the Company reviewed the projections which defined the value of goodwill by expectation of future profitability, adopted on a temporary basis in the acquisition of the additional equity interest, redefining the distribution between "goodwill by expectation of future profitability" and "client portfolio", as shown below:

In thousands of Brazilian reais	12/31/2011
Goodwill - expectation of future profitability	43,213
Client portfolio	87,733
Appreciation of previously-held acquirer's identifiable assets	1,944
	132,890

The client portfolio, which was part of Minerva Dawn Farms' assumed assets, amounting to R$87,733, is basically represented by Minerva Dawn Farms' relationship with a major fast food network, which has expressive annual growth of its network of shops in Brazil, which indirectly leverage Minerva Dawn Farms' businesses.

In the Company's individual balance sheet, goodwill is classified as part of the cost of investments in investees and recorded as intangible assets in the consolidated financial statements. Such goodwill is subject to annual impairment testing, pursuant to CPC 01 and IAS 36 and 38.

PULSA S/A

On January 18, 2011, the Company entered into an agreement with PULSA S/A ("PUL"), a corporation located in Uruguay which holds production facilities near Melo, the capital of the Cerro Largo Province, whereby the parties commit themselves to sign an agreement provided that certain conditions are met.

On March 22, 2011, the Company entered into a Share Purchase and Sale Agreement in the amount of de U.S.$52,000, (R$86,643 as of that date) for the acquisition of 100% of the registered shares of Ana Paula Black Angus Quality in Beef LLC, a company located in the United States of America which has a 100% controlling interest in PUL meat-packing plant. Payment will be made in the following manner:

- U.S.$20,000,000 on the date the parties sign the "Share Purchase and Sale Agreement";
- U.S.$14,000,000 by delivering 2,704,000 (two million seven hundred and four thousand) common shares of Minerva S/A, whose unit price is R$8.75 per share. As of November 08, 2011, the Brazilian Securities and Exchange Commission (CVM) approved the operation of delivering 2,704,000 (Two million, seven hundred and four thousand) common shares of the Company, to settle the said portion of U.S.$14,000,000. The Company used treasury shares for settlement of this obligation, which were valued at the average unit value of R$6.65, and were converted for the purposes of this negotiation by the unit value of R$8.75 per share, giving rise to a gain for the Company, recorded under the account of "capital reserve", in shareholders' equity, amounting to R$5,675;
- The amount of U.S.$13,000,000, with payment made on March 21, 2012, in the amount of R$23,717;
- The amount of U.S.$5,000,000, with payment expected by March 20, 2013, totaling, as of September 30, 2012, R$10,180.

The Meat Packing plant "PUL" has a total slaughtering capacity of 1,400 head a day. It is one of the three largest meat-packing plants in Uruguay, with realized revenue of U.S.$120.0 million for 2011 and projected revenue of U.S.$140.0 million for 2012, with 85% of sales made to over 40 different countries. Continued strategies for getting closer to and fostering the loyalty of ranchers ensure a stable supply of raw material, one of the Company's main distinguishing features. The plant is located in a privileged region of Uruguay, with access to over 2 million head within a 200 km area, mostly Hereford and Angus. It is ISO 9000 and ISO 22000 certified, U.S.- and E.C.-approved for organic meat, and USDA-certified.

Below are the condensed Quarterly Information as of January 01, 2011, date when Minerva S/A actually acquired control over PULSA S/A. They consider the fair value of assets acquired and liabilities assumed.

The following fair values were determined on a temporary basis, previously appraised by an independent expert company and reviewed by the Company on the acquisition balance sheet date and shall be adjusted in less than a year in accordance with CVM Resolution No. 580/09 - CPC 15:

ASSETS	Fair value balance 01/01/2011
Current assets	
Cash and cash equivalents	12,945
Trade accounts receivable	17,683
Inventories	15,806
Other receivables	14,596
Non-current assets	
Investments	443
Property, plant and equipment	56,378
Total assets	**117,851**

Liabilities	Balanço fair value 01/01/2011
Current liabilities	
Trade accounts payable	11,014
Loans and financing	16,190
Other payables	11,034
Non-current liabilities	
Loans and financing	20,218
Defered taxes	1,181
Provision for contingencies	33,214
Total liabilities	**92,851**
Shareholders' equity	**25,000**
Liabilities and shareholders' equity	**117,851**

The company reviewed, within the period specified in CVM Resolution 580/09 – CPC 15 of 1 (one) year, the amounts of acquired assets and assumed liabilities at the time of that acquisition (business combination), and did not identify the amounts to be adjusted related to those assets and liabilities, originally considered at the acquisition date (1/1/2011).

Below are the valuations of the identifiable assets and assumed liabilities acquired as a result of the business combination:

IDENTIFIABLE ASSETS
In thousands of Brazilian reais

	01/01/2011
Inventories - book value	16,206
Adjustment - fair value	(400)
Inventories - fair value	**15,806**
Property, plant and equipment - book value	56,867
Adjustment - fair value	(488)
Property, plant and equipment - fair value	**56,379**

ASSUMED LIABILITIES
In thousands of Brazilian reais

Provision for contingencies - book value	-
Adjustment - fair value	33,214
Provision for contingencies - fair value	**33,214**

Under CPC 15, the Company, together with an independent appraiser, valued contingent liabilities that were assumed in the business combination. These liabilities basically consist of contractual obligations, labor and environmental contingencies.

Determining goodwill resulting from expected future profitability

Below we show *Goodwill* resulting from expected future profitability, which corresponds to the difference between the amounts transferred for acquiring control over the acquiree and the total capital calculated according to assets identified and liabilities assumed in the business combination, whose control was acquired by Minerva S/A on January 1, 2011, and is as follows:

In thousands of Brazilian reais

Shareholders' equity (fair value) - 1/1/2011	25,000
Goodwill resulting form expected future profitability - (note 12)	61,643
Consideration transferred	**86,643**

In the Company's individual balance sheet, the goodwill stated above is classified as investments, and in the consolidated financial statements, goodwill is classified as intangible assets and its amortization is not realized. Such goodwill is subject to annual impairment testing, pursuant to CPC 01 and IAS 36 and 38.

BRASCASING COMERCIAL LTDA.

In December 2011, the Company acquired an additional 5% of Brascasing's shares, thereby holding 55% interest and, consequently, the control over operations.

The operation which gave rise to the Company's obtaining of control of Brascasing Comercial Ltda totaled R$3,000, corresponding to the acquisition of 5,000 shares of the company's capital stock.

Identifiable assets acquired and liabilities assumed

The following fair values were determined on a temporary basis, previously appraised by an independent expert company and reviewed by the Company on the acquisition balance sheet date (December 31, [2010]) and shall be adjusted in less than a year in accordance with CVM Resolution No. 580/09 - CPC 15.

Determining goodwill by future profitability: According to CPC 15 (IFRS 3), the acquisition of another 5% of equity interest in the Company which has so far been a jointly-controlled company, represents a "business combination in stages". As set forth in such standard, when conducting a business combination in stages, the acquirer must revalue its previously-held equity interest in the acquiree at fair value on the acquisition date and then must recognize in the statement of operations the gain or loss generated from this business combination in stages. In addition, and as recommended in the aforementioned standards, the Company has chosen to state the non-controlling interest in the acquiree at its fair value or through the portion belonging to the Company at the fair value of the acquiree's identifiable net assets.

Goodwill and appreciation of identifiable assets related to the previously-held equity interest were recognized in the year ended December 31, 2011, as shown below:

In thousands of Brazilian reais	12/31/2011
Goodwill from future profitability of the acquirer's previously-held equity interest	49,909
Goodwill from future profitability of minority interest's equity interest	43,271
	93,180

3. Basis of preparation of the accounting information

Statement of compliance and basis of preparation:

The interim financial statements of the Company, included in the Quarterly Information for the quarter ended September 30, 2012, comprise:

- The consolidated interim financial statements prepared according to CPC 21 – Interim financial statements and IAS 34 – *Interim Financial Reporting*, issued by IASB and presented in accordance with the standards issued by CVM applicable to Quarterly Information;
- The Company's individual interim financial statements prepared according to CPC 21 – Interim financial statements and presented in accordance with the standards issued by CVM applicable to Quarterly Information.

The controlling company's individual accounting information has been prepared in accordance with the pronouncements, interpretations and guidance of CPC, and, in case of the Company, these practices differ from IFRS applicable to consolidated financial information depending on the valuation of investments in controlled and jointly controlled companies by the equity method in the CPC, while for IFRS purposes it would be at cost or fair value.

However, there is no difference between the equity and the consolidated income (loss) reported by the Company in its individual and consolidated financial information.

In 2009, the Committee of Accounting Pronouncements (CPC) issued various pronouncements, guidelines and interpretations with mandatory application as from December 31, 2010 for purposes of alignment with international accounting standards issued by IASB. These pronouncements, guidelines and interpretations have been fully adopted by the Company and its controlled companies in the individual and consolidated Quarterly Information as of December 31, 2010, comparing them with those of December 31, 2009, and balances of January 01, 2009. They were approved by the Board of Directors on March 2, 2011.

Therefore, the accounting policies described in the Quarterly Information ended December 31, 2011 are in line with the accounting policies applied to this quarterly information as of September 30, 2012.

a. Measurement basis

The Quarterly Information was prepared using historic costs as basis, except for the valuation of certain assets and liabilities as financial instruments, which are measured at fair value.

b. Functional and reporting currency

The accounting information of each controlled company included in the Company's consolidation, as well as those used as basis for the valuation of investments using the equity method, are prepared using each entity's functional currency. Such functional currency is that used in the primary economic environment in which the entity is inserted. When defining the functional currency for each of its controlled companies, management considered the currency that has a significant effect on the sale price of its products and services and that is used to pay or incur most part of the production input costs. The consolidated Quarterly Information are presented in Brazilian *reais* (R$), which is the Company's functional and reporting currency.

c. Foreign transactions

The accounting information as of December 31, 2011 and the Quarterly Information as of September 30, 2012 of controlled companies abroad (Friasa S/A, whose functional currency is Guarani and Pulsa S/A, whose functional currency is the U.S. dollar) have been adapted to Brazilian accounting practices and have been translated into Brazilian *reais* by applying the following procedures:

(a) Assets and liabilities are converted using the exchange rate of the respective currency to the Brazilian real at the date of the respective balance sheets;
(b) The beginning equity of each balance sheet is the final equity of the prior period as translated at the time; changes in the beginning equity during the current period are translated at the transaction rates on their respective dates;
(c) Revenues, costs and expenses are translated at the average monthly exchange rate;
(d) Exchange rate gains (losses) resulting from items (a), (b) and (c) above are recognized in a specific equity account as "Cumulative translation adjustments".

The balances of intercompany investments, assets and liabilities, revenues and expenses have been eliminated in consolidation.

d. Foreign-currency transactions and balances

Under CPC 02 – Effects of changes in exchange rates and translation of financial statements, foreign currency transactions and balances, i.e. all that are not in the functional currency, are translated using the exchange rate of the transaction dates.

Assets and liabilities subject to exchange rate gains (losses) are adjusted using the respective exchange rates in effect on the last business day of each reported year or period. Gains and losses resulting from changes in foreign investments are recognized directly in shareholders' equity, under the account "Cumulative translation adjustments" and recognized in the statement of operations upon the full or partial disposal of those investments.

Non-monetary items stated at historic cost in foreign currency are translated using the exchange rate calculated at the transaction date.

e. Use of estimates and judgments

The preparation of the individual and consolidated Quarterly Information in accordance with IFRS and CPC standards requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Actual results could differ from those estimates.

These estimates and assumptions are continuously reviewed. Reviews of accounting estimates are recognized in the period in which estimates are reviewed and in any future periods affected.

f. Spontaneous republishing of financial statements

Statement of requirements – CVM Process No. RJ-2012-13360

The Company's management, in response to a notification from CVM (CVM Process RJ-2012-13360), dated November 16, 2012, made adjustments in the accounting information contained in the notes to the financial statements of September 30, 2012, as listed below:

- Adjustment, in the Company's financial statements for the quarter ended September 30, 2012, in the statement of cash flows, which was originally published in a summary manner in the Company's financial statements for the quarter ended September 30, 2012 and, due to the CVM notification, republished with analytical disclosure of all lines from operating, investing and financing activities;

- Adjustment of Note 11 (Related-party transactions) to include the terms and conditions of loan agreements with related parties;

- Adjustment of Note 27 (Risk management and financial instruments) to adequately disclose risk management transactions and financial instruments in the notes to the financial statements, to fully comply with the regulatory principles applicable for these types of transactions.

The interim financial statements as of September 30, 2012 were originally published on the system and web site of the Brazilian Securities and Exchange Commission (CVM) on October 16, 2012 and were republished on November 21, 2012, in compliance with the CVM's notification described above.

OFFICIAL LETTER/CVM/SEP/GEA-5/No. 058/2013

In compliance with the Official Letter/CVM/SEP/GEA-5/No. 058/2013, of February 25, 2013, the Company is restating the Quarterly Information as of September 30, 2012, according to CVM in regard to the following issues: (i) reclassification of the initial record of the operations with debentures mandatorily convertible into Company's shares, in the amount of R$ 200,000 thousand; and (ii) need for restating and republishing the financial statements as of December 31, 2011, in comparison with the financial statements of December 31, 2012; and restatement of the Quarterly Information of 2012.

As a result of this CVM decision, the Company reclassified in the Quarterly Information as of September 30, 2012, the initial record of the debentures mandatorily convertible into shares, in the amount of R$ 142,255, net of transaction costs, from shareholders' equity (Capital reserve) to current liabilities (annual interest) and non-current liabilities (principal, less transaction costs). We point out that the initial record of the transaction under shareholders' equity (Capital reserve) was supported by studies conducted by the Company's management and accounting opinions from experienced accountants.

The reclassification made as determined by CVM does not affect in any way the terms and/or conditions of the instrument of issue of the debentures convertible into shares and, accordingly, has no impact on the Company's current indebtedness, its debt service and financial covenants. As a result of this transaction, in any possible events there will be no cash disbursement to the Company, but actually a conversion of the debentures into shares (equity instrument).

This reclassification did not affect the statements of income, cash flows and value added for the year ended September 30, 2012.

4. Summary of significant accounting practices

a. Basis of consolidation

Business combinations

Acquisitions made on January 1st, 2009 or after that date

For acquisitions made on January 1st, 2009 or after that date, the Company measured goodwill as the fair value of the consideration transferred, including the recognized value of any non-controlling interest in the acquiree, deducting the recognized amount, net of identifiable assets and liabilities assumed, all measured at the acquisition date.

For every business combination, the Company will choose whether to measure non-controlling interest at fair value or at the proportionate interest in the identifiable net assets corresponding to the non-controlling interest, calculated at the acquisition date.

Transaction costs other than those associated with the issuance of debt or equity securities, which the Company and its controlled companies incur related to a business combination, are recognized as expenses as they are incurred.

Acquisitions before January 1st, 2009

As part of the transition to IFRS and CPC, the Company has chosen not to republish business combinations which occurred prior to January 1st, 2009. Concerning acquisitions prior to January 1st, 2009, goodwill is equal to the amount recognized under the accounting practices previously adopted. Goodwill is annually tested for impairment, in accordance with CPC 01.

(i) Controlled companies and joint ventures

The accounting information of controlled companies and joint ventures are included in the consolidated accounting information as from the date that such control or joint venture has begun up to the date when they are terminated.

(ii) Transactions eliminated in consolidation

Intercompany balances and transactions, as well as all other revenue or expenses from such transactions, are eliminated in the preparation of the consolidated financial statements. Unrealized gains from transactions with invested companies accounted for on an equity basis are eliminated against the investment in proportion to the Company's interest in the invested company. Unrealized losses are eliminated in the same manner as unrealized gains, except to the extent they provide evidence of impairment.

b. Result of operations

Results of operations (revenues, costs and expenses) are recorded on the accrual basis. Revenue from the sale of goods is recognized when it is reliably measured and all the risks and benefits are transferred to the buyer.

c. Cash and cash equivalents

Cash and cash equivalents consist of cash, bank deposits and highly liquid financial investments. See note 5 for further details about the Company's and its controlled companies' cash equivalents.

d. Financial instruments

In accordance with CVM Circular Letter No. 03/2009, the financial instruments of the Company and its controlled companies were classified in the following categories:

Non-derivative financial assets

- **Measured at fair value through income:** financial assets held for trading, i.e. purchased or acquired mainly for the purpose of sale or repurchase in the short term, and derivatives. The changes in fair value are recorded in the statement of operations and the balances are stated at fair value;
- **Held-to-maturity:** non-derivative financial assets whose payments are fixed or may be determined. Their maturity dates are defined and the Company intends and is able to hold them to maturity. The income earned is recorded in the statement of operations and the balances are stated at acquisition cost plus income earned;
- **Available for sale:** non-derivative financial assets which are designated as available for sale or which were not classified in other categories. Income earned is accounted for in the statement of operations. The gains and losses recorded in shareholders' equity are recognized in the statement of operations if they are settled earlier;
- **Loans and receivables:** non-derivative financial instruments with fixed or calculable payments that are not quoted on an active market, except: (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 operations; (ii) those classified as available for sale; or (iii) those regarding which holders may not substantially recover their initial investment for any reason other than the deterioration of the receivable. The income earned is recorded in the statement of operations and the balances are stated at acquisition cost plus income earned.

Non-derivative financial liabilities

The Company recognizes issued debt securities and subordinated liabilities first at the date they are created. All other financial liabilities (including liabilities designated at fair value and recognized in the statement of operations) are initially recognized at the negotiation date in which the Company becomes a party to the instrument agreement provisions. The Company writes-off a financial liability when its contractual obligations are cancelled, overdue or withdrawn.

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when and 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 controlled companies have the following non-derivative financial liabilities: loans and financing, debentures, trade accounts payable and accounts payable.

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

Capital stock

Common shares

Common shares are classified as shareholders' equity. Additional costs directly attributable to the issuance of shares and share options are recognized as deduction from shareholders' equity, net of any tax effects.

Repurchase of shares (Treasury shares)

When there's the repurchase of capital recognized as shareholders' equity, the value of the paid compensation, including directly attributable costs net of any tax effects, is recognized as a deduction from shareholders' equity. Repurchased shares are classified as treasury shares, being then presented as a deduction from total shareholders' equity. When treasury shares are sold or subsequently reissued, the amount received is recognized as an increase in shareholders' equity, and the resulting surplus or deficit are transferred to the capital reserve.

Derivative financial instruments

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 at the balance sheet dates, such as interest rate and coupon rate. When applicable, such information is compared with positions informed by the trading desk of each financial institution involved.

Transactions involving derivative financial instruments that were hired by the Company and its controlled companies can be summarized as future contracts for cattle, options on contracts for cattle 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 operations and to hedge against exchange risks related to balance sheet positions 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 revalued at their fair value and these changes are recorded with an offsetting entry in the statement of operations.

Although the Company uses derivatives for hedging purposes, it does not use the so-called hedge accounting.

e. Trade accounts receivable

Trade accounts receivable are stated at their present and realizable amounts and accounts receivable from customers abroad are adjusted according to the exchange rates in effect on the date of the Quarterly Information. An allowance for doubtful accounts is recorded in an amount considered sufficient by management.

f. Inventories

Inventories are measured at cost or net realizable value, whichever is lower, adjusted to market value and possible losses, when applicable. Costs include the expenses incurred with acquisition, production and processing costs and other costs to bring them to their current location and condition.

g. Biological Assets

Biological assets are measured at fair value. Changes in the fair value of the derivative are recognized as income (loss). Agricultural activities, such as herd increasing (cattle feedlot operations or livestock grazing), and various agriculture crops are subject to carrying out the valuation of their assets, in order to determine the fair value thereof, based on the concept of market "Mark to market – MtM".

h. Property, plant and equipment

Recognition and measurement

Property, plant and equipment items are measured at historic acquisition or construction cost, less accumulated depreciation and impairment. The cost of certain items of property, plant and equipment was determined by reference to the reassessment carried out before the enactment of Law 11638/2007, which has been effective since January 1st, 2008.

The Company has chosen not to revalue its property, plant and equipment at deemed cost as of the beginning date of 2009. Note that the Company has hired skilled appraisers to verify the deemed cost of its assets and to compare it with the values recorded in the books of account. No relevant changes were found that would make the recording and control of this appreciation necessary, which led management not to record the deemed cost.

Cost includes expenses directly attributable to the acquisition of an asset. The cost of assets constructed by the Company and its controlled companies includes materials and direct labor, as well as any costs incurred to bring the asset to the location and condition necessary for them to operate according to management's purposes. Borrowing costs on qualifying assets are capitalized since January 1st, 2009.

Rights whose subject matter are assets with physical substance and used for maintaining the Company's and its controlled companies' activities, originated from finance lease transactions, are recorded 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 subjected to depreciation calculated according to their estimated useful lives.

Gains or losses arising from the disposal of an item of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and should be recognized net as other revenues or expenses in the statement of operations.

Depreciation

Depreciation is recognized in the statement of operations according to the straight-line method. According to the estimated useful lives of each part of an item of property, plant and equipment, given that this is the method that more closely reflects the consumption pattern of future economic benefits included in assets.

Average estimated useful lives for current and comparative years are as follows:

	Company	Consolidated
Buildings	2.96%	2.61%
Machinery and equipment	8.33%	8.05%
Furniture and fixtures	18.83%	16.54%
Vehicles	9.13%	9.13%
Hardware	24.27%	26.66%

Depreciation methods, useful lives and residual amounts are reviewed at every balance sheet date and possible adjustments are recognized as a change in accounting estimates.

The balance of the revaluation surplus, as permitted by Law No. 11638/07 and described in note 21, will be held until its complete amortization, due to full depreciation or disposal of assets.

i. Lease

Finance lease agreements are recognized in property, plant and equipment and in liabilities for loans and financing as the lesser between the present value of the minimum mandatory payments of the agreement and the fair value of the assets, plus, when applicable, the initial direct costs incurred with the transaction. They are depreciated over the estimated useful lives of the assets. Operating lease agreements are recognized as expenses on a systematic basis representing the period in which the benefit on the leased asset is obtained, even if these payments are not made on this basis.

j. Intangible assets

Intangible assets acquired separately are initially recognized at the cost of acquisition and, subsequently, less accumulated amortization and impairment, when applicable.

Intangible assets with a definite useful life are amortized according to their estimated useful lives, and, when signs of impairment are identified, are tested for impairment. Intangible assets with indefinite useful lives are not amortized; however they are tested for impairment on a yearly basis.

Goodwill

Goodwill from the acquisition of controlled companies is included in intangible assets. For acquisitions prior to January 1st, 2009, goodwill is included based on its deemed cost, which represents the amount recognized according to the accounting practices previously adopted.

k. Impairment

Financial assets

Management annually analyzes if there is objective evidence that the financial asset or group of financial assets is not recoverable. A financial asset or a group of financial assets is considered not to be recoverable if and only if there is objective evidence of impairment as a result of one or more events that happened after the initial recognition of the asset (an incurred 'impairment event'), with such event impacting estimated future cash flow of the financial asset or group of financial assets that can be reasonably estimated.

Non-financial assets

Management periodically reviews the net book value of assets with the purpose of evaluating events or changes in economic, operating or technological circumstances that may indicate impairment. When such evidence is identified and the net book value is higher than the recoverable value, an impairment loss is immediately recognized to adjust the net book value to recoverable value.

The recoverable value 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 with a discount rate before tax that reflects the weighted average capital cost for the industry in which the cash-generating unit operates. Whenever possible, net sales price is determined based on a binding sale agreement conducted on an arm's length basis between the parties, and is 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 grounded in expected future profitability

Goodwill is tested for impairment at least annually or when circumstances indicate that book value is reduced.

Intangible assets

Intangible assets with undefined useful life are tested for impairment at least annually, on an individual or cash-generated unit basis, depending on the situation or when circumstances indicate book value impairment.

l. Other current and non-current assets and liabilities

An asset is recognized in the balance sheet when it is probable that future economic benefits will be generated in favor of the Company and its controlled companies, and its cost or value can be determined with certainty.

A liability is recognized in the balance sheet when the Company has a legal obligation or as a result of a past event, and funds are likely to be necessary to settle the obligation. The related charges, monetary variations or exchange rate gains (losses) and discounts to present value are added when applicable. Provisions are recorded according to the best estimates of 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 non-current.

m. Discount to present value of assets and liabilities

Non-current monetary assets and liabilities are discounted to present value when material, and current assets and liabilities when the effect is considered material with respect to the Quarterly Information.

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

Terms of receipts and payments of accounts payable and receivable arising from the Company's and its controlled companies' operating activities are low, therefore resulting in a discount immaterial to be recorded or disclosed, where the cost to generate the information exceeds its benefit. Non-current assets and liabilities are calculated and recorded, when applicable and relevant.

Calculations and analyses are quarterly reviewed.

n. Income and social contribution taxes

Current and deferred income and social contribution taxes are calculated at the following rates: 15% plus a 10% surtax on any taxable income in excess of R$240, in the case of income tax; and 9% on taxable income, in the case of social contribution tax on net income, considering, where applicable, income and social contribution tax loss carry forwards, up to 30% of yearly taxable income.

Income and social contribution tax expenses include the current and deferred income taxes. Current and deferred tax are recognized in the statement of operations, unless they refer to business combinations, or to items directly recognized in shareholders' equity or in other comprehensive income (loss).

Deferred taxes are recognized for temporary differences between the carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax is not recognized for the following temporary differences: initial recognition of assets and liabilities for a transaction other than business combination and that does not affect accounting or taxable income or loss, as well as differences related to investment in controlled companies and entities when it's not expected that they do not generate income in the foreseeable future.

Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same entity subject to taxation.

Deferred income and social contribution tax assets are recognized by non-utilized tax losses, tax credits, differences in accounting practices (IFRS) and deductible temporary differences, when it is possible that taxable future income will be available and against which they will be used.

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

o. Contingent assets and liabilities and legal obligations

The accounting practices for recording and disclosing contingent assets and liabilities and legal obligations are as follow: (i) contingent assets are recognized only when there are secured guarantees or favorable legal decisions that are already final and unappealable. Contingent assets whose favorable outcome is probable are only disclosed in a note. A provision is recorded for contingent liabilities when the chances of loss are assessed as probable and the amounts involved can be measured with sufficient certainty. Contingent liabilities assessed as possible losses are only disclosed in a note to the financial statements and contingent liabilities assessed as having remote chances of loss 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 questioned the constitutionality of taxes.

p. Employee benefits

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

q. Sales revenue recognition

Sales revenue is presented net of taxes and discounts levied on it. Taxes on sales are recognized when sales are invoiced; for discounts, it is when they are recognized. Revenues from the sale of products are recognized when the amounts from sales can be reliably measured; the Company and its controlled companies no longer have the ownership of the merchandise sold or any other responsibility related to that ownership; the costs incurred or to be incurred with the transaction can be reliably measured; it is probable that the Company will have economic benefits; and the risks and benefits of the products are fully transferred to the buyer.

r. Share-based compensation plan

The effects of the share-based compensation plan are calculated at fair value and recognized in the balance sheet and the statement of operations as contract conditions are met and as commented in note 26.

s. Earnings (losses) per share

Basic earnings per share are calculated by dividing the net income attributed to the Company's controlling and non-controlling shareholders by the weighted average number of outstanding common and preferred shares for the period. Diluted earnings (losses) per share are determined through the abovementioned outstanding share average, adjusted by instruments potentially convertible into shares with dilution effect for the presented periods.

t. Segment reporting

Segment reporting is presented consistent with internal report provided by the Company's Board of Directors, which is responsible for allocating funds and evaluating performance by operating segment, as well as strategic decision making.

u. New standards and interpretations not yet adopted

The following standards issued by IASB entered into effect during 2011 and the quarter ended September 30, 2012, but did not impact the Company's Quarterly Information:

- Revised version of IAS 24 - Related Party Disclosures.
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments.
- Amendment of IFRIC 14 - Prepayments of a Minimum Funding Requirement.
- Amendment of IAS 32 - Classification of Rights Issues.

The standards issued by the IASB which have not yet entered into force and have not had their early adoption by the Company until December 31, 2011 are as follows:

Standard: Amendment of IFRS 7
Description: Disclosures: Transfers of Financial Assets.

Standard: Amendment of IAS 12
Description: Deferred Tax: Recovery of Underlying Assets. It establishes criteria for the calculation of the tax base of an asset.

Standard: IFRS 10
Description: Consolidated Financial Statements. It establishes the principles for the preparation and presentation of consolidated financial statements when an entity controls one or more other entities.

Standard: IFRS 11
Description: Joint Arrangements. It establishes the principles for disclosure of financial statements of entities which are parties to joint agreements.

Standard: IFRS 12
Description: Disclosure of Interests in Other Entities. It consolidates all requirements of disclosures which an entity should do when taking part in one or more other entities.

Standard: IFRS 13
Description: Fair Value Measurement. It defines fair value, explains how to measure it and determines what should be disclosed on this form of measurement.

Standard: Amendment of IAS 1
Description: Presentation of Items of Other Comprehensive Income. It groups into Other Comprehensive Income items which can be reclassified to the income (loss) in the statement of operations.

Standard: Amendment of IAS 19
Description: Employee Benefits. It eliminates the corridor approach for recognizing actuarial gains or losses, simplifies the presentation of changes in assets and liabilities of defined benefit plans and extends the disclosure requirements.

Standard: Amendment of IFRS 7
Description: Disclosures – Offsetting Financial Assets and Financial Liabilities. It establishes disclosure requirements of compensatory arrangements for financial assets and liabilities.

Standard: Amendment of IFRS 9
Description: Mandatory Effective Date of IFRS 9 and Transition Disclosures. It delays the date of entry into force of IFRS 9 to 2015. Eliminates the requirement for republishing comparative information and requires additional disclosures on the transition to IFRS 9.

The Company is evaluating the impacts of these new standards on its Quarterly Information. However, it expects that its adoptions will not bring significant impacts in its Quarterly Information.

v. Determination of fair value

A lot of Company's accounting policies and disclosures require the determination of fair value both for financial and non-financial assets and liabilities. Fair value calculation has been made for measurement purposes and/or they have been disclosed based on those methods described in financial instruments note. When applicable, additional information on assumptions used for the calculation of fair values are included in notes specific for such asset or liability.

x. Statements of value added

The Company prepared the individual and consolidated Statement of Valued Added according to the terms of CPC 09, which are presented as part of the Quarterly Information in accordance with BR GAAP applicable to public companies, while to IFRS this represents additional information that is not required as part of the Quarterly Information taken as a whole.

5. Cash and cash equivalents

	Company		Consolidated	
	09.30.12	**12.31.11**	**09.30.12**	**12.31.11**
Cash	207	158	380	375
Bank accounts	7,459	5,374	43,237	17,013
Cash and cash equivalents denominated in foreign currency	382,573	198,308	397,358	212,089
	390,239	**203,840**	**440,975**	**229,477**
Financial investments				
In local currency:				
Bank Deposit Certificate - CDB	271,600	279,529	289,146	300,740
Debentures	61,077	62,734	63,482	62,734
Prize-draw investment bonds	1,082	1,047	1,082	1,047
Investment funds	7,709	7,402	7,709	7,402
LCA	118,092	140,323	118,092	140,424
In foreign currency:				
Bank Deposit Certificate - CDB	-	-	-	4,558
	459,560	**491,035**	**479,511**	**516,905**
	849,799	**694,875**	**920,486**	**746,382**

The financial assets of the Company and its controlled companies were classified in the following categories and according to the Company's purposes among (i) measured at fair value through income and (ii) held to maturity, as below:

	Company		Consolidated	
	09.30.12	**12.31.11**	**09.30.12**	**12.31.11**
Measured at fair value through income	458,478	489,988	478,429	515,858
Held to maturity	1,082	1,047	1,082	1,047
	459,560	**491,035**	**479,511**	**516,905**

6. Trade accounts receivable

	Company		Consolidated	
	09.30.12	**12.31.11**	**09.30.12**	**12.31.11**
Notes receivable - domestic market	39,908	50,979	60,331	73,288
Notes receivable - foreign market	84,356	99,697	138,954	138,850
Notes receivable - intercompany transactions	4,828	6,022	-	-
	129,092	**156,698**	**199,285**	**212,138**
(-) Allowance for doubtful accounts	(3,820)	(3,529)	(5,120)	(4,736)
	125,272	**153,169**	**194,165**	**207,402**

The Company has sale agreements for receivables from exports without right of recourse at an average cost of Libor + Spread.

Aging list of trade accounts receivable

	Company		Consolidated	
	09.30.12	**12.31.11**	**09.30.12**	**12.31.11**
Falling due:	115,731	135,520	173,103	174,660
Overdue:				
Up to 30 days	2,198	4,963	10,630	14,062
From 31 to 60 days	2,605	9,435	4,228	11,192
From 61 to 90 days	537	-	710	1,333
From 91 to 180 days	8,021	6,780	10,614	10,891
	129,092	**156,698**	**199,285**	**212,138**

Changes in the allowance for doubtful accounts

	Company	Consolidated
Balances as of December 31, 2011	(3,529)	(4,736)
Provisioned credits	(17)	(110)
Exchange rate variation	(274)	(274)
Balances as of September 30, 2012	(3,820)	(5,120)

During the quarter ended September 30, 2012 there were no significant changes in the allowance for doubtful accounts.

The maximum exposure to credit risk for the Company consists of the amounts receivable shown above. The value of the effective risk of loss is presented as the allowance for doubtful accounts. In order to mitigate this risk, these operations presents a credit insurance contracted with two insurance companies, which covers 90% of the value of receivables sold. The beneficiaries of the insurance policies are the financial institutions. The Company follows a very strict policy of credit granting, which results in low levels of default evidenced by the low amounts of accrual credits when compared to the income from sales made by the Company and its controlled companies.

The Company has no guarantee for overdue receivables.

7. Inventories

	Company		Consolidated	
	09.30.12	12.31.11	09.30.12	12.31.11
Finished goods	155,016	148,624	205,786	189,779
Raw material	-	-	5,545	10,092
Stockroom and secondary materials	10,131	16,458	18,567	22,850
Provision for inventory obsolescence (i)	(36,298)	(54,298)	(36,298)	(54,298)
	128,849	**110,784**	**193,600**	**168,423**

(i) Provision recognized as of December 31, 2010 in order to cover possible obsolescence for stockroom and secondary material inventories and for some almost falling due inventories related to sale orders for the foreign market which had been stored in hub ports and were subsequently sent back to Brazil. Accordingly, the Company recognized an obsolescence provision for such inventories. Also, as the Company identifies that these inventories provisioned for are not recoverable, they will be written off.

8. Biological Assets

Entities with agricultural activities, such as cattle herd growth (confinement of cattle or cattle under pasture operations), are subject to revaluation of its assets, in order to determine its fair value based on the Mark to market (MtM) concept at least during the ends of financial quarters, recognizing then the effects of such revaluations directly in the statement of operations.

Operations related to the Company's biological assets are represented in its whole by cattle for pasture (extensive), whose valuation at market rates is reliably measured because of the existence of active markets for them. Their representation is as follows:

	Herd
	Company and Consolidated
Balance as of December 31, 2011	47,680
Increase due to acquisitions	223,333
Decrease due to sales	(231,847)
Change in fair value less estimated sales expenses	(771)
Balance as of September 30, 2012	**38,395**

As of September 30, 2012, cattle in the farm held for sale were 21,319 feeder cattle (25,162 as of December 31, 2011).

9. Recoverable taxes

	Company		Consolidated	
	09.30.12	12.31.11	09.30.12	12.31.11
PIS (Tax on sales)	56,929	51,731	60,130	58,802
COFINS (Tax on sales)	288,272	246,901	302,917	251,784
ICMS (State VAT)	150,875	155,800	163,275	169,749
Income and Social contribution taxes	60,978	51,187	71,229	60,872
IVA - Value-added tax	-	-	890	522
	557,054	**505,619**	**598,441**	**541,729**
Current	458,168	406,733	490,175	432,832
Non-current	98,886	98,886	108,266	108,897

PIS and COFINS

The COFINS (Contribution for Social Security Funding) and PIS (Contribution to the Social Integration Program) credits arose from the change in tax legislation in accordance with Law No. 10637/02 and Law No. 10833/03, which established non-cumulativeness for these taxes, thus generating credits for export companies.

Currently, the Company and its controlled companies are awaiting the end of the inspection for ratification by the Brazilian Federal Revenue Service of the requests for reimbursement of these credits, properly formalized by the Company and its controlled companies, which during 2012 and 2013 should result in a material amount of refund during the year.

PIS and COFINS release since the end of year 2010 for domestic market sales, and the change in the Brazilian Federal Revenue Service (RFB) Reimbursement of Tax Credits Form, which has demanded from the Company and its controlled companies some adjustments to the internal data processing systems for transmission of refunding applications which, in addition to all necessary data for their corresponding consent, has caused uncommon delay in the reimbursement of said credits, now under regularization during this year 2011 supported by the complete adjustment of the Company's and its controlled companies' systems.

Grounded on studies made by the Company's management regarding the expectation of refund of these tax credits, part of the credits recorded as current assets were segregated to non-current assets amounting R$55,185 in Company and R$61,148 in consolidated. The realization expectation of the Company's and its controlled companies' tax credits are quarterly reviewed.

ICMS (State VAT)

The ICMS credit results from the fact that the Company's exports are greater than its domestic sales, thus generating credits which, after ratification by state tax authorities, are used for purchasing inputs for production, and which may also be sold to third parties, as provided for in legislation in effect.

From the aforementioned credit balance, a significant part is being inspected and ratified by the São Paulo State Finance Department and the Company's management expects to recover a significant portion of these credits throughout 2012. Grounded on studies conducted by the Company's management, an amount deemed sufficient to cover slower lawsuits, totaling R$43,701 in company and R$47,943 in consolidated was transferred from current assets to non-current assets. Realization expectation of Company's and its controlled companies' tax credits are quarterly reviewed.

Based on technical studies and supported by the opinion of its tax counselors, the Company's Management understands that the tax credits from PIS, COFINS and ICMS, recorded in non-current assets, are expected to be realized up to the end of 2015.

10. Deferred tax assets

Below we present the changes during the period of deferred tax assets, taking into account deferred tax assets on income and social contribution tax losses and on temporary differences:

	Company			
	Balance as of December 31, 2011	**Recognized in income (loss)**	**Realization of deferred taxes**	**Balance as of September 30, 2012**
Deferred IR/ CS on tax losses	164,831	50,596	-	215,427
Other deferred taxes	4,080	15,821	(12,134)	7,767
Total deferred tax assets	**168,911**	**66,417**	**(12,134)**	**223,194**

	Consolidated			
	Balance as of December 31, 2011	**Recognized in income (loss)**	**Realization of deferred taxes**	**Balance as of September 30, 2012**
Deferred IR/ CS on tax losses	201,347	50,596	-	251,943
Other deferred taxes	4,153	15,721	(12,107)	7,767
Total deferred tax assets	**205,500**	**66,317**	**(12,107)**	**259,710**

The deferred tax assets on income and social contribution tax losses were recognized as of June 30, 2012, December 31, 2011, September 30, 2011 and December 31, 2010 in Company at the accumulated amount of R$215,427 as of September 30, 2012 (R$164,831 as of December 31, 2011) and, at December 31, 2011 and March 31, 2011, in Minerva Dawn Farms and Minerva Alimentos S/A in the accumulated amount of R$36,516 as of September 30, 2012, which represents a consolidated balance as of September 30, 2012 of R$251,943. The recognition is based on the fact that management understands that taxable income is likely to be assessed so that the Company may use that future tax benefit.

The Company's and its controlled companies' management decision to record deferred tax assets on tax losses was grounded on the business plan and budget and internal financial projections, prepared by independent advisors.

These projections adopted the following main assumptions in their conception:

- Increase in net sales, based on historical growth data;
- Increasing demand for animal proteins, especially in developing countries;
- Improvement in livestock cycle, with decrease in costs of raw material and consequent improvement in margins;
- Optimization of the Company's industrial facilities, resulting in higher dilution of costs of fixed assets;
- Favorable economic perspectives; and
- Decrease in Company's financial leverage, resulting in decreased financial expenses.

The Company's management, based on these projections, expects that tax credits arising from income and social contribution tax losses are realized as shown below:

	09.30.12	09.30.12
	Company	Consolidated
2012	10,390	12,060
2013	25,945	30,114
2014	31,849	36,967
2015 onwards	147,243	172,803
	215,427	**251,943**

(*) The Company expects to realize income and social contribution tax temporary differences in no more than 4 years.

Technical studies grounding the decision to record deferred tax assets on income and social contribution tax losses were duly reviewed and approved in a Board of Directors' meeting held on February 21, 2011, October 24, 2011 and March 5, 2012 and August 7, 2012 for Company, and April 25, 2011 and March 5, 2012 for controlled companies.

11. Related-party transactions

Related-party transactions, conducted under the following conditions, are summarized in the tables below and comprise:

Loans receivable	Company		Consolidated	
	30.09.12	31.12.11	30.09.12	31.12.11
Brascasing (a)	3.812	3.812	-	-
Minerva Indústria e Comércio de Alimentos S.A. (b)	63.560	67.800	-	-
Minerva Dawn Farms S.A. (c)	97.692	6.658	-	-
Friasa S.A. (d)	7.037	7.069	-	152
Transminerva Ltda (e)	11.933	7.273	-	-
Other (f)	6.190	1.548	5.193	445
	190.224	**94.160**	**5.193**	**597**

(a) Loan to the company Brascasing Comercial Ltda. to be reimbursed;
(b) Loan made to Minerva Indústria e Comércio de Alimentos S.A., to start the construction of the new factory and for working capital;
(c) Loan made to Minerva Dawn Farms S.A. for working capital;
(d) Loan made to Friasa S.A. for working capital;
(e) Expenses of Transminerva, a controlled company, to be reimbursed;
(f) These refer to other loans and payments to the related parties: Agropecuária Imperial Ltda (R$ 4,746 as of September 30, 2012) and Transportadora Minerva Ltda (R447 as of September 30, 2012), which mature on March 1st, 2013 and August 29, 2013, respectively, and correction of interest rates to of 120% CDI.
(g) The remaining loan contracts receivable from controlled companies and related parties, as of September 30, 2012 and December 31, 2011, have maturities of one (1) year, renewable automatically at the end every year, unless the parties agree to the contrary. These agreements bear monthly interest at 120% CDI.

Loans payable	Company		Consolidated	
	09.30.12	12.31.11	09.30.12	12.31.11
Minerva Luxemburgo (a)	24,391	-	-	-
Minerva Overseas I Ltd (b)	40,731	24,241	-	-
Minerva Dawn Farms (c)	-	-	23,888	22,303
Minerva Overseas II Ltd (d)	51,446	15,895	39,655	39,655
Other (d)	2,437	4,648	2,721	4,648
	119,005	**44,784**	**66,264**	**66,606**

(a) Loan from Minerva Luxembourg;
(b) Accounts payable to Minerva Overseas I;
(c) Loan made to Dawn Farms (Ireland) to Minerva Dawn Farms S.A. The loan agreement is due on July 31, 2013, and bears monthly interest at 120% CDI;
(d) Loan from Minerva Overseas II to the controlling company. The loan agreement is due on July 30, 2013, and bears monthly interest at 120% CDI; and
(e) These refer to other loans and payments to the related parties: VDQ Holding (R$ 1,804 as of September 30, 2012); Agropecuaria Imperial Ltda (R$ 600 as of September 30, 2012); and Eurominerva Ltda (R$ 317 as of September 30, 2012), with maturities on August 29, 2013; indeterminate maturity; and July 31, 2013, respectively, and monetary restatement of 120% CDI.

The remaining loan contracts receivable from controlled companies and related parties, as of September 30, 2012 and December 31, 2011, have maturities of one (1) year, renewable automatically every year-end, unless provision to the contrary by of the parties. These agreements bear monthly interest at 120% CDI.

The Company, understanding the full integration of its operations with its controlled companies, conducts cash transfer transactions as part of Minerva Group's business plan, always seeking to minimize the cost of its borrowings.

The remaining related-party balances and transactions are as follows:

Trade accounts payable	Company		Consolidated	
	09.30.12	12.31.11	09.30.12	12.31.11
Brascasing Comercial Ltda.	2,806	2,261	-	-
Minerva Dawn Farms S.A.	2,730	2,192	-	-
Minerva Indústria e Comércio de Alimentos S.A.	8,474	11,498	-	-
Friasa	-	-	-	-
Transminerva	-	2	-	-
Acquisition of ownership interest by partners	2,794	2,418	2,794	2,418
	16,804	**18,371**	**2,794**	**2,418**

Trade accounts receivable	Company		Consolidated	
	09.30.12	12.31.11	09.30.12	12.31.11
Brascasing Comercial Ltda.	3,999	1,538	-	-
Friasa	2	-	-	-
Minerva Dawn Farms S.A.	722	4,068	-	-
Minerva Ind. e Com. de Alimentos S.A.	105	416	-	-
	4,828	**6,022**	**-**	**-**

The Company and its controlled companies have business transactions, particularly sales, between themselves, at market prices and conditions, when applicable.

In the quarter ended September 30, 2012 and year ended December 31, 2011, no allowances for doubtful accounts or expenses incurred with uncollectible debts regarding related-party transactions were recognized.

Compensation of key management personnel

Management's key personnel include the Executive Board and the Board of Directors. The added value of the compensation received by the Company's and its controlled companies' managers for services in their respective areas for the period ended September 30, 2012 and year ended December 31, 2011 is summarized below:

	Members 2012	09.30.12	09.30.11
Executive Board and Board of Directors	11	1,621	783
	11	**1,621**	**783**

Alternate members of the Board of Directors are compensated by each day they attend a meeting of the Board of Directors.

12. Investments

The changes in investments in controlled companies are presented below:

	Percentage ownership	Balance as of 12.31.11	Transfers	Translation adjustments	Capital contribution	Equity in earnings (losses) of controlled companies	Balance as of 09.30.12
Goodwill resulting from expected future profitability		261,606	-	-	-	-	261,606
Minerva Indústria e Comércio de Alimentos Ltda.	98.00%	27,552	-	-	-	1,292	28,844
Eurominerva Indústria e Comércio de Alimentos Ltda.	50.00%	321	-	-	-	8	329
Minerva Overseas Ltd	100.00%	66,228	-	-	-	7,216	73,444
Minerva Middle East	100.00%	37	-	-	-	-	37
Brascasing Comercial Ltda.	55.00%	6,718	-	-	-	1,463	8,181
Minerva Beef Ltd	100.00%	557	-	-	-	45	602
Minerva Luxemburgo	100.00%	67	(67)	-	-	-	-
Friasa Ltd	92.00%	13,581	-	(576)	-	11,546	24,551
Loin Investments	100.00%	46	(46)	-	-	-	-
Minerva Log S.A	100.00%	231	-	-	-	(5)	226
Livestock	42.00%	2,828	-	-	-	-	2,828
Minerva Dawn Farms S.A.	80.00%	(21,462)	-	-	-	(18,250)	(39,712)
Pulsa S.A	100.00%	32,350	-	644	-	2,949	35,943
Loin Investments	100.00%	-	46	-	-	79	125
Minerva Colombia	100.00%	606	-	(425)	-	1,264	1,445
Investments		**391,266**	**(67)**	**(357)**	**-**	**7,607**	**398,449**
Minerva Itália	100.00%	(847)	-	-	-	(135)	(982)
Transminerva	100.00%	(1,347)	-	-	371	(5,653)	(6,629)
Minerva Overseas Ltd II	100.00%	(43,135)	-	-	-	(4,722)	(47,857)
Minerva Luxemburgo	100.00%	-	67	-	-	(45,766)	(45,699)
Provision for investment losses		(45,329)	67	-	371	(56,276)	(101,167)
Investments, net		345,937	-	(357)	371	(48,669)	297,282

(*) The balance of negative investment in Minerva Dawn Farms does not consider the goodwill of R$92,834, allocated in specific line item.

As mentioned in Note 2, the Company acquired on March 22, 2011, 100% of the shares with voting rights of company Pulsa S/A, acquired from this company's controlling company, for a total of U.S.$52,000, with every detail of the "business combination" originated in this operation duly described in that note.

In December 2011, the Company acquired 5% of its jointly controlled company's share capital, Brascasing Comercial Ltda. as of the date of operation. After this acquisition, the Company holds 55% of the share capital of this company and now possesses control. That operation was framed as a "business combination in stages", and is duly described in Note 2.

Summary of accounting information of controlled and jointly-controlled companies as of September 30, 2012:

	Percentage ownership	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity
Minerva Alimentos	98.00%	63,534	114,134	30,931	117,305	29,432
Eurominerva Comércio	50.00%	13	635	-	-	648
Minerva Overseas	100.00%	1,280	144,127	-	71,963	73,444
Minerva Overseas II	100.00%	16	843,276	-	891,150	(47,858)
Minerva Middle East	100.00%	37	-	-	-	37
Brascasing	55.00%	25,900	1,883	9,061	3,847	14,875
Minerva Dawn Farms	80.00%	34,559	133,628	48,310	169,515	(49,638)
Minerva Beef	100.00%	602	-	-	-	602
Minerva Luxemburgo	100.00%	17,592	1,700,676	48,885	1,715,082	(45,699)
Friasa	92.00%	61,355	20,542	47,298	7,913	26,686
Transminerva	100.00%	4,452	1,831	979	11,933	(6,629)
Loin Investments	99.00%	142	-	-	17	125
Minerva Log	100.00%	225	-	-	-	225
Livestock	42.00%	2,828	-	-	-	2,828
Minerva Itália	100.00%	-	-	-	982	(982)
Pulsa S.A.	100.00%	62,888	71,122	60,727	37,340	35,943
Minerva Colombia	100.00%	4,665	121	2,945	395	1,446
Total		**280,088**	**3,031,975**	**249,136**	**3,027,442**	**35,485**

Below, we present the results of controlled companies which had changes during the nine-month period ended September 30, 2012 and 2011:

	09.30.12		09.30.11	
	Net revenue	Income / loss in the year	Net revenue	Income / loss in the year
Minerva Alimentos	204,670	1,292	95,387	1,254
Eurominerva Comércio	-	4	-	42
Minerva Overseas	-	7,216	-	20,052
Minerva Overseas II	-	(4,722)	-	(21,399)
Minerva Middle East	-	-	-	-
Brascasing	21,574	1,463	15,298	1,292
Minerva Dawn Farms	83,318	(18,250)	49,667	(12,960)
Minerva Beef	-	46	-	(890)
Minerva Luxemburgo	-	(45,766)	-	-
Friasa	159,076	11,546	157,897	(7,891)
Transminerva	1,315	(5,708)	-	(1,363)
Loin Investments	-	79	-	(54)
Minerva Log	-	(5)	-	(3)
Livestock	-	-	-	-
Minerva Itália	99	(135)	484	(79)
Pulsa S.A.	194,533	2,950	145,062	4,671
Minerva Colombia	29,781	1,264	8,635	258

(*) All the amounts are expressed in 100% of the results of the controlled companies.

13. Property, plant and equipment

a. Breakdown of property, plant and equipment

Company				09.30.12	12.31.11
Description	% - Depreciation rate	Historical cost	Accumulated depreciation	Net	Net
Buildings	2.93%	505,281	(64,084)	441,197	410,805
Machinery and equipment	8.02%	274,422	(44,872)	229,550	202,898
Furniture and fixtures	18.44%	2,918	(1,299)	1,619	2,010
Vehicles	9.07%	13,929	(3,475)	10,454	11,216
Hardware	23.74%	3,634	(2,397)	1,237	1,604
Plots of land		47,110		47,110	42,807
Construction in progress		136,759		136,759	157,330
		984,053	**(116,127)**	**867,926**	**828,670**

Consolidated				09.30.12	12.31.11
Description	% - Depreciation rate	Historical cost	Accumulated depreciation	Net	Net
Buildings	2.53%	630,921	(71,874)	559,047	526,553
Machinery and equipment	7.82%	374,454	(72,967)	301,487	275,653
Furniture and fixtures	17.39%	5,326	(2,049)	3,277	3,789
Vehicles	10.18%	14,874	(3,944)	10,930	11,616
Hardware	22.92%	5,598	(3,422)	2,176	2,772
Plots of land		55,815	-	55,815	51,176
Construction in progress		223,194	-	223,194	243,025
		1,310,182	(154,256)	1,155,926	**1,114,584**

b. Changes in property, plant and equipment

Company	Buildings	Machinery and equipment	Furniture and fixtures	Vehicles	Hardware	Plots of land	Construction in progress	Total
Balance as of December 31, 2011	**410,805**	**202,898**	**2,010**	**11,216**	**1,604**	**42,807**	**157,330**	**828,670**
Additions	-	8	-	-	-	-	67,308	67,316
Transfers	40,852	41,924	1	531	110	4,303	(87,721)	-
Disposal	(2)	(402)	-	(372)	-	-	-	(776)
Depreciation	(10,458)	(14,878)	(392)	(921)	(477)	-	-	(27,126)
Other	-	-	-	-	-	-	(158)	(158)
Balance as of September 30, 2012	**441,197**	**229,550**	**1,619**	**10,454**	**1,237**	**47,110**	**136,759**	**867,926**

Consolidated	Buildings	Machinery and equipment	Furniture and fixtures	Vehicles	Hardware	Plots of land	Construction in progress	Total
Balance as of December 31, 2011	**526,553**	**275,653**	**3,789**	**11,616**	**2,772**	**51,176**	**243,025**	**1,114,584**
Additions	1,516	1,943	57	493	116	17	68,931	73,073
Transfers	39,599	44,326	1	531	110	4,303	(88,870)	-
Disposal	(2)	(402)	-	(418)	(7)	-	-	(829)
Depreciation	(12,528)	(21,313)	(590)	(1,301)	(829)	-	-	(36,561)
Other	3,909	1,280	20	9	14	319	108	5,659
Balance as of September 30, 2012	**559,047**	**301,487**	**3,277**	**10,930**	**2,176**	**55,815**	**223,194**	**1,155,926**

c. Construction and facilities in progress

As of September 30, 2012, the balances of construction and facilities in progress refer to the following major projects: (1) Expansion at the plant of Campina Verde (MG); (2) Expansion of slaughtering capacity at Araguaina (TO); (3) Building of feedlot plant at Araguaina (TO); and (4) Structuring and expansion of Distribution Centers.

d. Amounts offered as collateral

Property, plant and equipment items offered as collateral for loans and financing amounted to R$188,080 as of September 30, 2012.

e. Deemed cost

As recommended by ICPC 10 regarding the recording of the deemed cost of property, plant and equipment, the Company and its controlled companies hired a specialized company to perform this evaluation, which found that there are not material differences between deemed cost of assets and the balances recorded in the books of accounts. Given that scenario, management opted not to record this effect.

14. Intangible assets

	Company		Consolidated	
	09.30.12	**12.31.11**	**09.30.12**	**12.31.11**
Goodwill paid upon acquisitions	-	-	335,666	335,662
Software	4,905	3,583	5,688	4,001
	4,905	**3,583**	**341,354**	**339,663**

The movements of intangible assets during the nine-month period ended September 30, 2012 is shown below:

	Company		
	Goodwill paid upon acquisitions	Sofware	Total
Balance as of December 31, 2011	-	3,583	3,583
Acquisition	-	1,957	1,957
Amortization	-	(635)	(635)
Balance as of September 30, 2012	**-**	**4,905**	**4,905**

	Consolidated		
	Goodwill paid upon acquisitions	Sofware	Total
Balance as of December 31, 2011	335,662	4,001	339,663
Acquisition	4	2,367	2,371
Amortization	-	(680)	(680)
Balance as of September 30, 2012	**335,666**	**5,688**	**341,354**

Goodwill in expected future profitability

	Consolidated	
	09.30.12	12.31.11
Minerva Dawn Farms (MDF) - (i)	166,113	166,113
Brascasing Industria e Comércio Ltda - (ii)	93,185	93,185
Pulsa S/A - (iii)	61,643	61,643
Other - (iv)	14,721	14,725
	335,662	**335,666**

(i) As described in Note 2, to comply with the requirements defined in the CVM Resolution 580/09 – CPC 15, the Company revised the acquired assets and assumed liabilities calculations made at the time of recording of the fair value of the acquisition of more 30% of MDF's shares. This was framed as a "business combination in stages", and the segregation of appreciation (goodwill) was found in the temporary recording of the fair value of the Company's interest in that operation, amounting to R$166,113, segregating goodwill by expectation of future profitability – R$43,213, client portfolio – R$87,733 and appreciation of assets – R$1,944, complying with CPC pronouncements, instructions and guidance. Minority interest of R$33,223, for not belonging to the Company, remained as firstly recorded;

(ii) In December 2011, the Company acquired 5% shares of the capital stock of jointly-controlled companies until the date of such transaction, Brascasing Comercial Ltda, becoming holder of 55% shares representing the capital stock of that company, and consequently its control. As this transaction is framed as a "business combination in stages", the Company recorded its ownership and non-controlling interest at its fair value, which led to the recording of appreciation (goodwill by expectation of future profitability) of R$93,185 thousand (R$49,909 Company's interest and R$43,276 – minority interest);

(iii) During the year ended December 31, 2011, the Company purchased 100% shares with voting rights of Frigorífico Pulsa S/A, on March 22, 2011, which caused the recording of goodwill by expectation of future profitability amounting to R$61,643;

(iv) The remaining goodwill for expected future profitability is made up by the acquisition of Lord Meat – R$12,657, Friasa – R$2,064 (R$2,068 in consolidated).

In compliance with CPC 1 (IAS 36), the Company tests for impairment its intangible assets which do not have estimated useful lives at least once a year. By December 31, 2012 it had not identified any signs of impairment.

15. Loans and financings

		Company		Consolidated	
Types	**Financial charges**	**09.30.12**	**12.31.11**	**09.30.12**	**12.31.11**
Debentures (1)	127% of CDI	189,525	184,078	189,525	184,078
Debentures (1)	Fixed rate	471,611	-	-	-
BNDES (2)	TJLP + BNDES basket of currencies + spread	53,973	62,840	53,973	62,840
BNDES - Revitaliza (1)	9% p.a.	30,668	30,130	30,668	30,130
FINEP	TJLP + Spread	-	5,383	36,064	34,486
Lease (1)	TJLP + 3.5% p.a.	7,402	11,775	7,402	11,775
Bank Credit Note (1)	8.5% p.a.	28,362	53,939	28,362	130,388
Bank Credit Note (1)	CDI + spread	1,504	227,975	77,717	227,975
NCE (1)	CDI + spread	38,732	143,936	63,441	203,650
Other types (1)	10% a.a.	545	831	9,731	13,324
		822,322	**720,887**	**496,883**	**898,646**
Foreign Exchange (US Dollar)					
ACCs (1)	Interest from 2.5% to 4.0% p.a. + Exchange rate gains (losses)	217,124	216,408	217,124	244,251
Senior Unsecured Notes - I and II (4)	Exchange rate gains (losses) + Interest	1,176,442	786,929	1,763,967	764,456
PPE (3)	Interest from 2.8% to 5.5% p.a. + Libor	182,123	204,676	209,941	241,160
Other types (1)	Interest of 2.95% p.a. + Libor	-	-	46,032	31,688
Hedging instruments - Derivatives		(121,904)	(143,671)	(125,169)	(145,061)
		1,453,785	**1,064,342**	**2,111,895**	**1,136,494**
Total Loans		**2,276,107**	**1,785,229**	**2,608,778**	**2,035,140**
Current		445,761	403,968	545,164	540,665
Non-current		1,830,346	1,381,261	2,063,614	1,494,475

The Company offered the following guarantees for the loans it has taken out:

(1) Endorsement of the parent company VDQ Holdings S.A and/or endorsement of the shareholders of VDQ Holdings S.A.;
(2) Mortgage of the Palmeiras de Goiás factory and the farms of the shareholders of the parent company VDQ Holdings S.A.;
(3) The following guarantees were offered to Rabobank specifically for the PPE transaction for the Minerva Dawn Farms:

- 50% guaranteed by the Company and 50% guaranteed by Dawn Farms Foods;
- Conditional sale of the equipment of the financed party;
- First-degree mortgage of the plant of Minerva Dawn Farms;
- 99.99% of conditional sale on the shares of Minerva Dawn Farms, a controlled company.

(4) Endorsement by the Company for the Senior Unsecured Notes issued by controlled company Minerva Overseas Ltd. and Minerva Overseas II Ltd.

Long-term portions of Company's loans and financing mature as follows, as of September 30, 2012:

	Company							
	2013	**2014**	**2015**	**2016**	**2017**	**2019**	**2022**	**Total**
Lease	728	1,479	946	-	-	-	-	3,153
BNDES	15,927	11,414	11,414	11,414	3,805	-	-	53,974
CCB	1,912	7,083	6,498	6,498	542	-	-	22,533
CCI	96	96	-	-	-	-	-	192
Debentures	-	59,025	59,463	-	-	-	450,000	568,488
NCE	-	33,170	-	-	-	-	-	33,170
Pre-shipment	12,184	69,040	24,367	-	71,406	759,927	306,621	1,243,545
Hedging Instruments - Derivatives	-	(62,773)	(17,460)	-	(14,476)	-	-	(94,709)
	30,847	**118,534**	**85,228**	**17,912**	**61,277**	**759,927**	**756,621**	**1,830,346**

Long-term portions of controlled companies' loans and financing (consolidated) mature as follows, as of September 30, 2012:

	Consolidated										
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
Lease	728	1,479	946	-	-	-	-	-	-	-	3,153
BNDES	15,927	11,414	11,414	11,414	3,805	-	-	-	-	-	53,974
CCB	2,569	13,757	13,210	11,422	5,465	4,924	4,924	4,924	4,924	8,810	74,929
CCI	96	96	-	-	-	-	-	-	-	-	192
Debentures	-	59,025	59,463	-	-	-	-	-	-	-	118,488
FINAME	777	3,107	1,449	-	-	-	-	-	-	-	5,333
FINEP	1,509	6,273	6,273	6,273	6,273	3,136	-	-	-	-	29,737
NCE	2,000	33,170	-	-	-	-	-	-	-	-	35,170
Pre-shipment	12,184	80,104	29,978	-	-	-	-	-	-	306,620	428,886
Senior Unsecured Notes	-	-	-	-	67,550	-	748,295	-	-	592,616	1,408,461
Hedging Instruments - Derivatives	-	(62,773)	(17,460)	-	(14,476)	-	-	-	-	-	(94,709)
	35,790	**145,652**	**105,273**	**29,109**	**68,617**	**8,060**	**753,219**	**4,924**	**4,924**	**908,046**	**2,063,614**

Below are the Company's and its controlled companies' main loans and financing as of September 30, 2012:

Debentures

On July 7, 2010, Minerva S.A. offered debentures, not convertible into shares, totaling R$200,000, maturing on July 10, 2015. The debentures were offered by making restricted efforts (CVM Instruction No. 476). The principal amounted to R$200,000, and bears interest at the accumulated variation (effective rate) of 127% of average daily rates of Interbank deposits (DI), daily calculated and disclosed by Cetip in its daily report. Funds were allocated for lengthening the Company's debt profile and to reinforce its working capital. Debentures have personal guarantee and are guaranteed by VDQ Holdings S.A. In addition, financial covenants are linked to the indenture, to which net debt x EBITDA ratio cannot exceed 3.5 times. Debentures will mature within 5 years, as from their issue, which means on July 10, 2015.

In the process of issuing such debentures, the Company incurred transaction costs in the amount of R$3,114, recorded in its Quarterly Information as a reduction of own liabilities, to be amortized upon the maturity of the transaction in 2015.

Net debenture-related liabilities as of September 30, 2012 were R$201,962 (R$213,877 as of December 31, 2011) in the consolidated accounting information.

There are no premiums obtained and renegotiation clause during the capture of those debentures.

Debt notes abroad

Through its controlled companies Minerva Overseas Ltd. and Minerva Overseas Ltd. II, the Company issued debt notes abroad amounting to U.S.$200,000,000 and U.S.$250,000,000, respectively. The *Notes* are collateralized by Minerva S.A. and mature in 2017 and 2019, respectively. Additionally, in February 2012, the Company put into effect the issue of U.S.$350,000,000 *Notes* in the foreign market, maturing in February 2022, by means of its subsidiary Minerva Luxembourg S.A. ("Issuer"). Also related to this operation, the Company concluded in March 2012, the Retap of these notes transaction with maturity in February 2022, in the amount of U.S.$100,000,000, with the same maturity in February 2012.

The Notes issued by Minerva Overseas I and II (Bonds 2017 and 2019, respectively) pay six-month coupons at 9.5% and 10.875% per year, and the Notes operations issued by Minerva Luxembourg (Bonds 2022 and Retap) will pay six-month coupons at a rate of 12.25% per year. The Company will guarantee all the obligations of the Issuer, in regard to the issue referred to above.

The Notes (Bond 2022 and Retap) were not registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States, except to qualified institutional buyers as defined in Rule 144A under the Securities Act, in reliance on the exemptions from registration provided under the Securities Act and outside the United States to institutional and other investors in accordance with Regulation S under the Securities Act.

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 sharing of dividends and change in corporate control, as mentioned in item (iv) below; and (ii) failure to pay any note when it is already outstanding.

Notes and debentures have financial covenant maintenance requirements which measures the ability to cover debt in relation to the EBITDA (net income before interest, taxes, depreciation and amortization). The contractual rate of both financial instruments indicates that the debt coverage 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 the loans and financing, without considering exchange rate variations occurring in the period since the contracting of the debt, less the sum of (i) cash and cash equivalents (as defined below) and (ii) write-downs (as defined below). (II) "Cash and cash equivalents" means the sum of the balance of the Company's following balance sheet accounts: "Cash and cash equivalents" and "Marketable securities"; (III) "Write-downs" means a series of exceptions, or permitted debts, related to specific transactions. In summary, these exceptions include the refinancing of existing debt, considering certain circumstances and raising of hard currency for various applications, some of which for specific reasons, totaling U.S.$141,000 (equivalent to approximately R$258,000); (IV) "EBITDA" means the amount calculated on the accrual basis over the past 12 (twelve) months, equal to the sum of net revenues, less: (i) the cost of provided services, (ii) administrative expenses, plus (a) depreciation and amortization expenses, (b) net financial results, (c) equity in earnings (losses) of controlled companies and (d) direct taxes. Covenants are calculated based on the consolidated Quarterly Information.

In the process issuing such Notes (2022 and Retap), the Company incurred transaction costs in the amount of R$25,735, recorded in its Quarterly Information as a reduction of own liabilities, to be amortized upon the maturity of the transaction in 2022.

Net debenture-related liabilities as of September 30, 2012 were R$1,763,967 (R$764,456 as of December 31, 2011) in the consolidated accounting information.

FINEP

On January 18, 2010, a financing agreement (code 0210000300) was entered into between the Funds for studies and projects – Finep (a BNDES division) and Minerva Dawn Farms Indústria e Comércio de Proteínas S.A., totaling R$57,208. As of September 30, 2012 the consolidated debt balance was R$36,064 and bears annual interest of 4.5%. The debt matures on June 15, 2018, but may be subject to early maturity (among other situations) if: (i) the financed company invests financing funds for purposes other than those agreed or in noncompliance with the disbursement timetable; (ii) any guilty interruption of the financed project; or (iii) other circumstances which, in the opinion of FINEP, make it unsafe or impossible to comply with the obligations undertaken by the financed company under the agreement or to achieve the objectives for which funding was granted. This agreement is collateralized by a mortgage on certain properties of the Company, located in Barretos and Palmeiras de Goiás, in addition to including security deposits by the members of the Vilela de Queiroz family.

Equipment financing - BASA

On December 21, 2007, a private agreement was entered into by Minerva Indústria e Comércio de Alimentos S.A. and Banco da Amazônia S.A., amounting to R$53,793, whose balance as of September 30, 2012 was R$54,054. This debt matures within 144 months from the signature of the 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 Superintendence for the Development of the Amazon (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 business discounts the financed company holds, arising from sales or services; and (ii) Minerva Indústria e Comércio de Alimentos was obliged to submit changes in its corporate structure to prior approval by SUDAM, after hearing Banco da Amazônia S.A.

i. Level of subordination

As of September 30, 2012, 8.90% of the Company's and its controlled companies' total debt was secured by security interest in real estate (9.24% as of December 31, 2011).

ii Possible restrictions imposed on the issuer, particularly with respect to setting indebtedness limits and taking out new debts, distributing dividends, disposing of assets, issuing new securities and disposing of equity control

Export credit note No. 306703-7 amounting to R$17,446, issued by the Company on April 27, 2010, limits the assignment, transfer or disposal, without express consent of the creditor, of the controlling interest in the Company or VDQ Holdings S.A. (as guarantor).

The Notes also have clauses that put limits on 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 and do not allow that its subsidiaries pay any dividend or make any distribution of interest on its invested capital held by other 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 equity 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, that the sales price is the market value.

The CCB issued for BNDES is expected to have early maturity if the shareholders' agreement, articles of incorporation or by-laws of the Company or its controlling companies include a provision whereby a special quorum is required to approve issues that limit the control of 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 CCBs dated from January 7 and October 2, 2009, issued by the Company and Banco da Amazônia S.A., have early maturity clauses if equity control over the Company's capital is transferred without prior and express written consent by the creditor.

Financing agreements entered into with Rabobank establish limitations regarding: i) change in corporate control; ii) sale of assets; iii) realization of any sort of merger, spin-off, winding up or sale of the whole or part of relevant assets or properties; iv) distribution of dividends; v) transactions with affiliated companies; vi) changes in accounting practices; and vii) change in Minerva Dawn Farms' and its controlled companies' activities. The agreements also establish as defaulting events, among other, a) decisions not liable to be appealed against by Minerva Dawn Farms or intervening parties in an amount higher than U.S.$1,000,000, which are effective for a period higher than 30 days; and b) change in Minerva Dawn Farms' corporate control. In addition, they limit MDF to pay dividends and take out additional financing. According to the contractual clauses, MDF is bound to comply with certain financial obligations, including keeping a Net debt/EBITDA ratio not higher than 3.00 and a debt service coverage ratio not lower than 1.5.

The Credit Agreement amounting to U.S.$35,000,000, entered into by the Company and Banco Bradesco S.A., establishes the debt's early maturity in case of change in the control without prior written consent by the creditor.

iii Structured operation

During the 2nd quarter of 2012, the Company and its financial advisors structured the issue of debentures not convertible with maturity on January 29, 2022, at the amount of R$450,000. This operation was structured in order to provide a neutral effect at the Company's composition of assets and liabilities.

16. Trade accounts payable

	Company		Consolidated	
	09.30.12	12.31.11	09.30.12	12.31.11
Domestic	245,609	275,678	274,935	297,178
Foreign	17,506	9,354	18,386	13,939
	263,115	**285,032**	**293,321**	**311,117**

17. Labor and tax liabilities

	Company		Consolidated	
	09.30.12	12.31.11	09.30.12	12.31.11
Labor				
Salaries and management compensation	3,862	3,515	4,572	4,579
Social charges – FGTS and INSS (employees and third parties)	5,891	5,939	7,247	6,780
Provision for vacation pay/ Year-end bonus and charges	22,343	13,511	29,437	18,316
Other	3,379	2,724	3,693	2,909
	35,475	**25,689**	**44,949**	**32,584**
Tax				
Installment payment of INSS (social security contribution)	41,330	46,808	41,330	47,577
ICMS (State VAT)	5,659	5,518	5,831	5,847
IRPJ (corporate income tax)	-	-	1,591	1,574
Other taxes and fees	9,420	12,503	10,841	13,164
	56,409	**64,829**	**59,593**	**68,316**
Total	**91,884**	**90,518**	**104,542**	**100,900**
Current	53,393	44,153	66,200	54,463
Non-current	38,491	46,365	38,886	46,437

18. Income and social contribution taxes on deferred income (losses) - provision in assets and liabilities, net amount

Deferred tax debts are recorded to reflect future tax effects attributable to temporary differences between the tax basis of assets and liabilities and their respective carrying amount, as well as to reflect the tax credits resulting from the revaluation of assets. They are distributed as follows:

	Company		Consolidated	
	09.30.12	09.30.11	09.30.12	09.30.11
Temporary add-backs				
Sundry provisions	12,491	81,520	12,491	81,520
Fair value of biological assets	-	-	-	-
Temporary deductions				
Sundry provisions	-	(9,514)	-	(9,514)
Cost of loans - PP&E	-	-	-	-
Fair value of biological assets	(9,933)	(5,237)	(9,933)	(5,237)
Goodwill from business combination	-	(92,834)	-	(92,834)
Effect of the new useful life of PP&E	-	-	-	-
Calculation base of deferred taxes	**2,558**	**(26,065)**	**2,558**	**(26,065)**
Deferred income and social contribution taxes - temporary difference	870	(8,862)	870	(8,862)
Realization of deferred income and social contribution taxes - temporary difference	-	17,300	-	17,300
Deferred income and social contribution taxes on tax losses	50,595	89,200	50,595	114,880
Total deferred income and social contribution taxes	**51,465**	**97,638**	**51,465**	**123,318**

We present below the change in the period for deferred tax liabilities related to deferred taxes levied over the revaluation surplus, temporary differences and differences arising from the application of international accounting practices – IFRS (RTT):

	Company			
	Balance as of January 1, 2012	**Recognized in income (loss)**	**Realization of deferred taxes**	**Balance as of September 30, 2012**
Taxes on revaluation reserve	37.187	-	(987)	36.200
Taxes on biological assets adjustment	2.471	3.376	(2.471)	3.376
Taxes on appreciation of controlled company	48.532	-	-	48.532
Taxes on obsolete invetories	(18.461)	-	6.120	(12.341)
Other deferred taxes	(5.593)	4.347	(8.553)	(9.799)
Total deferred tax liabilities	**64.136**	**7.723**	**(5.891)**	**65.968**

	Consolidated			
	Balance as of January 1, 2012	**Recognized in income (loss)**	**Realization of deferred taxes**	**Balance as of September 30, 2012**
Taxes on revaluation reserve	37.187	-	(987)	36.200
Taxes on biological assets adjustment	2.471	3.376	(2.471)	3.376
Taxes on appreciation of controlled company	48.532	-	-	48.532
Taxes on obsolete inventories	(18.461)		6.120	(12.341)
Other deferred taxes	(5.593)	4.391	(8.553)	(9.755)
Total deferred tax liabilities	**64.136**	**7.767**	**(5.891)**	**66.012**

Based on budgeting, business planning and budget projection, management estimates that tax credits arising from temporary differences will be realized by 2015.

a. Current - payable

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

b. Reconciliation of the balances and expenses for income and social contribution taxes

The balance provided for and the results of the taxes levied on income are as follows:

	Company		Consolidated	
	09.30.12	**09.30.11**	**09.30.12**	**09.30.11**
Income (loss) before taxes	(226,155)	(67,096)	(226,431)	(97,507)
Add-backs				
Temporary differences	8,793	81,520	8,793	81,520
Permanent differences	49,696	57,819	49,728	57,950
Realization of temporary differences	(854)	-	(854)	-
Realization of revaluation reserve	2,905	2,984	2,905	2,984
Effects of first-time adoption of IFRS	468,573	-	470,740	-
Exclusions				
Temporary differences	-	(107,585)	-	(107,585)
Differences are permanent	-	(229,996)	-	(229,996)
Effects of first-time adoption of IFRS	(464,753)	-	(473,705)	-
Subtotal	**(161,795)**	**(262,354)**	**(168,824)**	**(292,634)**
Realization of tax losses	-	-	-	-
Calculation basis of of taxes	(161,795)	(262,354)	(168,824)	(292,634)
Loss to offset	-	-		-
Calculation basis after loss to offset	(161,795)	(262,354)	(168,824)	(292,634)
Income tax payable	-	-	(1,667)	-
Social contribution payable	-	-	(392)	-

Income and social contribution taxes were calculated in accordance with prevailing legislation and the Temporary Tax Scheme, provided for in Executive Act No. 449/2008.

Income and social contribution tax calculations and returns are open to review and final assessment by tax authorities for varying statutory periods in relation to the payment or filing date.

Based on studies and projections for the following periods and considering the limits fixed by prevailing legislation, the Company's management expects that the existing tax credits will be realized over a maximum term of five years.

Net book income has no direct relationship with the taxable income for income and social contribution taxes, 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 income and social contribution tax losses and temporary differences should not be taken as an indication of future net income.

19. Debentures mandatorily convertible into shares

	Company and consolidated	
	09.30.12	12.31.11
Debentures mandatorily convertible into shares	155,641	200,903
(-) Transaction cost (*)	(13,386)	(16,204)
	142,255	184,699
Non-current	3,873	903
Current	138,382	183,796

(*) The transaction cost shall be amortized pro rata until the notes maturity on June 15, 2015.

As described in Note 3 (f), according to CVM, the Company reclassified the mandatorily convertible debentures into shares from shareholders' equity (capital reserve) to liabilities, segregated into current (annual interest) and non-current (principal amount).

The main characteristics of this transaction are the following:

On May 11, 2011, the Board of Directors of Minerva S.A. approved the second public issue of debentures, mandatorily convertible into common shares of the Company's issue, of subordinated class and single series under firm settlement guarantee. After all legal formalities and filing of documentation with ANBIMA/CVM, the Company has successfully achieved price determination for this issue on July 27, 2011 through the Bookbuilding process, upon the following characteristics:

- Issue value: R$ 200,000;
- Unit par value: R$1;
- Offer price: R$ 950.00 per debenture;
- Maturity: 4 years after the issue date, i.e., June 15, 2015;
- Remuneration: 100% of DI rate;
- Convertibility: Debentures will be mandatorily converted into shares to the Company on maturity date, or, among other events, at any moment at the discretion of the Debenture Holders.
- Conversion Price: subject to the maximum value of R$ 8.00 and the minimum of R$ 6.00;
- Negotiation and distribution: through DDA and BOVESPAFIX system;

20. Leases

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

a. Finance lease

Finance lease operations are now recognized under the Company's current and non-current liabilities, instead of noncurrent liabilities, with an offsetting entry of the asset acquired into property, plant and equipment.

b. Operating lease

The accounting criterion for operating leases remains as required by the Corporate law in effect, that is, expenses incurred with lease payments are recognized on a monthly base. The Company has a single lease operating agreement for the plant of Batayporã/MS, which contains an automatic renewal clause and the option of purchasing preference.

The lease statement is as follows:

Leased assets	Weighted average interest rate	Weighted average maturity term (years)	Expense amount 09.30.2012	Expense amount 09.30.2011
Farms and industrial plants	IPCA + 11% @ cattle / IGPM	Dec-15	1,125	1,125
			1,125	**1,125**

21. Contingencies

a. Summary of the contingent liabilities accounted for in the Company's balance sheet

The Company and its controlled companies are parties to a number of lawsuits that are part of the normal course of business, for which provisions were recorded according to the estimates of their legal counselors and management. The main information on these proceedings is presented below:

	Company		Consolidated	
Proceedings	09.30.12	12.31.11	09.30.12	12.31.11
Court deposits for appealing labor lawsuits	3,807	2,982	3,807	2,982
Court deposits for appealing tax lawsuits	1,890	1,890	1,890	1,890
Court deposits for appealing civil lawsuits	1,496	4,758	1,496	4,758
Tax (offsets against unapproved credits)	9,401	9,401	9,404	9,405
Contingencies for labor claims	771	251	771	251
	17,365	**19,282**	**17,368**	**19,286**

The only relevant movement occurred in the third quarter of 2012 was the redemption of a court deposit, properly provisioned as a civil contingency, amounting to R$3,262 due to a favorable decision to the Company in last jurisdiction.

Description of the contingent liabilities and assets of labor, civil and tax nature

a. Labor claims (chances of loss assessed as probable)

Most of these labor claims involve health hazard claims and article 253 of the Consolidation of Labor Laws for the benefit of employees. According to the opinion of the legal counselors that handle these legal demands and experience accumulated by Management in similar cases, provisions amounting to R$771 (R$251 in Company and consolidated, as of December 31, 2011) were accrued for labor lawsuits.

b. Tax claims

Legal liabilities resulting from amortization of tax liabilities using deemed IPI (Federal VAT) credits (resulting from purchase of cattle from individual farmers) that are not yet final and unappealable.

On December 17, 2003 the Company filed an action to obtain IPI credits as reimbursement for PIS and COFINS (taxes on sales) on the purchase of raw material for the production of merchandise intended for export. A legal action was filed relating to those exports and the Company obtained a favorable decision in the lower courts.

Although this decision was not final, part of the total of R$89,809 in credits involved in these proceedings was offset in the amount of R$3,448. Following the opinion of the Company's external lawyers, Management believes that a successful outcome is probable in the higher courts. To prevent that an appeal to this decision is filed and that an unfavorable decision is rendered against the Company, and to comply with Brazilian accounting practices, a provision of R$3,448 was set up to cover this possibility; fine and interest amounting to R$5,918 are duly added to it, adding up to a total provision of R$9,366 as of June 30, 2012 and December 31, 2011, whose amounts are fully provided for.

As of September 30, 2012 and December 31, 2011, the amount of R$9,401 in tax contingencies basically consists of PIS/COFINS tax claims amounting to R$9,366 and discussions of PIS/COFINS calculation bases.

c. Other lawsuits

As of September 30, 2012, the Company and its controlled companies were involved in other ongoing lawsuits of civil and tax nature, in the approximate amounts of R$78,689 and R$3,717, whose unfavorable outcome is considered possible, though not probable, by legal counselors, and for which the Company's Management has chosen not to set up provision to cover possible losses. According to the monitoring of the Company's internal legal department, the amount referred to above has not been through significant changes up to September 30, 2012.

22. Shareholders' equity

a. Capital stock

The Company's capital stock subscribed and paid-in as of September 30, 2012 amounts to R$300,484 (R$252,251 as of December 31, 2011), represented by 108,807,556 common, book-entry shares with no par value, clear from any responsibility or encumbrances. After the Company's board of directors approved the increase in authorized capital changing the limit for more up to 100,000,000 common shares, authorized share capital increased to 175,000,000 common shares.

On April 30, 2009, the Board of Directors authorized a program for repurchase of shares issued by the Company to be held in treasury, cancelled or put on the market again.

During the quarter ended September 30, 2012 and, as provided for in the indenture of "debentures mandatorily convertible into shares", the amount of 3,455,918 common shares (6,340,338 common shares during the nine-month period ended September 30, 2012) were converted into shares by the Company, which corresponds to a capital increase of R$26,295 (R$48,232 during the nine-month period ended September 30, 2012).

b. Treasury shares

In accordance with the provisions of paragraphs 1 and 2 of article 30 of Law No. 6.404/76 and Instructions No. 10 No. 268 and 390 of CVM, the Board approved the acquisition of up 3,451,371 (three million, four hundred and fifty-one thousand, three hundred and seventy-one) registered, book-entry, common shares, with no par value, representing 10% of the 34,513,710 (thirty four million, five hundred and thirteen thousand, seven hundred and ten) outstanding shares of the Company.

During the quarter ended September 30, 2012, the Company negotiated the purchase of 1,804,600 shares, in an average cost of R$10.18, at BOVESPA (São Paulo's stock market)

On July 29, 2012, the Company's Board of Directors approved the cancelation of 3,442,500 treasury shares. After that, the resulting balance of treasury shares as of June 30, 2012 was 1,457,800 shares at an average cost of R$7.77.

As of September 30, 2012 the Company has 3,262,400 treasury shares, at an average cost of R$9.10.

c. Revaluation surplus

In 2003 and 2006, the Company revalued the assets of its property, plant and equipment and the amount reported as of September 30, 2012 was R$73,807 (R$75,724 as of December 31, 2011) net of tax effects.

As explained earlier and in compliance with Law No. 11638 of 2007, the Company decided to keep the revaluation surplus accrued up to December 31, 2007 until its full realization, which must occur due to depreciation or disposal of the revalued assets.

d. Statutory reserve

It is recognized at the rate of 5% of annual net income, pursuant to article 193 of Law No. 6.404/76, up to the limit of 20% of capital stock. In the year in which the balance of statutory reserve plus the capital reserves addressed by paragraph 1, article 182 of Law No. 6404/76 exceeds 30% of capital stock, the appropriation of part of net income to set up the statutory reserve will not be mandatory.

e. Income reserve

This appropriated retained earnings was recognized for the appropriation of part of retained earnings in 2010, in compliance with the capital budget approved in the Annual Shareholders' Meeting (AGO) held on April 30, 2010 which determines the continuity of the Company's growth plan.

f. Shares and option plans

On October 1, 2008 the Company's Board of Directors approved, in a Special Shareholders' Meeting, the Share Purchase Option Plan (Plan), the purpose of which is to grant purchase options on shares issued by the Company to officers and employees at management level.

Periodically, the Board of Directors will be able to create share purchase option programs ("programs"), in which the terms and conditions for each granting of shares will be defined, following the basic guidelines established in the Plan.

All the rules for each program must be reported in the Agreement for Granting Share Purchase Options and Other Covenants, to be entered into with each participant in each program.

The Plan will be limited to a maximum number of options which results in a dilution of up to 3% of the Company's share capital on the date of the creation of each program. Dilution is the percentage shown by the number of shares underlying the options, considering all options granted in the plan by the total number of shares of the Company.

The share option plan of the Company does not have expectation of any negotiations involving treasury shares to carry out the redemption of the options.

The Company has adopted the policy of disclosing the information required by CVM with respect to its option plan and future programs.

On April 30, 2010, in the Annual Shareholders' Meeting (AGO) the Company's Board of Directors approved a Share Option Plan and Other Covenants. The referred plan was limited to a maximum of 56,101 options, which were fully exercised in July 2010. Accordingly, as of December 31, 2011 there were no share options and other covenants to be exercised as a part of this plan, on account of it, it was not necessary to present the outstanding and average price of shares. If these actions were recognized, the impact on shareholders' equity would be approximately R$350.

With the gradual adoption of the plan, the Management plans to offer participants a long-term incentive, aligned with best practices in remuneration, as a mere complement to the remuneration policy.

g. Dividends and interest on equity capital

The Company's by-laws establish the distribution of mandatory minimum dividends of 25% of income for the period, adjusted pursuant to legislation.

At a meeting of the Board of Directors (RCA) held on March 5, 2012, the early distribution of mandatory minimum dividends and interest on equity capital was decided for the year ended December 31, 2011, amounting to R$11,762 and R$20,560 (R$17,476, net of withholding income tax), respectively, upon filing by the Company's Executive Board.

Below is the calculation schedule of dividends and interest on equity capital to be distributed:

	2011	2010
Net income for the year of the controlling company	45,364	22,898
Recognition of statutory reserves (5%)	(2,268)	(1,145)
Net income after statutory reserve	**43,096**	**21,753**
Realization of revaluation surplus	3,952	4,465
Adjusted net income	**47,048**	**26,218**
Mandatory minimum dividends (25%)	**11,762**	**6,555**
Distribution of interest on equity capital		
Interest on equity capital	20,560	-
Withholding income tax (15%)	(3,084)	-
Interest on equity capital distributed to common shares (R$)	**17,476**	-
Total distributed dividends and interest on equity capital		
Number of shares		
Common shares	105,909,718	105,794,018
Treasury shares	-3,392,500	-2,546,000
	102,517,218	**103,248,018**
Interest on equity capital distributed per share		
Amount distributed per common share	0.170471	-
Dividends per share		
Value distributed per common shares	0.114732	0.063486

In compliance with tax laws, any such interest is accounted for as financial expenses.

To meet the accounting policies adopted in Brazil and instructions of the Brazilian Securities and Exchange Commission (CVM), interest is presented as distribution of the net income for the year.

During this meeting of the Board of Directors (RCA), the advanced payment of dividends and interest on equity capital was determined on March 15, 2012. These advanced profit distributions were properly ratified (*ad referendum*) at the Annual Shareholders' Meeting (AGO), at which the appropriation of exceeding profit for the year ended December 31, 2012 was also decided.

23. Management's compensation

As of September 30, 2012 the Company and its controlled companies recorded expenses on key management personnel remuneration (Company's Board of Directors and officers) in the amount of R$1,621 (R$783 as of September 30, 2011). The entire remuneration is short-term.

Upon termination of employment agreement, there are no post-employment benefits.

24. Segment reporting

	Business segment					
	Live Cattle		Meat		Consolidated	
	09.30.12	09.30.11	09.30.12	09.30.11	09.30.12	09.30.11
Net revenue	417,191	183,608	2,756,039	2,700,803	3,173,230	2,884,411
Cost of goods sold	(333,676)	(156,379)	(2,175,226)	(2,308,732)	(2,508,902)	(2,465,111)
Operating expenses	(49,897)	(9,781)	(327,317)	(236,971)	(377,214)	(246,752)
Financial income (losses), net	27,688	17,064	(541,233)	(287,119)	(513,545)	(270,055)
Net income (loss) before taxes	61,306	34,512	(287,737)	(132,019)	(226,431)	(97,507)

In the presentation based on geographical segments, the segment revenue is based on the client's location. Segment assets are based on the geographical location of the assets.

There are no revenues from transactions with a single foreign client which represents 10% or more of total revenues.

The Company and its controlled companies have as main business segments the production and trade of fresh meat, live cattle and its by-products and the processing of beef, pork and poultry.

25. Net revenue

	Company		Consolidated	
	09.30.12	09.30.11	09.30.12	09.30.11
Sales of goods - domestic market	1,059,351	1,271,765	1,090,308	1,388,487
Sales of goods - foreign market	1,869,825	1,414,369	2,280,238	1,702,584
Revenue deductions - taxes and others	(175,467)	(188,419)	(197,316)	(206,660)
Net revenue	**2,753,709**	**2,497,715**	**3,173,230**	**2,884,411**

26. Financial income, net

	Company		Consolidated	
	09.30.12	**09.30.11**	**09.30.12**	**09.30.11**
Financial income:				
Income (monetary and exchange gains and losses)	27,737	27,494	43,915	36,834
	27,737	27,494	43,915	36,834
Financial expenses:				
Interest on financings	(208,460)	(138,980)	(241,676)	(154,217)
Other financial losses	(69,480)	(29,121)	(87,888)	(46,390)
	(277,940)	**(168,101)**	**(329,564)**	**(200,607)**
Foreign exchange gains (losses), net	(198,755)	(104,318)	(227,896)	(106,282)
Financial loss	**(448,958)**	**(244,925)**	**(513,545)**	**(270,055)**

27. Earnings per share

a. Basic earnings

Basic earnings per share is calculated by dividing the income attributable to the Company's shareholders by the weighted average number of common shares issued during the year, excluding those common shares bought by the Company and held as treasury shares.

Basic	**09.30.12**	**09.30.11**
Net income attributable to the Company's shareholders	(174,690)	30,543
Weighted average number of common shares issued – thousands	108,807	105,844
Weighted average number of treasury shares	(3,262)	(3,662)
Weighted average number of outstanding common shares – thousands	105,545	102,182
Basic earnings /loss per share - R$	**1.65510**	**0.29890**

b. Diluted earnings

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares, assuming the conversion of all possible common shares that would cause the dilution. The Company has only one class of possible common shares that would cause dilution: subscription bonus.

Diluted	09.30.12	09.30.11
Net income attributable to the Company's shareholders	(174,690)	30,543
Weighted average number of outstanding common shares – thousands	105,545	102,182
Adjustment by conversion of convertible debentures	19,952	-
Adjustment by options of purchase options - thousands	-	-
Weighted average number of common shares for diluted earnings per share - thousands	125,498	102,532
Diluted earnings per share - R$	**(1.39200)**	**0.29890**

28. Risk management and financial instruments

The Company's transactions are exposed to market risks, particularly with respect to changes in exchange and interest rates, credit risks and purchase prices for cattle. The Company's investment management policy establishes the use of derivative financial instruments for hedging against these risk factors. Additionally, the Company may also employ derivatives to put in place operational and financial strategies defined by the Board of Executive Directors and duly approved by the Board of Directors.

Market risk management is carried out through the use of two models, namely: 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. Risk monitoring is constant and the risks are calculated at least twice a day.

Additionally, financial instrument transactions for speculative purposes are not permitted.

a. Policy for the treasury's hedging transactions

The implementation of the Company's hedging management policy is the responsibility of the Treasury Department and follows the decisions taken by the Risk Committee, which is made up of the Company's managing officers, employees and outside consultants.

The supervision and monitoring of compliance with the guidelines laid down by the hedging policy are the responsibility of the Risk Management Board, which is subordinated to the Presidency and the Risk Committee.

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

I. Foreign exchange hedging policy

The foreign exchange hedging policy aims to protect the Company from currency fluctuations and is divided into two segments:

1. Cash flow

Cash flow hedging strategies are daily discussed with the market committee.

The purpose of the cash flow hedging policy is to make use of market fluctuations to improve the Company's operating income and hedge its flows of currencies other than Brazilian Real within a year.

Financial instruments available in the market may be used for these hedges, such as: futures transactions with US dollar at BM&F, NDFs, funds raised in foreign currency, options (the Company is always purchasing options) and inflow of funds in US dollars (ready exchange rate closing).

2. Balance sheet

Balance sheet hedging is monthly discussed at the Board of Directors' meeting.

The purpose of the balance sheet hedging policy is to protect the Company against its foreign currency indebtedness.

The balance sheet exposure is the debt flow in US dollars over a period longer than one year.

Financial instruments available on the market, such as: withholding cash in US dollars, NDFs, forward contracts at BM&F, swaps and options.

II. Cattle hedging policy

The purpose of the cattle hedging policy is to minimize the impacts of price fluctuations per arroba (a unit of weight equivalent to 15 kg) of cattle on the Company's results. The policy is split into two topics:

1. Forward contracts for cattle

In order to guarantee raw material, especially in the off-season period for cattle, the Company purchases cattle for future delivery and uses the BM&F for the sale of futures contracts, minimizing the risk of price fluctuations per arroba of cattle beast.

Financial instruments available on the market, such as: future contracts for feeder cattle on the BM&F and options on futures contracts for feeder cattle.

2. Hedging of meat sold

For the purpose of guaranteeing the cost of the raw material used in its meat production, the Company uses the BM&F to purchase future contracts minimizing the risk of price fluctuations per arroba of cattle beast and hedging its operating margins obtained at the time of selling the meat.

Financial instruments available on the market, such as: futures contracts and options on future contracts for fat cattle on the BM&F can be used.

Statement of the derivative positions

The statement of derivative positions was prepared so as to present the derivative financial instruments taken out by the Company in the year ended September 30, 2012 and December 31, 2011, according to their purpose (equity hedging and other purposes):

Equity Protection

Description	/ thsd		Fair Value in		Accumulated effect	
	30/09/12	31/12/11	30/09/12	31/12/11	Amount receivable /	Amount payable /
Future Contracts:	-	-	-	-	-	-
Purchase commitments	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
Mini Dollar (dol x 0,10)	-	150	-	282	-	-
Other	-	-	-	-	-	-
BGI (arrobas)	-	167	-	16,979	-	-
Corn (sacks)	-	92	-	2,427	307	-
Sale commitments	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
DOL (US$)	24,250	59,000	49,439	110,922	2,226	-
Other	-	-	-	-	-	-
BGI (arrobas)	2,208	-	216,018	-	7,599	-
Option Contracts	-	-	-	-	-	-
Call holder	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
Other	-	-	-	-	-	-
BGI (arrobas)	677	-	330	-	-	596
Put holder	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
DOL (US$)	25,000	50,000	25	1,050	-	2,586
Other	-	-	-	-	-	-
BGI (arrobas)	445	330	329	832	-	528
Call seller	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
Other	-	-	-	-	-	-
BGI (arrobas)	947	-	168	-	515	-
Put holder	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
DOL (US$)	-	50,000	-	50	1,686	-
Other	-	-	-	-	-	-
BGI (arrobas)	454	330	182	703	342	-
Non Deliverable Forwards	-	-	-	-	-	-
Bull position	-	-	-	-	-	-
NDF (Dollar)	-	4,957	-	9,299	-	-
Bear position	-	-	-	-	-	-
NDF (euro)	49,955	20,500	50,913	49,901	-	30
NDF (Dollar)	272,171	-	271,032	-	623	-

Other Purposes

Description	/ thsd	/ thsd	Fair Value in	Fair Value	Accumulated effect	
	30/09/12	31/12/11	30/09/12	31/12/11	Amount receivable /	Amount payable /
Future Contracts:	-	-	-	-	-	-
Purchase commitments	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
Other	-	-	-	-	-	-
BGI (Notional em Arrobas)	-	-	-	-	391	-
Corn (sacks)	-	23	25	586	-	109
Sale commitments	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
DOL (US$)	10.000	10.000	20.347	18.758	1.729	-
Other	-	-	-	-	-	-
Option Contracts	-	-	-	-		-
Call holder	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
Other	-	-	-	-	-	-
Corn (sacks)	-	90	-	169	-	17
Put holder	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
DOL (nocional em US$)	-	10.000	-	10	-	240
Other	-	-	-	-	-	-
Corn (sacks)	-	23	-	18	-	-
1-day DI (R$)	-	18	-	0	-	-
Call seller	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
Other	-	-	-	-	-	-
Corn (sacks)	-	135	-	217	-	-
1-day DI (R$)	-	18	-	0	-	-
Put holder	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
DOL (nocional em US$)	-	10.000	-	10	267	-
Other	-	-	-	-	-	-
Corn (sacks)	-	27	-	8	77	-
Non Deliverable Forwards	-	-	-	-	-	-
Bear position	-	-	-	-	-	-
NDF (euro)	-	-	-	-	153	-
NDF (Dollar)	-	-	-	-	4.500	-

(1) The sales commitments (DOL U$) presented for other purposes correspond to transactions with financial instruments hedged against currency variations of the Company's subsidiaries Minerva Dawn Farms S.A. **(**MDF) – (US$6,5 million) and Brascasing Comercial Ltda.– (US$3,5 million).

Notional values are the values that 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 in the following manner:

- Future DOL sales agreements: Future agreements for dollar traded on the BM&F amount to US$ 50,000 by notional agreement and daily adjustment; the fair value is calculated by the product of the "notional" in dollar at the reference dollar for the agreement disclosed by the BM&F.

- Future BGI sales agreements: Futures feeder cattle agreements traded at the BM&F amount to R$ 330 per arroba; the fair value is calculated by the product of the "notional" in Brazilian reais at the reference amount for the agreement disclosed by the BM&F.

- Bear Position Forward Contracts: NDF (Euro)**:** The agreements are carried out in "over-the-counter" market because they are not standardized and do not have daily adjustment; their fair value is calculated by the product of the notional amount traded and the PTAX EURO for sale rate disclosed by the Central Bank.

- Bear Position Forward Contracts: NDF (Dollar)**:** The agreements are carried out in "over-the-counter" market because they are not standardized and do not have daily adjustment; their fair value is calculated by the product of the notional amount traded and the PTAX 800 for sale rate disclosed by the Central Bank.

The fair values were estimated on the date of the financial statements, according to "relevant market information". Changes in the assumptions and in the financial market may materially affect the estimates presented.

Derivatives undergo daily settlement of the financial adjustments on the BM&F, except for over-the-counter transactions (swap. options and NDF) whose maturities for settlement of the financial adjustments may be weekly, monthly or quarterly. Accordingly, for these derivatives, only financial adjustments realized and not settled are recorded in equity accounts as of September 30, 2012 and December 31, 2011 as "Treasury Advances". The breakdown of the balances payable/receivable recorded in the financial statements is as follows:

Derivatives	***09/30/2012***	***12/31/2011***
	Receivable (payable)	***Receivable (payable)***
Future Contracts (D + 1)	*291*	*949*
Option Contracts	*0*	*0*
Swap	*0*	*0*
NDF	*0*	*0*
Shares	*0*	*0*
	291	***949***

The mark to market of outstanding transactions of over the counter NDF, Swaps and options at BM&F – Bovespa, is accounted in equity accounts as of September 30, 2012 and December 31, 2011 as "NDF receivable/payable", "Swap" and "Receivable Options", respectively.

Derivatives	***09/30/2012***	***12/31/2011***
	Mark-to-market	***Mark-to-market***
OPTIONS	*968*	*90*
Swap	*123,328*	*133,483*
NDF (EUR+DOL)	*5,784*	*10,188*
Grand total	***130,079***	***143,762***

Exchange and interest rate risks

The exchange rate and interest rate risks on loans and financing, financial investments, accounts receivable in foreign currency arising from exports, foreign investments and other liabilities denominated in foreign currency are managed by using derivative financial instruments based on futures contracts traded on exchanges, rate *swap* transactions and NDFs (*Non Deliverable Forwards*), options and other exchange instruments.

In the following table we present the Company's consolidated position, specifically with respect to its financial assets and liabilities, separated 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 managing the exchange exposure risk:

	Consolidated		
	09.30.2012		
	Currencies		
	Domestic	Foreign	Total
Assets			
Cash	380		380
Banks - checking account	43,237	397,358	440,595
Financial investments	479,511	-	479,511
Trade accounts receivable	60,331	133,834	194,165
Total current assets	**583,459**	**531,192**	**1,114,651**
Total assets	**583,459**	**531,192**	**1,114,651**
Liabilities			
Short-term financing	180,102	365,061	545,163
Total current Liabilities	**180,102**	**365,061**	**545,163**
Long-term financing	316,780	1,746,835	2,063,615
Total non-current liabilities	316,780	1,746,835	2,063,615
Total liabilities	**496,882**	**2,111,896**	**2,608,778**
Net financial debt	(86,577)	1,580,704	1,494,127
Foreign exchange hedging derivatives - Net position	-	(125,169)	(125,169)
Net foreign exchange position	**-**	**1,455,535**	**1,368,958**

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

Financial instruments (Net)	***Bull (bear) position, net as of 09/30/2012***	***Bull (bear) position, net as of 12/31/2011***
Future Contracts - DOL (Dollar)	*(24,250)*	*(110,640)*
Option Contracts (Dollar, Cattle, Corn and IDI)	*334*	
Swaps Contracts	*123,328*	*133,483*
NDF (Dollar + EURO)	*(322,126)*	
Total - Net	***(222,714)***	

Financial assets and liabilities are presented in the financial statements as of September 30, 2012 and December 31, 2011 at amounts that closely approximate market values. Their respective revenues and expenses are recognized and they are presented on these dates according to their expected realization or settlement. The amounts related to export orders (solid sales agreements) refer to orders from approved clients that have not yet been invoiced (and therefore not accounted for), but which are already hedged against the risk of changes in foreign currency rates (US dollars or other foreign currency) through derivative financial instruments.

The Company hedges long-term financial assets and liabilities subject to exchange rate gains (losses), mainly the US dollar. As of September 30, 2012, the Company held NCEs (export credit notes), PPEs (export prepayments) and Unsecured Senior Notes falling due in the long-term and subject to exchange rate gains (losses) during 2011.

Following is a list of NDF agreements held by the Company and in effect as of September 30, 2012:

TYPE	POSITION	CURRENCY	MATURITY	NOTIONAL	INSTITUTION
NDF	BEAR	DOL	02/05/2013	(762.50)	Banco Barclays Capital S.A
NDF	BEAR	DOL	02/05/2013	(211.40)	Banco Morgan Stanley S.A
NDF	BEAR	DOL	01/11/2012	(57,500.00)	BCO BRADESCO SA
NDF	BEAR	DOL	01/11/2012	(50,000.00)	HSBC Bank Brasil S.A. – Banco Multiplo
NDF	BEAR	DOL	01/11/2012	(25,000.00)	BCO ITAU BBA S/A
NDF	BEAR	EURO	09/10/2012	(4,000.00)	Banco Barclays Capital S.A
NDF	BEAR	EURO	18/10/2012	(5,000.00)	HSBC Bank Brasil S.A. – Banco Multiplo
NDF	BEAR	EURO	23/10/2012	(2,500.00)	Banco Goldman Sachs S.A
NDF	BEAR	EURO	23/10/2012	(2,000.00)	Banco Barclays Capital S.A
NDF	BEAR	EURO	01/11/2012	(3,000.00)	Banco Barclays Capital S.A
NDF	BEAR	EURO	14/11/2012	(3,000.00)	Banco Pine S.A.
NDF	BULL	DOL	13/09/2015	100,000.00	Banco Morgan Stanley S.A
NDF	BEAR	DOL	13/09/2015	(100,000.00)	Banco Morgan Stanley S.A

Credit risks

The Company is potentially subject to credit risks related to accounts receivable from its clients. It minimizes these risks by diversifying its client portfolio, given that the Company does not have a client or business group that accounts for more than 10% of its revenues and restricts the granting of credit to clients with good financial and operating indices.

c. Cattle price risks

The Company's line of business is subject to the fluctuation of prices for cattle, mainly raw material, changes which arise from factors outside the control of Management, such as climatic factors, volume of supply, transportation costs, agricultural policies and others. The Company, in accordance with its inventory policy, pursues 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 (over-the-counter and exchanges), which ensure the realization of its inventories at a determined price level.

Cattle

Over-the-counter Market	**Fair Value 09/30/2012**
Non Deliverable Forwards - Purchased	
Notional Value (@)	1,683,042
Price of Future Contract (R$/@)	95
Total R$/1000	**159,221**

BM&F Market	**Fair Value 09/30/2012**
Future Contract - Sold	
Notional Value (@)	1,558,590
Price of Future Contract (R$/@)	98
Total R$/1000	**152,818**

d. Cash sensitivity statements

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

The scenarios were calculated according to the following assumptions:

- An upward movement typifies an increase in prices or risk factors as of September 30, 2012;
- A downward movement typifies an increase in prices or risk factors as of September 30, 2012;
- Possible scenario: an impact of 6%; Probable scenario: an impact of 12%; Remote scenario: an impact of 18%.

- Probable scenario: an impact of 6%; Oscillation scenario of 25%; and Oscillation scenario of 50%.

The cash sensitivity statements were prepared in compliance with CVM Resolution No. 475/08, taking into consideration only the positions in derivative financial instruments and their impacts on cash. This model does not take into consideration the hedging positions.

Equity hedging
(amounts in R$ thousands)

Transaction	Change	Risk	Probable scenario	25% fluctuation	50% fluctuation
Derivatives Hedge	Upward	Cattle	(12,961)	(54,005)	(108,009)
Cattle	Upward	Cattle	9,553	39,805	79,610
Net			**(3,408)**	**(14,199)**	**(28,399)**
Derivatives Hedge	Upward	US dollar	(19,548)	(80,438)	(160,556)
Invoices + Cash - in $US	Upward	US dollar	17,015	70,896	141,792
Net			**(2,533)**	**(9,542)**	**(18,764)**
Derivatives Hedge	Upward	Euro	(3,055)	(12,728)	(25,456)
Invoices - in $EUR	Upward	Euro	2,136	8,901	17,803
Net			**(918)**	**(3,827)**	**(7,654)**
Derivatives Hedge	Upward	US dollar	26,804	111,683	223,366
Fund raisings in US$	Upward	US dollar	(114,666)	(477,773)	(955,546)
Net			**(87,862)**	**(366,090)**	**(732,180)**
Share swaps (BEEF3)	Downward	Shares	(1,233)	(5,139)	(10,278)
Net			**(1,233)**	**(5,139)**	**(10,278)**

*** exchange rate USD 2.0306 - sales PTAX (source Central Bank)**

Income (loss) from the equity protection chart

Hedge derivatives x Cattle: In the probable scenario where the market movement is 6%, the Company could have a loss of R$ 3.408; in turn, the oscillation scenario of 25% is R$ 14,199 and the oscillation scenario of 50% is R$ 28,399.

Hedge derivatives x Invoices + Cash in US$: In the probable scenario where the market movement is 6%, the Company could have a loss of R$ 2.533; in turn, the oscillation scenario of 25% is R$ 9,542 and the oscillation scenario of 50% is R$ 18,764.

Hedge derivatives x Invoices + Cash in EUR: In the probable scenario where the market movement is 6%, the Company could have a loss of R$ 918; in turn, the oscillation scenario of 25% is R$ 3,827 and the oscillation scenario of 50% is R$ 7,654.

Hedge derivatives x Fundraising in US: In the probable scenario where the market movement is 6%, the Company could have a loss of R$ 87.862; in turn, the oscillation scenario of 25% is R$ 366,090 and the oscillation scenario of 50% is R$ 732,180.

Swap of Shares (BEEF3): In the probable scenario where the market movement is 6%, the Company could have a loss of R$ 1.233; in turn, the oscillation scenario of 25% is R$ 5,139 and the oscillation scenario of 50% is R$ 10,278.

e. Guarantee margin

A guarantee margin 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 of September 30, 2012 amounts deposited for margin amount to R$38,250.

f. Share swap agreement

In meeting held on April 3, 2012, the Company's Board of Directors approved the agreement on swaps with Credit Suisse Próprio Fundo de Investimento Multimercado ("Credit Suisse").

When hires this transaction with Credit Suisse the Company's purpose was to demonstrate its commitment and responsibility to efficiently operate its businesses. As a strategy, the Company opted not to carry out any financial disbursement, signing swap agreements with Credit Suisse establishing that the return of the Company will be equivalent to the variation in the price of the shares issued.

The swap agreements establish that the return of the Company will be equivalent to the variation in prices of the shares issued by the Company (BEEF3) and the return of Credit Suisse will be equivalent to 100% of variation of CDI at the adjusted deadline, plus a predetermined spread.

Below we present the amount of agreements/transaction to settle; their reference amounts; deadline for settlement; and fair value and amounts receivable/payable of each agreement:

Date of contracting	Maturity date	Equivalent in shares	Reference amount	Fair Value	Amount Receivable
4/4/2012	4/1/2014	400	3,088	4,490	1,104
4/4/2012	3/11/2014	400	3,088	4,490	1,109
4/4/2012	2/18/2014	400	3,088	4,490	1,114
4/4/2012	1/28/2014	400	3,088	4,490	1,119
4/4/2012	1/7/2014	400	3,088	4,490	1,125
5/28/2012	4/22/2014	325	2,558	3,648	884
5/28/2012	4/22/2014	325	2,558	3,648	884
	Total	**2,650**	**20,556**	**29,749**	**7,339**

The transactions above, whose results will be financially settled, do not change the current percentage of the Company's outstanding shares and do not lead to immediate cash disbursement

g. Structured operation

During the 2nd quarter of 2012, the Company and its financial advisors structured the issue of debentures not convertible with maturity on January 29, 2022, at the amount of R$450,000. This operation was structured in order to provide a neutral effect at the Company's composition of assets and liabilities.

29. Statements of comprehensive income

In compliance with CPC 26 (IAS 1) - Presentation of Quarterly Information, it is stated below the changes on the statement of comprehensive income (loss) for the period ended September 30, 2012 and 2011:

	Company		Consolidated	
	09.30.12	06.30.11	09.30.12	06.30.11
Net income	(174,690)	11,771	(177,025)	11,180
Asset and liability valuation adjustments	(357)	(1,324)	(405)	66
Total comprehensive income (loss)	**(175,047)**	**10,447**	**(177,430)**	**11,246**

30. Insurance coverage

The Company and its controlled companies 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 about insurance coverage in effect as of September 30, 2012 is as follows:

	Type of coverage	Indemnity amount
Buildings	Fire and miscellaneous risks	515,000
Facilities, equipment and products in inventory	Fire and miscellaneous risks	46,000
Vehicles and aircrafts	Fire and miscellaneous risks	27,620
Civil liability	Risks in operations	10,000
		598,620

The Company and its controlled companies 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 of financial statements and, accordingly, were not examined by the Company's independent auditors.

In 2010 the Company took out insurance policies for the plants located in Palmeiras de Goiás (GO), Barretos (SP), José Bonifácio (SP), Bataiporã (MS) and Araguaina (TO).

31. Subsequent events

Frigomerc Sociedad Anónima

On October 2, 2012, the Company entered into a *contrato de compraventa de acciones* (share purchase agreement) for the acquisition of 3,397 shares (representing 99.91%) of the capital stock of Frigomerc Sociedade Anónima, thereby becoming the controlling holder from that date.

Frigorifico Frigomerc Sociedad Anónima is located in Assuncão, Paraguay and has daily slaughtering capacity of 1,000 heads and deboning capacity of 200 tons.

The transaction was carried out at the amount of U.S.$35,000,000, according to the following financial schedule:

- **On demand - U.S.$15,000,000:** At the time of acquisition of the company, held on October 2, 2012;
- **1st Installment – U.S.$5,000,000:** to be settled on April 3, 2013;
- **2nd Installment – U.S.$5,000,000:** to be settled on October 3, 2013; and
- **Share payment - U.S.$10,000,000:** Transfer of 1,918,268 common shares of the Company, which awaits approval from the Brazilian Securities and Exchange Commission (CVM) for its implementation within a maximum of 360 days.

  The Company is in the final stage of realization of the accounting, tax due diligence and drawing up of the balance sheet at fair value on October 2, 2012, which will be used as the basis for the recording of the acquisition, in accordance with CPC 15 - Business Combination.

32. Statement of cash flows (consolidated)

The statement of cash flows was prepared in accordance with CVM Instruction No. 547/2008.

a. Company acquisition

The controlling company has acquired the company Pulsa S/A, which we point out below:

	Pulsa S/A
Cash and cash equivalents	12,945
Trade accounts receivable	17,683
Other receivables	16,205
Inventories	14,196
Property, plant and equipment	56,820
Loans and financing	(36,408)
Trade accounts payable	(11,014)
Other accounts payable	(44,246)
Deferred tax liabilities	(1,181)
Total sales price	25,000
Cash and cash equivalents of controlled companies	(12,945)
Cash flows from acquisition	
Less cash equivalents of controlled companies	**12,055**

3Q12 Earnings Release

Barretos, October 17, 2012 – Minerva S.A. (BOVESPA: BEEF3; Level 1 ADR: MRVSY; Bloomberg: BEEF3.BZ; Reuters: BEEF3.SA), one of the leaders in Latin America in the production and sale of fresh beef, live cattle and cattle byproducts, with operations also in the beef, pork and poultry processing segments, announces today its results for the third quarter of 2012 (3Q12). The financial and operating information herein is presented in BRGAAP and Brazilian real (R$), in accordance with International Financial Reporting Standards (IFRS).

3Q12 Highlights

Minerva (BEEF3)

Stock quote on 16-Oct-12: R$12.40

Market Cap: R$1,349.2 million

108,807,556 Shares

Free Float – 43.1%

Conference Calls

Portuguese
Thursday, October 18, 2012
10:00 a.m. (Brasília)
9:00 a.m. (US EDT)
Phone: +55 (11) 3127-4971
Code: Minerva
Replay: +55 (11) 3127-4999
Code: 57366659

English
Thursday, October 18, 2012
12:00 p.m. (Brasília)
11:00 a.m. (US EDT)
Phone: +1 (412) 317-6776
Code: Minerva
Replay: +1 (412) 317-0088
Code: 10019489

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✓ For the second consecutive quarter, Minerva recorded free cash flow, after investments and interest payments. In 3Q12, free cash flow, excluding the one-off effects from exports in transit, totaled R$47.2 million, resulting from the R$134.5 million EBITDA in the period (EBITDA margin of 11.7%). In addition, for the fourth straight quarter Minerva recorded positive adjusted operating cash flow of R$126.0 million, totaling R$346.6 million in the last twelve months. As a result, our leverage, measured by the Net Debt / EBITDA ratio in the last 12 months, fell to 3.70x in 3Q12.

✓ This result reflects the combination of the positive cattle cycle in Brazil and Minerva's right strategic plan, which involves production based in South America, operational efficiency, focus on risk management and a strict financial austerity policy.

✓ Minerva reported EBITDA margin of 11.7% in 3Q12, 3.1 p.p. up year-over-year. Note that this was the company's highest margin since its IPO in 2007.

✓ Our 3Q12 results were marked by the continued growth in gross revenue, positively impacted by the increase in fresh beef exports. Gross revenue totaled R$1,223.5 million in the quarter, 7.2% and 7.6% more than in 2Q12 and 3Q11, respectively.

✓ Domestic beef prices increased by 6.9% over 2Q12. In the export market, beef prices in USD still remained high, increasing by 14.9% over 3Q11 when converted into BRL. The effects on beef prices both in the domestic and export markets reflect the weakening of the main export countries, due to increased grain prices (corn and soybean), combined with the substitution effect caused by the higher prices of other proteins.

✓ We announced in early October the signing of the Agreement for the Purchase of Shares of Frigomerc, a company located in Paraguay, thus underlining our leadership in the country, which is an important global player in the beef industry. Note that the 3Q12 results do not include the acquired company's figures.

✓ In August, we launched Minerva's new visual identity, which now brings under a single concept all the group companies, packaging, fleet and other identification features at the points of sale. The company has since adopted the logo "Minerva Foods", an umbrella brand for all of the group's brands.

Key Indicators

R$ Million	3Q12	2Q12	Chg.%	3Q11	Chg.%	LTM12	LTM11	Chg.%
Slaughtering (1,000 heads)	420.3	442.1	-4.9%	447.4	-6.1%	1,664.4	1,612.9	3.2%
Sales Volume (1,000 tonnes)	104.1	103.0	1.1%	114.1	-8.7%	400.6	293.7	36.4%
Gross Revenues	**1,223.5**	**1,141.1**	**7.2%**	**1,137.4**	**7.6%**	**4,536.6**	**4,011.8**	**13.1%**
Domestic Market	371.2	373.1	-0.5%	484.1	-23.3%	1,541.7	1,752.9	-12.1%
Export Market	852.3	768.1	11.0%	653.3	30.5%	2,995.0	2,258.9	32.6%
Net Revenues	**1,152.0**	**1,077.2**	**6.9%**	**1,063.8**	**8.3%**	**4,265.8**	**3,750.0**	**13.8%**
EBITDA	**134.5**	**117.2**	**14.7%**	**90.9**	**47.9%**	**445.3**	**316.2**	**40.8%**
EBITDA Margin	11.67%	10.88%	0.79	8.55%	3.13	10.35%	8.43%	1.92
Net Result	**20.6**	**-130.9**	**-115.7%**	**15.5**	**33.0%**	**-161.9**	**54.2**	**-398.7%**
Net Debt/EBITDA	**3.70**	**3.99**	**-0.29**	**3.88**	**-0.18**	**3.70**	**3.88**	**-0.18**

Message from Management

This was another quarter when we generated positive operating and free cash flows. The company has also improved its operating margins constantly, as reflected in the 3Q12 EBITDA margin - the highest since Minerva's IPO in 2007, thanks to the combination of a consistent strategic plan that focused the operations in South America, aligned to efficient distribution in both the domestic and export markets, the incessant pursuit of greater operational efficiency, as well as strict risk control and financial management. These factors, coupled with the inversion of the cattle cycle curve, turned Minerva into an industry benchmark in numerous operational and financial aspects.

On September 30, 2012, the company had a cash balance of R$920.5 million, which is sufficient to amortize its debt through 2017. We firmly believe that the company's current capital structure is adequate to weather any adverse macroeconomic conditions and should enable Minerva benefit from industry distortions and conscientiously capitalize on market opportunities.

With regard to opportunities, in September we took further steps towards our international expansion, reaffirming our strategy of geographic diversification and expansion in South America through one-off and strategic acquisitions that offer high potential of return on invested capital, which has been the hallmark of the company's growth history. We announced the acquisition of Frigomerc, a company in Paraguay with daily slaughter capacity of 1,000 head of cattle and which is among the country's five largest beef exporters. The globalization of operations offers competitive advantages for business expansion, risk mitigation and market arbitrage.

The new plant is adjacent to the plant of Friasa, which will allow us to maximize synergies, especially in terms of cost reduction, production planning, cattle origination, as well as administrative and commercial management. The sum of these two operations will strengthen our position and consolidate Minerva among the market leaders in Paraguay. It is worth noting that our expansion strategy is underpinned by the competitive advantages that South America offers for cattle raising, in which Paraguay has been consolidating itself as one of the region's main beef producers, with a high-quality and low-cost herd, thanks to its modern and competitive production structure. The combination of a developing, efficient and productive industry in an environment of competitive costs, and a cattle raising sector in expansion and development, is gradually consolidating Paraguay as a key player in the global beef scenario.

The recent depreciation of the Brazilian Real against the U.S. dollar, coupled with the continued weakening of Brazil's main competitors, who are highly dependent on grains (corn and soybean), further benefitted the penetration of Brazilian beef in the international market. That is why Minerva has increased its exposure to exports in 2012 by using risk management instruments that enable it to take the best economic decisions regarding the destination of our products. According to a recent report from the United States Department of Agriculture (USDA), global beef demand should remain solid in the coming years, benefitting cattle producers in Brazil, which is going through a phase of abundant cattle supply and a weakened local currency. USDA estimates that Brazilian beef exports should increase by 8% in 2013.

In the domestic market, as expected, beef consumption in the third quarter increased in comparison with the average consumption in the first half of the year, driven by seasonal factors. This growth was also fueled by an improvement in the key domestic market consumption drivers, i.e. lower unemployment rate, sharp increase in the creation of formal jobs, growing real income and sustainable credit expansion. It is also worth highlighting the greater pressure on grain prices by weather conditions, especially in the U.S. (in particular corn and soybean). We believe this should directly affect the prices of other proteins in the coming quarters, consequently benefitting the prices of beef produced in South America.

As for sector costs, despite the beginning of the off-season, when supply is typically scarce, cattle prices continued their downward trend in the third quarter of 2012. The average ESALQ/BM&FBovespa indicator contracted by 1.3% and 7.1% from 2Q12 and 3Q11, respectively, and by 7.0% year to date in comparison with the same period in 2011. According to studies conducted by the USDA, Brazilian herd is expected to grow 3% in 2013, driven, among other factors, by government incentives to promote pasture renewal and improve herd genetics. Another positive factor was the low government intervention in the sector dynamics.

The drought this year was milder than usual, due to the extended rainfall period, which mitigated its effect in pasture degradation. The drought period began in September and the atypical rainfall in early October in some producing regions should benefit pasture restoration and, consequently, strengthen cattle supply at the onset of the next season.

Lastly, we would like to emphasize that in August, at the Rodeo Festival in Barretos, we presented to the market Minerva's new visual identity, which now brings under a single concept all the group companies, packaging, fleet and other identification features at the points of sale. The company has since adopted the logo "Minerva Foods", an umbrella brand for all of the group's brands: Minerva, Pul (Uruguay) and Friasa (Paraguay). The brand restructuring marks another step towards the creation of a single identity to sustain the Company's growth.

Fernando Galletti de Queiroz, CEO

Industry Overview

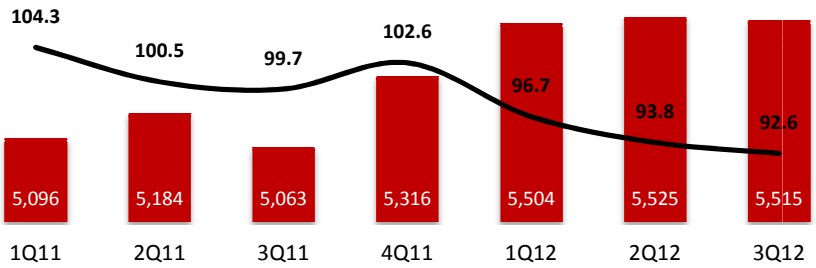
Brazil

Cattle Supply

The increase in slaughter volume in 3Q12 primarily resulted from the solid performance of Brazilian exports, which grew approximately 8.9% over the same period in 2011 and remained stable over the previous quarter. The increased beef exports show that the competitive advantage of Brazilian beef in the export market has been regaining ground over successive quarters.

Third quarters are typically characterized by scarce rainfall and the beginning of the offseason. However, this year the rainfall extended for a longer period, resulting in good quality pastures and a bountiful supply of finished cattle in July and August. As a result, cattle prices in August reached their lowest level in two years, due to the combination of the climatic conditions and the confirmed inversion of the cattle cycle curve. In September, prices recovered slightly, growing 6.2% compared with August, though contracting by 2.6% compared with September 2011.

Figure 1 – Cattle Slaughter trends - Brazil
(thousand head) and average arroba price (R$)



Source: Ministry of Agriculture, Livestock and Supply (MAPA), CEPEA/ESALQ

Export Market

Beef exports registered yet another month of solid performance to reach 265,000 tonnes in the quarter, up 30.5% on 3Q11 and 16.7% on 2Q12, which itself saw the best performance since the third quarter of 2010. This positive result was due to:

- **Stable exchange rate**: the dollar stabilized at around R$2.02 in the third quarter of 2012, presenting little volatility, which ensured solid export margins.
- **Cattle costs**: The Brazilian cattle arroba prices continued their downward trend in July and August, giving Brazil a significant competitive advantage over the major cattle producers and exporters around the globe (U.S., Europe, Australia and Argentina), who were exposed to the recent increase in grain prices.
- **Consolidated markets**, such as Russia, Chile, Saudi Arabia and Egypt, continued to deliver a solid performance. Worth highlighting is the continuous growth of exports to China, which amounted to a record of approximately 2,000 tonnes in September.

Figure 2 - Fresh beef revenue and export volume

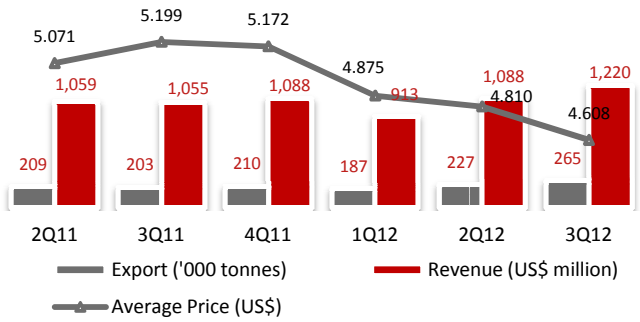
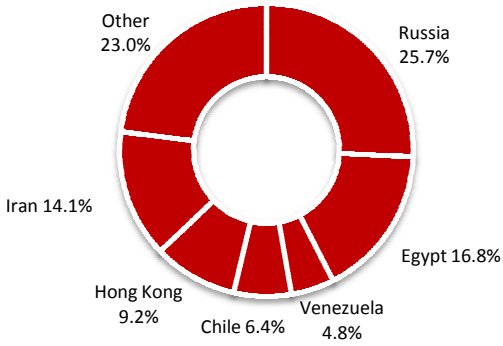


Figure 3 - Destinations of Brazilian exports - 3Q12



Source: SECEX

Charts 4 and 5 below show the monthly evolution of Brazilian beef export volumes and average prices. Export prices in USD contracted slightly compared with 3Q11 and 2Q12. However, prices in BRL grew 9.9% over the third quarter of 2011.

Figure 4 - Fresh beef sales volume

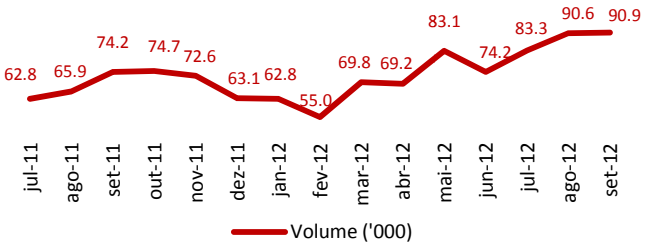
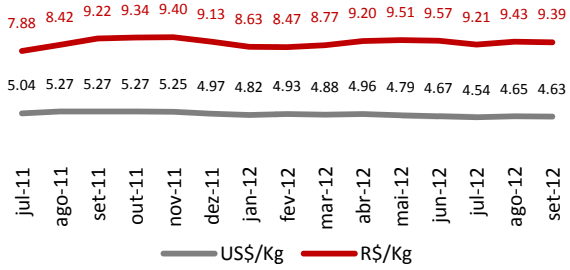


Figure 5 - Fresh beef average prices

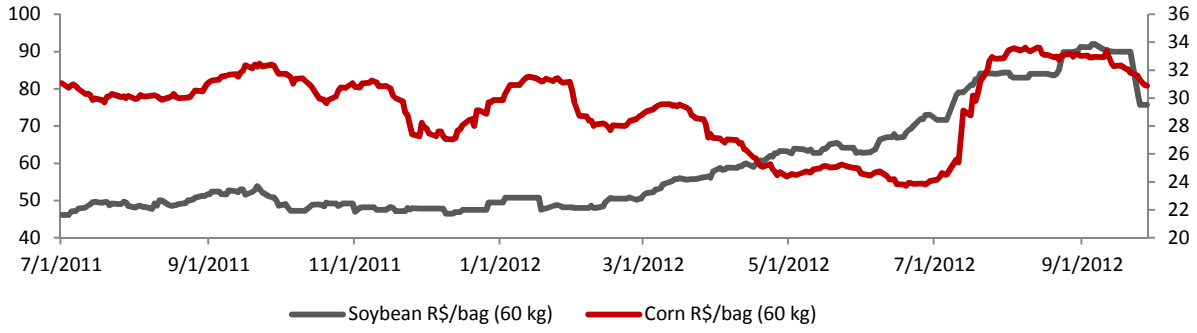


Source: SECEX

Domestic Market

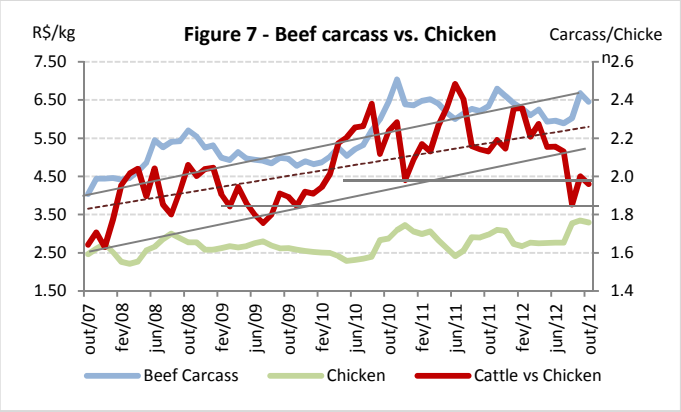
The third quarter was marked by a peak in grain prices (corn and soybean) in the domestic market, driven by the increased exports, in turn due to the offseason in the U.S. This increase was immediately passed on to the producers of chicken and pork, who are highly dependent on grains.

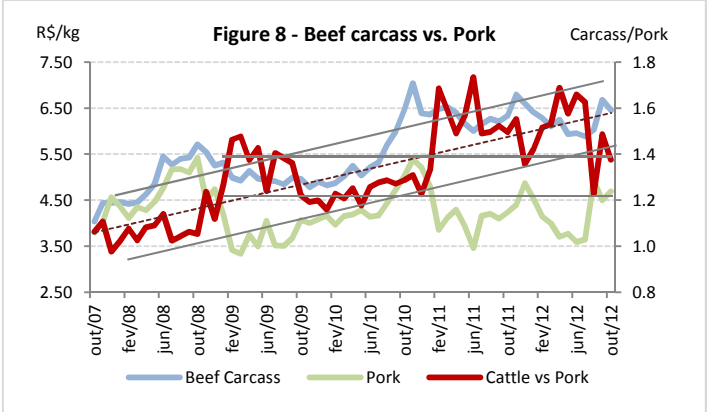
Figure 6 - Soybean (Paranaguá/PR) and corn (Campinas/SP) prices



The increase in chicken and pork prices created a highly favorable scenario for increasing beef margins, thanks to the decreasing cattle prices and increasing retail prices, in tune with the trend in other proteins.

An analysis of the spread on beef carcass (48% hindquarter, 39% forequarter and 13% ribs) compared to that of chicken and pork shows a slight recovery in the period. However, a historical analysis shows that beef prices still present substantial upside.



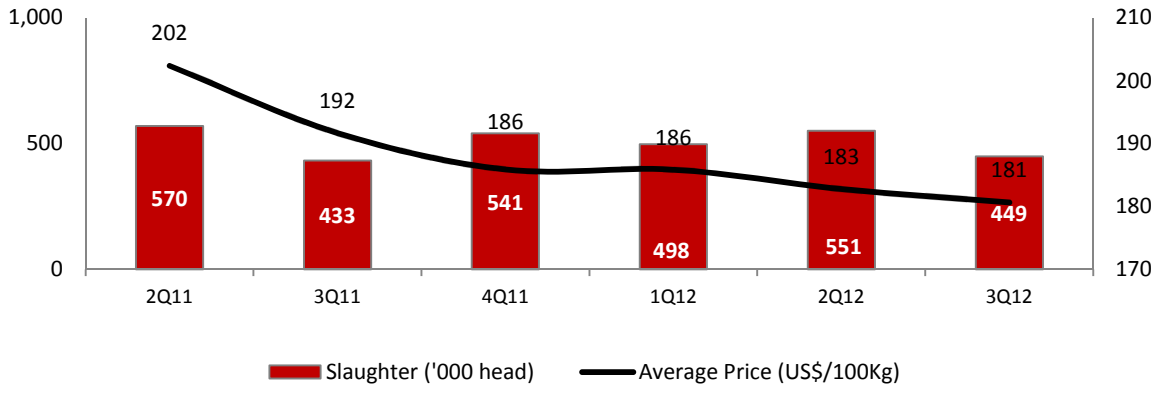


Source: CEPEA

Uruguay

Historically, third quarters are marked by the typical seasonal effect, with the onset of winter decreasing the supply of finished cattle in relation to the previous quarter. A positive surprise was the abundant supply of finished cattle in July, which enabled the industry to operate with excellent margins, while increasing slaughter volumes by 3.7% over 3Q11 and reducing average cattle prices by 1.2% and 5.8% from 2Q12 and 3Q11, respectively.

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



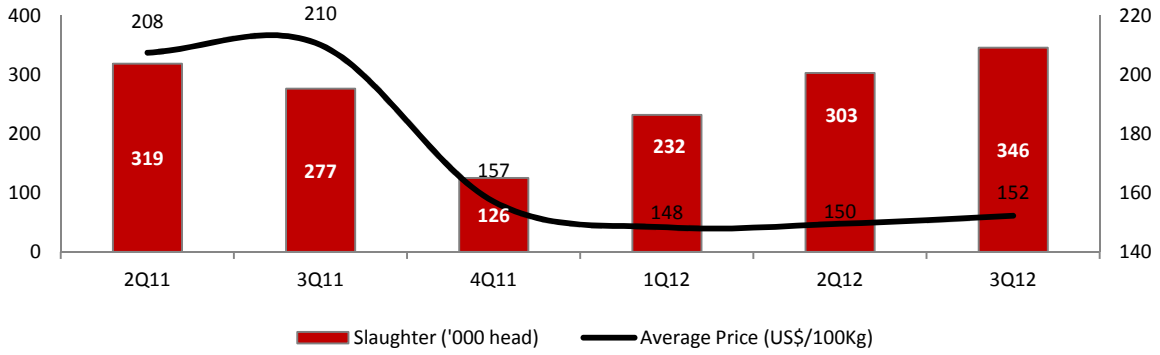
Source: INAC

Paraguay

Slaughter volume in Paraguay continues to grow over successive quarters, thanks to the solid margins in the industry. In 3Q12, the country recorded 14.1% and 24.9% increases in slaughter volume compared with 2Q12 and 3Q11, respectively.

In the fourth quarter of 2011, slaughter volume fell by 54.6%, due to the outbreak of the foot-and-mouth disease, consequently pushing down cattle prices significantly. Note that the country has since been recovering slaughter volumes every quarter, while cattle prices have stabilized.

Figure 10 – Cattle Slaughter Trends and Average Cattle Prices - Paraguay



Source: SENACSA

With our latest acquisition in Paraguay – Frigomerc – we have underlined our leadership in the sector, accounting for an average of 25.2% of total slaughter volume in 2012 and becoming the second largest exporter, with an average market share of 20% in 2012.

Paraguay is the country that recorded the highest herd growth in Latin America in the past ten years - the country has a herd of 12.4 million head of cattle, with good quality industrial crossbreeding, a favorable tax environment, low energy costs, competitive labor, sanitary status as a foot-and-mouth disease-free zone thanks to vaccination and easy river-based transport of production.

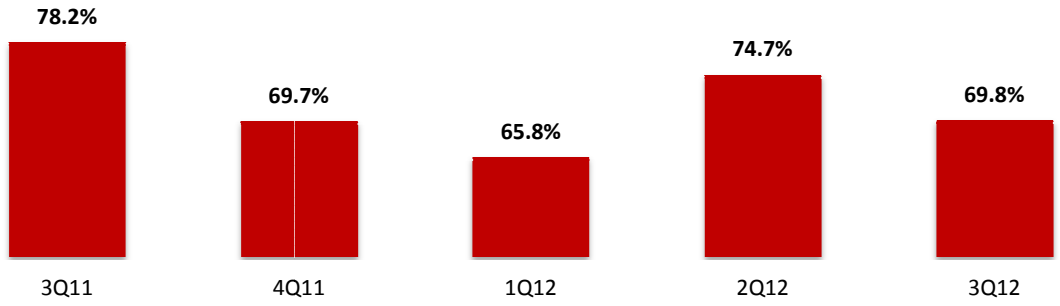
Moreover, Paraguay has recorded a strong increase in Gross Domestic Product, which averaged 5.0% in the last five years. Combined with the improved social conditions in the country, this has directly impacted beef consumption growth in the country in recent years.

Minerva – Analysis of Results

Slaughter Volume

The third quarter saw a seasonal reduction in the slaughter volume due to the beginning of a period of scarce cattle supply, especially in September. Nevertheless, in 3Q12 Minerva posted record gross revenue and the highest EBITDA margin since its IPO in 2007.

Figure 11 - Slaughter Capacity Utilization



Source: Minerva

Consolidated Gross Revenue

R$ Million	3Q12	2Q12	Chg.%	3Q11	Chg.%	LTM12	LTM11	Chg.%
Gross Revenues	**1,223.5**	**1,141.1**	**7.2%**	**1,137.4**	**7.6%**	**4,536.6**	**4,011.8**	**13.1%**
Beef Division	911.1	904.3	0.8%	905.7	0.6%	3,564.9	3,188.9	11.8%
Others	312.4	236.9	31.9%	231.7	34.8%	971.7	823.2	18.0%

R$ Million	3Q12	2Q12	Chg.%	3Q11	Chg.%	LTM12	LTM11	Chg.%
Domestic Market	**371.2**	**373.1**	**-0.5%**	**484.1**	**-23.3%**	**1,541.7**	**1,752.9**	**-12.0%**
% Gross Revenues	30.3%	32.7%	-2.36	42.6%	-12.22	34.0%	43.7%	-9.71
Beef Division	298.6	307.4	-2.9%	391.0	-23.6%	1,246.2	1,438.7	-13.4%
Others	72.6	65.7	10.5%	93.2	-22.1%	295.1	314.4	-6.1%

R$ Million	3Q12	2Q12	Chg.%	3Q11	Chg.%	LTM12	LTM11	Chg.%
Export Market	**852.3**	**768.1**	**11.0%**	**653.3**	**30.5%**	**2,995.0**	**2,258,9**	**32.6%**
% Gross Revenues	69.7%	67.3%	2.35	57.4%	12.22	263.9%	225.4%	38.50
Beef Division	612.5	596.9	2.6%	514.9	19.0%	2,318.6	1,750.1	32.5%
Others	239.8	171.2	40.1%	138.5	73.1%	676.5	508.7	33.0%

The 3Q12 results were marked by the continued strong growth in gross revenue, sustained by the combination of higher fresh beef exports due to the recovery in live cattle exports, and the continued solid performance by MDF, leather segment and Brascasing. Gross revenue totaled R$1,223.5 million in 3Q12, 7.2% and 7.6% up over 2Q12 and 3Q11, respectively. According to a recent USDA report, Brazilian fresh beef and live cattle exports are expected to grow 8% and 20%, respectively, in 2013, driven by the weakened Real and the highly competitive cattle prices in relation to the international market.

Figure 12 - Breakdown of consolidated gross revenue - 3Q12

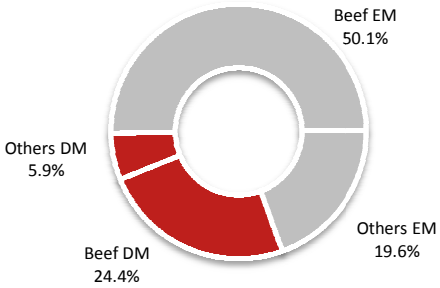
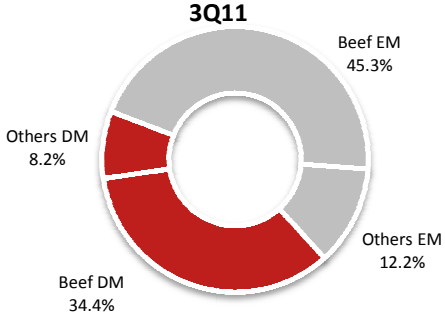


Figure 13 - Breakdown of consolidated gross revenue - 3Q11



The average market share of Brazilian and Uruguayan exports year to date remained stable at 20.7% and 8.1%, respectively. The highlight was the acquisition of Frigomerc in Paraguay, which, together with the FRIASA operation, makes us the country's largest meatpacker and second largest exporter with combined market share (FRIASA + FRIGOMERC) of 20.1%. Note that Paraguay has been gradually opening up new markets and recovering older markets that closed recently, such as Chile.

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

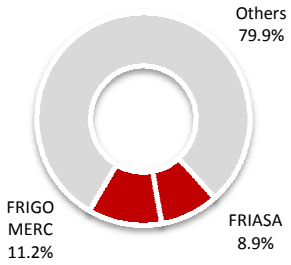


Figure 15 - Market Share - Uruguay (Revenue in US$ MN)

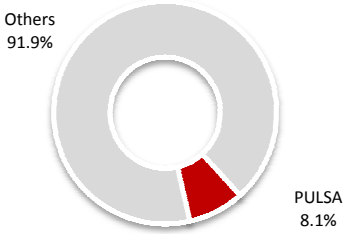


Figure 16 - Market Share - Brazil (Revenue in US$ MN)



Source: Minerva, Secex, INAC and Inalca

Beef Division

Minerva's exports have grown consistently, with the focus on emerging markets, where the demand for quality beef and competitive prices remains high. The depreciation of the Real and the abundant supply of finished cattle have placed Brazil in a uniquely competitive position in the global scenario.

Moreover, the domestic market performance benefitted from the higher retail prices of other proteins caused by the increase in grain prices. Domestic fresh beef prices increased by an average of 6.9% compared with 2Q12.

The highlight of our Paraguay operation (FRIASA) was the large volume of beef exports to Russia and Brazil. Cattle costs in the country stabilized at an extremely favorable level, resulting in excellent export margins.

In our Uruguay operation (PULSA), exports remained diversified and with a focus on niche markets, such as organic beef exports to the U.S. We wish to highlight the initial slaughtering at the plant under the European Union's 620 quota, which applies to top quality beef from cattle raised according to a rigorous diet and stringent certification standards, all of which further contributes to the segmentation that PULSA has been focusing on.

Below is a breakdown of the beef division:

R$ Million	3Q12	2Q12	Chg.%	3Q11	Chg.%	LTM12	LTM11	Chg.%
Fresh Beef – EM	580.0	559.4	3.7%	479.4	21.0%	2,175.2	1,640.6	32.6%
Processed Beef – EM	4.6	6.6	-30.0%	4.8	-3.5%	25.6	9.8	160.8%
Others – EM	27.9	30.9	-9.6%	30.7	-9.1%	117.9	99.7	18.2%
Subtotal – EM	**612.5**	**596.9**	**2.6%**	**514.9**	**19.0%**	**2,318.6**	**1,750.1**	**32.5%**
Fresh Beef – DM	242.7	257.6	-5.8%	338.7	-28.4%	1,038.2	1,235.3	-16.0%
Processed Beef – DM	0.5	1.6	-69.7%	4.0	-88.2%	11.2	19.3	-41.9%
Others – DM	55.4	48.2	15.1%	48.3	14.8%	196.8	184.1	6.9%
Subtotal – DM	**298.6**	**307.4**	**-2.9%**	**391.0**	**-23.6%**	**1,246.2**	**1,438.7**	**-13.4%**
Total	**911.1**	**904.3**	**0.8%**	**905.9**	**0.6%**	**3,564.9**	**3,188.9**	**11.8%**

Volume ('000 tonnes)	3Q12	2Q12	Chg.%	3Q11	Chg.%	LTM12	LTM11	Chg.%
Fresh Beef – EM	59.2	55.5	6.8%	56.2	5.3%	214.6	161.0	33.3%
Processed Beef – EM	0.3	0.5	-33.4%	0.5	-31.0%	2.1	1.4	51.3%
Others – EM	4.9	4.7	2.6%	5.9	-17.7%	18.7	13.6	37.5%
Subtotal – EM	**64.4**	**60.7**	**6.1%**	**62.6**	**2.9%**	**235.4**	**176.0**	**33.8%**
Fresh Beef – DM	30.0	34.0	-11.9%	42.3	-29.2%	127.2	92.8	37.1%
Processed Beef – DM	0.1	0.2	-68.6%	0.6	-86.9%	1.4	0.8	72.5%
Others – DM	9.7	8.1	20.0%	8.6	12.9%	36.6	24.1	51.9%
Subtotal – DM	**39.7**	**42.3**	**-6.1%**	**51.5**	**-22.8%**	**165.2**	**117.7**	**40.4%**
Total	**104.1**	**103.0**	**1.1%**	**114.1**	**-8.7%**	**400.6**	**293.7**	**36.4%**

Average Price – EM (US$/kg)	3Q12	2Q12	Chg.%	3Q11	Chg.%	LTM12	LTM11	Chg.%
Fresh Beef – EM	4.8	5.1	-6.2%	5.2	-7.1%	21.6	15.9	36.1%
Processed Beef – EM	6.6	6.5	1.6%	5.9	13.0%	26.4	19.5	35.5%
Others – EM	2.8	3.3	-14.9%	3.2	-10.7%	13.5	10.1	33.2%
Total	**4.7**	**5.0**	**-6.5%**	**5.0**	**-6.5%**	**21.0**	**15.4**	**35.9%**
Average FX Rate	2.0	2.0	3.5%	1.6	23.7%	7.6	5.8	31.3%

Average Price – EM (R$/kg)	3Q12	2Q12	Chg.%	3Q11	Chg.%	LTM12	LTM11	Chg.%
Fresh Beef – EM	9.8	10.1	-2.9%	8.5	14.9%	40.6	30.3	34.0%
Processed Beef – EM	13.4	12.8	5.1%	9.6	39.8%	49.8	37.4	33.2%
Others – EM	5.7	6.5	-11.9%	5.2	10.5%	25.4	19.3	31.4%
Total	**9.5**	**9.8**	**-3.3%**	**8.2**	**15.6%**	**39.5**	**29.5**	**33.8%**

Average Price – DM (R$/kg)	3Q12	2Q12	Chg.%	3Q11	Chg.%	LTM12	LTM11	Chg.%
Fresh Beef – DM	8.1	7.6	6.9%	8.0	1.2%	32.6	23.5	38.8%
Processed Beef – DM	6.0	6.2	-3.3%	6.7	-9.5%	29.0	20.5	41.5%
Others – DM	5.7	6.0	-4.1%	5.6	1.7%	22.9	19.2	19.1%
Total	**7.5**	**7.3**	**3.5%**	**7.6**	**-1.1%**	**30.2**	**22.5**	**34.0%**

EM – Export Market, DM – Domestic Market

Others Division

Gross revenue from this division totaled R$312.4 million in the third quarter of 2012, R$239.8 million of which came from exports and R$72.6 million from domestic sales.

Live cattle exports posted a solid performance in 3Q12. As mentioned earlier, according to the USDA, growth prospects of Brazilian live cattle exports are excellent, thanks to the competitive prices of Brazilian cattle and the growing worldwide demand for them.

MDF has recorded excellent results in 2012. The development of new products in partnership with our clients has further strengthened client loyalty. In addition, the depreciation of the Real benefitted the company's exports. We expect to continue increasing MDF's capacity utilization, which currently stands at approximately 65%, during 2012 and 2013, to reach 85%, as well as boost the operation's profitability.

Sales of third-party products continued to increase significantly in 3Q12, increasingly optimizing our distribution chain in the domestic market. The leather segment continued to present a solid performance, both in the domestic and international markets, notably gross revenue from operations in Brazil.

Lastly, Brascasing also increased its production for the export market, thereby increasing its capacity utilization, margins and revenue. It is worth emphasizing that the consumption of cattle byproducts presents an inelastic behavior in relation to global economic activity, and that cattle byproduct prices have increased considerably in the international market, as a result of the lower slaughter volume in the main producing countries.

Net Revenue

As a result of the information presented above, net revenue totaled R$1,152.0 million in 3Q12, up 8.3% and 6.9% over 3Q11 and 2Q12, respectively.

R$ Million	3Q12	2Q12	Chg.%	3Q11	Chg.%	LTM12	LTM11	Chg.%
Gross Revenues	1,223.5	1,141.1	7.2%	1,137.3	7.6%	4,536.6	4,011.7	13.1%
Sales Taxes and Deductions	-71.5	-64.0	11.8%	-73.50	-2.7%	-270.8	-261.8	3.4%
Net Revenues	1,152.0	1,077.2	6.9%	1,063.8	8.3%	4,265.8	3,750.0	13.8%
% Gross Revenues	94.2%	94.4%	-0.2 p.p.	93.5%	0.7 p.p.	94.0%	93.5%	0.6 p.p.

Cost of Goods Sold (COGS) and Gross Profit

The solid gross margin in 3Q12 reflects the higher cattle supply and the consequent impact on cattle prices. Gross margin stood at 23.1% in the quarter, up 8.6 p.p. from 3Q11 and 3.2 p.p. over 2Q12, resulting from the lower cattle prices and higher beef prices in both the domestic and international markets.

R$ Million	3Q12	2Q12	Chg.%	3Q11	Chg.%	LTM12	LTM11	Chg.%
Net Revenues	1,152.0	1,077.2	6.9%	1,063.8	8.3%	4,265.8	3,750.0	13.8%
COGS	-886.1	-863.1	2.7%	-909.4	-2.6%	-3,420.3	-3,186.3	7.3%
% Net Revenues	**76.9%**	**80.1%**	**-3.2 p.p.**	**85.5%**	**-8.6 p.p.**	**80.2%**	**85.0%**	**-4.8 p.p.**
Gross Profit	**265.9**	**214.1**	**24.2%**	**154.4**	**72.2%**	**845.5**	**563.7**	**50.0%**
Gross Margin	**23.1%**	**19.9%**	**3.2 p.p.**	**14.5%**	**8.6 p.p.**	**19.8%**	**15.0%**	**4.8 p.p.**

Sales, General and Administrative Expenses

Selling expenses totaled R$116.2 million, while general and administrative expenses came to R$34.5 million in 3Q12. The increase in selling expenses compared with 2Q12 reflects the growth in live cattle exports. General and administrative expenses contracted by 0.2 p.p. in relation to the same period in 2011.

R$ Million	3Q12	2Q12	Chg.%	3Q11	Chg.%	LTM12	LTM11	Chg.%
Sales Expenses	-116.2	-85.0	36.6%	-60.0	93.7%	-351.3	-250.6	40.2%
% Net Revenues	**10.1%**	**7.9%**	**2.2 p.p.**	**5.6%**	**4.4 p.p.**	**-8.2%**	**-6.7%**	**-1.6 p.p.**
G&A Expenses	-34.5	-30.2	14.3%	-34.4	0.4%	-115.4	-98.0	17.8%
% Net Revenues	**3.0%**	**2.8%**	**0.2 p.p.**	**3.2%**	**-0.2 p.p.**	**-2.7%**	**-2.6%**	**-0.1 p.p.**

EBITDA

We ended 3Q12 with a record EBITDA of R$134.5 million and the highest EBITDA margin since Minerva's IPO, reflecting the combination of four factors:

i) the inversion of the cattle cycle curve, which reduced the average cattle price in August to its lowest level in the past two years;
ii) the stable beef prices in USD in the international market due to the weakening of our main international competitors;
iii) the increase in domestic beef prices led by the higher prices of other proteins, in turn due to the increase in grain prices;
iv) and adequate risk management.

R$ Million	3Q12	2Q12	Chg.%	3Q11	Chg.%	LTM12	LTM11	Chg.%
Result before Non-Controlling Interest	**20.6**	**-130.9**	**-115.7%**	**15.5**	**33.0%**	**-161.9**	**54.2**	**-398.7%**
(+) Deferred Income and Social Contribution Taxes	0.3	-43.4	-100.6%	-88.8	-100.3%	-59.4	-183.0	-67.6%
(+) Net Financial Result	100.9	274.2	-63.2%	133.8	-24.6%	618.2	363.3	70.2%
(+) Depreciation and Amortization	12.7	12.7	0.4%	10.7	18.6%	49.6	39.9	24.3%
(+) Non-Recurring Items	0.0	4.5	-100.0%	19.7	-100.0%	-1.2	41.8	-102.9%
EBITDA	**134.5**	**117.2**	**14.7%**	**90.9**	**47.9%**	**445.3**	**316.2**	**40.8%**
EBITDA Margin	**11.7%**	**10.9%**	**0.79**	**8.5%**	**3.13**	**10.4%**	**8.4%**	**2.01**

Financial Result

In 3Q12, the net financial result, including the foreign exchange variation with no cash effect on our debt, was a loss of R$100.9 million. Expenses with interest payments were the main factors impacting our financial result.

The table below details the 3Q12 financial result:

R$ Million	3Q12	2Q12	Chg.%	3Q11	Chg.%
Financial Expenses	(79.3)	(83.1)	4.6%	(45.1)	75.6%
Financial Income	10.7	18.8	-43.1%	10.7	0.3%
FX Variation	(17.5)	(198.8)	-91.2%	(131.2)	-86.7%
Other Expenses (*)	(14.9)	(11.1)	34.2%	31.8	-146.8%
Net Financial Result	**(100.9)**	**(274.2)**	**-63.2**	**(133.8)**	**-24.6%**

(*) Includes FX Hedge, Commodities, Financial Discounts and Bank Charges.

(*) Other Expenses (R$ Million)	3Q12
Expenses with FX Hedge and Commodities	1.3
Financial Discounts, Rates, Commissions, Commercial Discount and Other Financial Expenses	(16.2)
Total	**(14.9)**

Net Income

Net income before income tax, adjusted to offset the non-cash foreign exchange impact, came to R$38.3 million in the quarter. Including the accounting, non-cash effect from foreign exchange variation, Minerva posted net income of R$20.6 million in 3Q12.

R$ Million	3Q12	2Q12	Chg.%	3Q11	Chg.%	LTM12	LTM11	Chg.%
Net (Loss) Income	**20.6**	**-130.9**	**-115.7%**	**15.5**	**33.0%**	**-161.9**	**54.2**	**-71.5%**
Net Margin (%)	**1.8%**	**-12.1%**	**13.93**	**1.5%**	**0.33**	**-3.8%**	**1.4%**	**-5.24**

R$ Million	3Q12
Profit before income tax	20,831
FX variation excluding cash effect	(17,461)
Adjusted profit before income tax	**38,292**

Cash Flow

Minerva once again recorded positive free cash flow, which amounted to R$10.2 million in 3Q12. Cash flow from operations totaled R$89.0 million, maintaining the solid operational performance observed since 4Q11.

Note that the reduction in working capital requirements in 3Q12 was due to the increase in exports in transit through letters of credit in the end of the quarter, which impacted the accounts receivable line in cash flow by approximately R$37 million, as presented in the table below. Including the variation in working capital requirements adjusted to this effect, the variation in working capital requirements would have been around -R$23 million, while free cash flow from operations and attributable to shareholders would have stood at approximately R$126 million and R$47 million, respectively. Note that this was a one-off factor which will be reversed in the next results disclosure, as it occurred only because the shipments were made in the last three days of September, without sufficient time for discounting the letters of credit before the close of the quarter.

Free Cash Flow Attributable to Shareholders

R$ Million	3Q12	
	Accounting	Adjusted
EBITDA	**134.473**	**134,473**
Change in Working Capital Requirement	(59,753)	(22,753)
CAPEX	(24,408)	(24,408)
Financial Expense (Cash concept)	(40,070)	(40,070)
Free cash flow to shareholders	**10,242**	**47,242**

Cash Flow from Operational Activities

R$ Million	3Q12	
	Accounting	Adjusted
Net Income	**20,569**	**20,569**
Net Income Adjustments	128,142	128,142
(+/-) Change in Working Capital Requirement	(59,753)	(22,753)
Cash Flow from Operating Activities	**88,958**	**125,958**

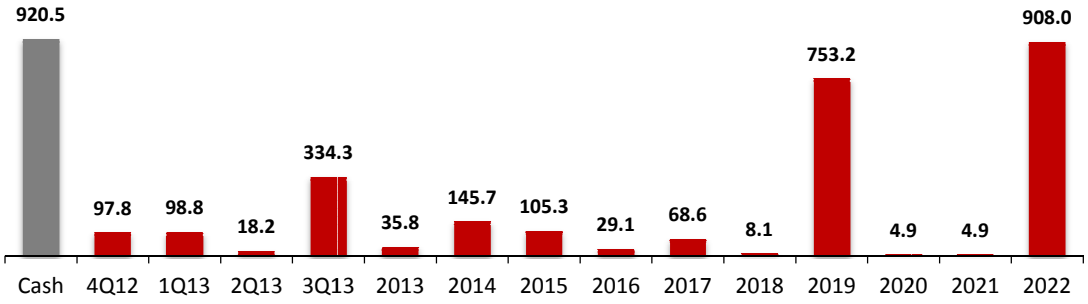
Variation in Working Capital Requirements

R$ Million	3Q12	
Assets	**Accounting**	**Adjusted**
Accounts receivable	(57,467)	(20,467)
Inventories	(11,430)	(11,430)
Other	(17,825)	(17,825)
Liabilities		
Suppliers	12,280	12,280
Labor and tax liabilities	1,841	1,841
Other	12,848	12,848
Variation in working capital requirements	**(59,753)**	**(22,753)**

Capital Structure

We closed the quarter with a reduction in the Net Debt/EBITDA metric over the past 12 months to 3.70x, as we continue our deleveraging process. Our debt profile remains quite long and comfortable – the current cash position is sufficient to honor all amortizations through 2017. Our gross debt exposure to the U.S. dollar reached 74.6%, in line with the breakdown of our revenues.

Figure 17 - Debt Amortization



R$ Million	3Q12	2Q12	Chg.%	3Q11	Chg.%
Short Term Debt	**549.0**	**279.9**	**96.2%**	**503.2**	**9.1%**
% Short Term Debt	**21.0%**	**11.5%**	**9.51**	**25.1%**	**-4.13**
Local Currency	184.0	95.3	93.0%	234.8	**-21.6%**
Foreign Currency	365.1	184.6	97.8%	268.3	**36.1%**
Long Term Debt	**2,063.6**	**2,154.0**	**-4.2%**	**1,498.0**	**37.8%**
% Long Term Debt	**79.0%**	**88.5%**	**-9.51**	**74.9%**	**4.13**
Local Currency	316.8	415.9	-23.8%	651.4	**-51.4%**
Foreign Currency	1,746.8	1,738.1	0.5%	846.5	**106.4%**
Total Debt	**2,612.7**	**2,433.9**	**7.3%**	**2,001.2**	**30.6%**
Local Currency	500.8	511.2	-2.0%	886.2	**-43.5%**
Foreign Currency	2,111.9	1,922.7	9.8%	1,114.8	**89.4%**
(Cash and Cash Equivalents)	-920.5	-818.5	12.5%	-711.7	**29.3%**
Net Debt*	**1,646.0**	**1,587.8**	**3.7%**	**1,251.6**	**31.5%**
Net Debt/ EBITDA	**3.70**	**3.95**	**-0.26**	**3.96**	**-0.26**

(*) Adjusted to treasury stock and subordinated FDIC shares

LOCAL CURRENCY (R$ thousand)		
	3Q12	2Q12
3Q12	-	46,993
4Q12	37,365	10,986
1Q13	39,645	31,416
2Q13	5,327	5,951
3Q13	101,637	110,675
2013	22,949	9,830
2014	126,570	124,534
2015	90,966	91,233
2016	29,109	29,096
2017	15,543	15,531
2018	8,060	8,053
2019	4,924	4,924
2020	4,924	4,924
2021	4,924	4,924
2022	8,811	12,147
TOTAL	500,754	511,216

FOREIGN CURRENCY (R$ thousand)		
	3Q12	2Q12
3Q12	-	88,218
4Q12	60,427	66,102
1Q13	59,128	18,127
2Q13	12,836	12,128
3Q13	232,671	9,343
2013	12,841	12,128
2014	19,081	20,140
2015	14,306	-
2016	0	-
2017	53,074	53,942
2018	0	-
2019	748,295	744,464
2020	0	-
2021	0	-
2022	899,237	898,112
TOTAL	2,111,896	1,922,704

CAPEX

In the third quarter of 2012, the company remained focused on the capital structure and disciplined management of investments. Capex totaled R$24.4 million, most of which went to operational maintenance.

Subsequent Event

On October 2, Minerva announced the signing of an Agreement for the Purchase of Shares under the laws of Paraguay, for the acquisition of the entire capital stock of Frigomerc S.A., a joint-stock company headquartered in Paraguay.

FRIGOMERC has a cattle slaughter capacity of 1,100 head/day, is one of Paraguay's five largest beef exporters, with its revenue estimated at around one hundred and fifty million dollars (US$150,000,000.00) in 2013. In addition, exports account for approximately 70% of its revenue, with estimated pro forma EBITDA of thirteen million dollars (US$13,000,000.00), with additional gains due to the synergies from our plant of FRIASA.

Negotiations with IFC

Minerva hereby announces to the market that it is negotiating with the IFC (International Finance Corporation), the World Bank Group's private investment arm, a possible investment by the IFC in the Company through debt and/or

equity instruments or hybrid securities. The final structure and terms of the operation will be mutually defined by the Company and the IFC following a period of sixty (60) days of public hearings, which will probably begin in November of this year.

Awards

Recently, Minerva received 'The Best in Agribusiness' award from the Globo Rural magazine, in the 'Cattle Slaughter' category. It also received the 'Industry Achievement Award' from the Brazilian Association of Publicly Held Companies (Abrasca) for the best business case for value creation in the food segment in 2011. Minerva was elected by a committee formed by 13 market entities: Amec, Anbima, Abrapp, Ancord, Anefac, Apimec, Abvcap, BM&FBovespa, Ibef, Ibgc, Ibracon, Ibri and Ini.

About Minerva S.A

Minerva S.A. is one of the leading producers and sellers of beef, leather, live cattle exports and cattle byproducts in South America, and one of Brazil's three largest exporters in the industry in terms of gross sales revenue, exporting to over 100 countries, with operations also in the beef, pork and poultry processing segments. On September 30, 2012, the company recorded a daily slaughtering capacity of 10,480 head of cattle and daily beef deboning capacity equivalent to 12,911 head of cattle. With a presence in the states of São Paulo, Rondônia, Goiás, Tocantins, Mato Grosso do Sul and Minas Gerais, as well as in Paraguay and Uruguay, Minerva operates ten slaughter and deboning plants, one unit to process proteins and ten distribution centers. In the 12 months ended September 30, 2012, the Company recorded net sales revenue of R$4.27 billion, up 13.8% on the same period a year earlier.

Relationship with Auditors

In accordance with CVM Instruction 381/03, we inform that our auditors did not provide services other than those related to the external audit in fiscal years 2010, 2011 and the quarter ended September 30, 2012.

Statement from Management

In compliance with CVM Instructions, Management declares that it has discussed, revised and agreed with the individual and consolidated accounting information related to the quarter ended September 30, 2012, and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.

ANNEX 1 - CONSOLIDATED INCOME STATEMENT

(R$ '000)	3Q12	2Q12	3Q11
Revenue from Domestic Sales	371,207	373,089	484,075
Revenue from Exports	852,311	768,052	653,277
Gross Sales Revenue	**1,223,518**	**1,141,141**	**1,137,352**
Deductions from revenue – taxes and other	-71,524	-63,969	-73,534
Net Operating Revenue	**1,151,994**	**1,077,172**	**1,063,818**
Cost of Goods Sold	-886,093	-863,065	-909,385
Gross Profit	**265,901**	**214,107**	**154,433**
Selling Expenses	-116,176	-85,019	-59,976
General and Administrative Expenses	-34,547	-30,226	-34,413
Other Operating Revenues	6,555	1,142	434
Result before financial expenses	**121,733**	**100,004**	**60,478**
Financial Expenses	-94,172	-83,146	-45,145
Financial Revenues	10,731	18,849	10,704
Exchange Rate Variation	-17,461	-198,827	-131,240
Other Expenses (*)	0	-11,102	31,838
Financial Result	**-100,902**	**-274,226**	**-133,843**
Result Before Taxes	**20,831**	**-174,222**	**-73,365**
Income and Social Contribution Taxes - Current	-850	-380	832
Income and Social Contribution Taxes - Deferred	588	43,746	87,997
Net Income before Non-Controlling Interest	**20,569**	**-130,856**	**15,464**
Net Income Attributed to Controlling Shareholders	21,389	-130,336	18,772
Net Income Attributed to Non-Controlling Shareholders	-820	-519	-3,309
Net Income	**20,569**	**-130,855**	**15,463**

ANNEX 2 – CONSOLIDATED BALANCE SHEET

(R$ '000)	3Q12	4Q11
ASSETS		
Cash and Cash Equivalents	920,486	746,382
Accounts Receivable from Clients	194,165	207,402
Inventories	193,600	168,423
Biological Assets	38,395	47,680
Taxes Recoverable	490,175	432,832
Others Receivables	133,292	100,648
Total Current Assets	**1,970,113**	**1,703,367**
Other Credits	29,340	16,640
Related Parties	5,193	597
Taxes Recoverable	108,266	108,897
Deferred Taxes	259,710	205,500
Judicial Deposits	7,707	9,943
Investments	0	0
Fixed Assets	1,155,926	1,114,584
Intangible	341,354	339,663
Total Non-Current Assets	**1,907,496**	**1,795,824**
Total Assets	**3,877,609**	**3,499,191**
LIABILITIES		
Loans and Financing	545,164	540,665
Convertible Debentures	3,873	903
Suppliers	293,321	311,117
Labor and tax liabilities	66,200	54,463
Others Liabilities	104,012	73,744
Total Current Liabilities	**1,012,570**	**980,892**
Loans and Financing	2,063,614	1,494,475
Convertible Debentures	138,382	183,796
Labor and tax liabilities	38,886	46,437
Provision for Contingencies	17,368	19,286
Related Parties	66,264	66,606
Accounts Payable	33,145	30,893
Deferred Tax Liabilities	66,102	64,136
Total Non-Current Liabilities	**2,445,812**	**1,721,833**
Capital Stock	300,484	252,251
Capital Reserves	169,160	190,042
Revaluation Reserves	73,807	75,724
Profits Reserve	48,366	48,366
Accrued Profit	-171,785	-
Treasury Stock	-29,693	-7,482
Balance Sheet Evaluation Adjustments	-23,296	-22,939
Total shareholders' equity attributed to controlling shareholders	**367,043**	**535,962**
Non-Controlling Interest	74,325	76,708
Total shareholders' equity	**441,368**	**612,670**
Total liabilities and shareholders' equity	**3,877,609**	**3,499,191**

ANNEX 3 - CONSOLIDATED CASH FLOW STATEMENT

(R$ '000)	3Q12	2Q12
Net Income (Loss)	20,569	-130,855
Depreciation and Amortization	12,740	12,689
Net Income Attributed to Non-Controlling Shareholders	820	519
Fair Value of Biological Assets	-4,498	-4,054
Increase in Deferred Taxes – Temporary Differences	-588	-43,746
Net Realization of Revaluation Reserve	0	-967
Financial Charges	99,019	74,522
Foreign Exchange Variation – Not Realized	22,566	193,460
Contingency Allowances	-1,917	0
Accounts Receivable from Clients and Other Receivables	-58,538	-35,700
Inventories	-11,430	18,105
Biological Assets	196	6,856
Taxes Recoverable	-20,640	-13,148
Accounts Receivable from Related Parties	1.071	-3,520
Judicial Deposits	2,619	-244
Suppliers	12,280	16,570
Labor and Tax Obligations	1,841	3,281
Other Accounts Payable	12,848	28,925
Net Cash Flow from Operating Activities	**88,958**	**122,693**
Acquisition of Intangible Assets	-1,924	-281
Acquisition of Fixed Assets	-24,408	-27,964
Net Cash Flow from Investments	**-26,332**	**-28,245**
Loans and Financings	1,287,266	343,722
Loans and Financings Settled	-1,229,952	-455,743
Convertible Debentures	-22,629	-17,151
Variation in Minority Interest	-778	-505
Cash Payment of Capital	23,793	18,806
Interest on Equity	0	0
Dividends	0	0
Treasury Stock	-18,362	9,552
Cancellation of Treasury Stock	0	-20,883
Related Parties - Net	0	0
Net Cash from Financing Activities	**39,338**	**-122,202**
Net Cash / Cash Equivalent Decrease	**101,964**	**-27,754**
Cash and Cash Equivalents		
Beginning of Period	818,522	846,276
End of Period	920,486	818,522
Reduction in Cash and Cash Equivalents	**101,964**	**-27,754**