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

MINERVA S.A.
Individual (Company) and consolidated Quarterly Information for the quarter ended March 31, 2014

Minerva S.A.

Individual (Company) and consolidated Quarterly Information for the quarter ended March 31, 2014

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(Convenience translation into English from the original previously issued in Portuguese)
INDEPENDENT AUDITORS' REPORT ON THE INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the individual and consolidated interim financial information of **Minerva S.A.** ("Company"), included in the Quarterly Information for the quarter ended March 31, 2014, which comprises the balance sheet as of March 31, 2014 and the respective statements of income, comprehensive income, changes in shareholders' equity and cash flows for the quarter then ended, including the notes to this financial information.

The Company's management is responsible for the preparation of the individual interim financial information 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 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. A review is substantially less in scope than an audit conducted in accordance with auditing standards. A 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 interim statements of value added prepared under the responsibility of the Company's management, for the quarter ended March 31, 2014, 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. These statements were 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.

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

São Paulo, May 06, 2014.

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

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

Mauro de Almeida Ambrósio
Accountant CRC 1 SP 199692/O-5

MINERVA S.A.

Balance sheets
As of March 31, 2014 and December 31, 2013
(In thousands of Brazilian Reais)

	Note	Company		Consolidated	
Assets		**31/03/2014**	**31/12/2013**	**31/03/2014**	**31/12/2013**
Cash and cash equivalents	5	922,068	1,116,188	1,310,142	1,563,849
Trade accounts receivable	6	103,311	100,662	216,292	184,221
Inventories	7	195,884	196,635	294,856	291,773
Biological assets	8	89,265	79,341	89,265	79,341
Recoverable taxes	9	500,148	475,939	559,032	522,030
Other assets		154,480	162,057	192,975	196,898
Total current assets		1,965,156	2,130,822	2,662,562	2,838,112
Other assets		22,858	22,315	30,247	26,394
Related-party transactions	11	573,123	635,443	9,274	9,278
Recoverable taxes	9	128,906	128,906	138,381	138,512
Deferred tax assets	10	217,060	217,060	222,313	222,313
Court deposits		11,457	10,598	12,859	11,902
Investments	12	579,074	553,238	-	-
Property, plant and equipment	13	1,045,298	963,234	1,375,587	1,305,769
Intangible assets	14	4,929	5,083	425,739	425,856
Total non-current assets		2,582,705	2,535,877	2,214,400	2,140,024
Total assets		4,547,861	4,666,699	4,876,962	4,978,136

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

MINERVA S.A.

Balance sheets
As of March 31, 2014 and December 31, 2013
(In thousands of Brazilian Reais)

	Note	Company		Consolidated	
		31/03/2014	31/12/2013	31/03/2014	31/12/2013
Liabilities					
Loans and financing	15	493,031	361,019	659,893	515,533
Convertible debentures	19	2,650	504	2,650	504
Trade accounts payable	16	212,972	326,367	255,208	376,883
Labor and tax liabilities	17	58,512	52,678	79,841	69,907
Other accounts payable		222,855	333,459	272,636	374,361
Total current liabilities		990,020	1,074,027	1,270,228	1,337,188
Loans and financing	15	2,471,282	2,523,777	2,814,333	2,913,726
Convertible debentures	19	87,389	116,166	87,389	116,166
Labor and tax liabilities	17	24,526	26,351	24,600	26,351
Provisions for contingencies	21	37,319	36,497	37,319	36,607
Provisions for losses on investments	12	263,752	278,332	-	-
Related-party transactions	11	66,116	100,802	8	109
Accounts payable		-	-	34,706	36,503
Deferred tax liabilities	18	70,821	67,858	70,821	67,858
Total non-current liabilities		**3,021,205**	**3,149,783**	**3,069,176**	**3,197,320**
Shareholders' equity	22				
Capital stock		774,142	744,142	774,142	744,142
Capital reserves		253	253	253	253
Revaluation surplus		70,171	70,737	70,171	70,737
Accumulated losses		(286,825)	(356,596)	(286,825)	(356,596)
Asset and liability valuation adjustments		(21,105)	(15,647)	(21,105)	(15,647)
Total shareholders' equity attributed to controlling interest		536,636	442,889	536,636	442,889
Non-controlling interest		-	-	922	739
Total shareholders' equity		536,636	442,889	537,558	443,628
Total liabilities and shareholders' equity		4,547,861	4,666,699	4,876,962	4,978,136

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

MINERVA S.A.

Statements of income
For the periods ended March 31, 2014 and 2013
(In thousands of Brazilian Reais)

	Note	Company		Consolidated	
		2014	2013	2014	2013
Net revenue	25	**1,091,019**	**957,261**	**1,397,904**	**1,194,987**
Cost of goods sold		**(864,997)**	**(745,925)**	**(1,115,118)**	**(967,259)**
Gross profit		**226,022**	**211,336**	**282,786**	**227,728**
Operating revenues (expenses):					
Selling expenses		(81,684)	(82,057)	(115,023)	(103,926)
General and administrative expenses		(36,451)	(29,614)	(45,666)	(37,873)
Other operating revenues		(333)	(125)	286	354
Income before net financial revenues (expenses), equity in earnings (losses) of controlled companies, and taxes		107,554	99,540	122,383	86,283
Financial expenses	26	(116,142)	(84,274)	(123,236)	(99,313)
Financial revenues	26	14,531	12,287	18,066	13,264
Exchange rate gains (losses), net	26	24,334	14,052	62,489	14,052
Financial revenue (expenses), net		**(77,277)**	**(57,935)**	**(42,681)**	**(71,997)**
Equity in earnings (losses) of controlled companies		46,477	(27,064)	-	-
Income (loss) before taxes		76,754	14,541	79,702	14,286
Current income and social contribution taxes	18	(4,585)	(8,652)	(7,351)	(8,752)
Deferred income and social contribution taxes	18	(3,255)	(318)	(3,255)	(318)
Income (loss) before non-controlling shareholders		**68,914**	**5,571**	**69,096**	**5,216**
Income (loss) attributable to:					
Controlling shareholders		68,914	5,571	68,914	5,571
Non-controlling shareholders		-	-	182	(355)
Income (loss) for the period		68,914	5,571	69,096	5,216

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

MINERVA S.A.

Statements of comprehensive income
For the periods ended March 31, 2014 and 2013
(In thousands of Brazilian Reais)

	Company		Consolidated	
	2014	**2013**	**2014**	**2013**
Income (loss) for the period	68,914	5,571	69,096	5,216
Other comprehensive income				
Asset and liability valuation adjustment	**(5,458)**	**(316)**	**(5,457)**	**(592)**
Other comprehensive income, net of income and social contribution taxes	**(5,458)**	**(316)**	**(5,457)**	**(592)**
Total comprehensive income	**63,456**	**5,255**	**63,639**	**4,624**
Comprehensive income attributable to:				
Controlling shareholders	63,456	5,255	63,456	5,255
Non-controlling shareholders	-	-	183	(631)
Total comprehensive income	**63,456**	**5,255**	**63,639**	**4,624**

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

MINERVA S.A.

Statements of changes in shareholders' equity - Company and consolidated
For the periods ended March 31, 2014
(In thousands of Brazilian Reais)

	Capital stock	Capital reserve	Revaluation surplus	Accumulated losses	Asset and liability valuation adjustments	Total shareholders' equity attributed to controlling shareholders	Non-controlling interest	Total shareholders' equity
Balances as of December 31, 2013	744,142	253	70,737	(356,596)	(15,647)	442,889	739	443,628
Increase in capital stock	30,000	-	-	-	-	30,000	-	30,000
Realization of revaluation surplus	-	-	(566)	857	-	291	-	291
Asset and liability valuation adjustment	-	-	-	-	(5,458)	(5,458)	1	(5,457)
Net income for the period	-	-	-	68,914	-	68,914	-	68,914
Non-controlling interest	-	-	-	-	-	-	182	182
Balance as of March 31, 2014	774,142	253	70,171	(286,825)	(21,105)	536,636	922	537,558

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

MINERVA S.A.

Statements of changes in shareholders' equity - Company and consolidated
For the periods ended March 31, 2013
(In thousands of 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	Non-controlling interest	Total shareholders' equity
Balances as of December 31, 2012	712,984	156,802	73,168	3,413	44,953	(190,223)	(29,693)	(19,515)	751,889	2,418	754,307
Increase in capital stock	2,927	-	-	-	-	-	-	-	2,927	-	2,927
Treasury shares	-	-	-	-	-	-	(37,030)	-	(37,030)	-	(37,030)
Realization of revaluation surplus	-	-	(637)	-	-	966	-	-	329	-	329
(-) Cost of share issuance transaction	-	(1,131)	-	-	-	-	-	-	(1,131)	-	(1,131)
Asset and liability valuation adjustment	-	-	-	-	-	-	-	(316)	(316)	(276)	(592)
Net income for the period	-	-	-	-	-	5,571	-	-	5,571	-	5,571
Non-controlling interest	-	-	-	-	-	-	-	-	-	(355)	(355)
Balance as of March 31, 2013	715,911	155,671	72,531	3,413	44,953	(183,686)	(66,723)	(19,831)	722,239	1,787	724,026

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

MINERVA S.A.

Statements of cash flows
For the periods ended March 31, 2014 and 2013
(In thousands of Brazilian Reais)

	Company		Consolidated	
	2014	2013	2014	2013
Cash flows from operating activities				
Income (loss) for the period	68,914	5,571	69,096	5,216
Adjustments to reconcile net income (loss) provided by operating activities:				
Depreciation and amortization	9,150	9,978	13,901	14,083
Income (loss) attributed to non-controlling interest	-	-	(182)	355
Fair value of biological assets	(6,603)	(2,973)	(6,603)	(2,973)
Realization of deferred taxes – temporary differences	3,255	318	3,255	318
Equity in earnings (losses) of controlled companies	(46,477)	27,064	-	-
Finance charges	104,275	60,499	108,498	85,789
Unrealized exchange rate gains (losses)	(64,543)	(21,804)	(69,117)	(30,059)
Provision for contingencies	822	771	712	749
Trade accounts receivable and other receivables	4,385	(71,173)	(32,001)	(113,717)
Inventories	751	1,532	(3,083)	(22,590)
Biological assets	(3,321)	4,772	(3,321)	4,772
Recoverable taxes	(24,209)	(26,794)	(36,871)	(21,648)
Court deposits	(859)	(456)	(957)	(525)
Trade accounts payable	(113,395)	5,316	(121,675)	16,618
Labor and tax liabilities	4,009	14,151	8,183	17,381
Other accounts payable	(110,605)	(63,118)	(108,981)	(47,026)
Cash flows provided by (used in) operating activities	**(174,451)**	**(56,346)**	**(179,146)**	**(93,257)**
Cash flows from investing activities				
Acquisition of investments	603	-	-	-
Acquisition of intangible assets	(37)	(238)	5	(233)
Acquisition of property, plant and equipment	(91,023)	(31,247)	(83,607)	(36,453)
Cash flows provided by (used in) investing activities	**(90,457)**	**(31,485)**	**(83,602)**	**(36,686)**
Cash flows from financing activities				
Loans and financing taken	302,515	174,113	318,273	194,196
Loans and financing settled	(262,730)	(470,917)	(312,687)	(504,469)
Debentures convertible into shares	(26,631)	3,637	(26,631)	3,637
Related-party transactions	27,634	(152,839)	(97)	(43,581)
Changes in non-controlling interest	-	-	183	(631)
Paid-in capital	30,000	2,927	30,000	2,927
Treasury shares	-	(37,030)	-	(37,030)
Cash provided by (used in) financing activities	**70,788**	**(480,109)**	**9,041**	**(384,951)**
Net decrease in cash and cash equivalents	(194,120)	(567,940)	(253,707)	(514,894)
Cash and cash equivalents				
At beginning of period	1,116,188	1,222,864	1,563,849	1,288,754
At end of period	922,068	654,924	1,310,142	773,860
Net decrease in cash and cash equivalents	(194,120)	(567,940)	(253,707)	(514,894)

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

MINERVA S.A.

Statements of value added

For the periods ended March 31, 2014 and 2013

(In thousands of Brazilian Reais)

	Company		Consolidated	
	2014	2013	2014	2013
Revenues	1,158,522	964,155	1,451,831	1,196,274
Sales of merchandise, goods and services	1,152,812	956,321	1,444,577	1,186,765
Other revenues	5,710	7,834	7,254	9,509
Input acquired from third parties	(999,555)	(815,477)	(1,218,465)	(1,070,608)
(Includes tax amounts – ICMS, IPI, PIS and COFINS)				
Cost of goods, merchandise and services sold	(894,965)	(749,688)	(1,094,578)	(969,437)
Materials, energy, third-party services and others	(104,590)	(65,789)	(123,887)	(101,171)
Others (specify)	-	-	-	-
Gross value added	158,967	148,678	233,366	125,666
Depreciation, amortization and depletion	(9,150)	(9,978)	(13,901)	(14,083)
Net value added generated by the entity	149,817	138,700	219,465	111,583
Added value received in transfer	61,008	(14,777)	18,066	13,264
Equity in earnings (losses) of controlled companies	46,477	(27,064)	-	-
Financial revenues	14,531	12,287	18,066	13,264
Others	-	-	-	-
Total value added to be distributed	**210,825**	**123,923**	**237,531**	**124,847**
Added value distribution	**210,825**	**123,923**	**237,531**	**124,847**
Personnel	**40,961**	**43,675**	**51,397**	**57,285**
Taxes, fees and contributions	**5,303**	**(14,765)**	**(4,476)**	**(30,688)**
	-			
Return on debt capital	**95,647**	**89,442**	**121,514**	**93,034**
Interest	91,806	86,986	116,634	89,567
Lease	3,841	2,456	4,880	3,467
	68,914	**5,571**	**69,096**	**5,216**
Return on equity capital				
Retained earnings/accumulated losses for the year	68,914	5,571	68,914	5,571
Non-controlling interest in retained earnings (only consolidation)	-	-	182	(355)

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

1. General information

Minerva S.A. (the "Company") is a publicly held company listed at the "Novo Mercado" (New Market) of corporate governance and its shares are traded on BM&FBOVESPA S.A. (São Paulo Stock Exchange) - Bolsa de Valores de São Paulo. 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's shares are traded on BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros under ticker "Beef3" and its American Depositary Receipts ("ADRs") – level 1 - are traded in over-the-counter market OTCQX International Premier, segment of electronic trading platform operated by OTC Markets Group Inc. in the United States.

Company

The Company's headquarters are in Barretos (SP), and it has production units 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 internal market are located in the cities of Palmeiras (GO), Brasília (DF), Viana (ES), Itajaí (SC), São Paulo, Araraquara (SP), Araguaína (TO), Belo Horizonte (MG) Fortaleza (CE) and Uberlândia (MG).

As of March 31, 2014, the Company's industrial facilities had a daily slaughtering capacity of 11,480 head of cattle and a deboning capacity of 2,040 tons (taking the following controlled companies into account: Pul S/A (UY); Friasa S/A (PY); Frigomerc S/A (PY); and Minerva Alimentos (BR)) and are in compliance with sanitary requirements in order to export for the 5 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), is engaged in the slaughtering of cattle and processing of meat, and also operates as a distribution center to meet local market demand;
- **Minerva Dawn Farms S.A. (Minerva Fine Foods):** located in Barretos (SP), 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. Activities of the controlled company started in 2009 and currently around 70% of its sales are directed to the internal market;

- **PUL S/A:** acquired in January 2011, is located in the Province of Cerro Largo, near its capital Melo, in Uruguay. Engaged in meat packing and processing, slaughtering and deboning activities, with 83% of its sales intended for the external market, primarily the American and the European markets;
- **Friasa S.A.:** Located in Asunción – Paraguay, it is engaged in meat packing and processing, slaughtering and deboning activities, operating in local and foreign markets;
- **Frigomerc S.A.:** located in Asunción, Paraguay, is engaged in meat packing, slaughtering, deboning and processing of meats, in the domestic and foreign markets. The company was acquired on October 1, 2012;
- **Minerva Overseas I:** located in the Cayman Islands, it is a controlled company created in 2006 for the receipt of "Bonds" totaling US$ 200.000,000, performed in January 2007. The company was formed with the specific purpose (EPE) of issuing such "Bonds";
- **Minerva Overseas II:** located in the Cayman Islands, it is a controlled company created in 2010 for the receipt of "Bonds" totaling US$ 250.000,000, performed in January 2010. The company was formed with the specific purpose (EPE) of issuing such "Bonds";
- **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 US$ 350,000 and later retap of US$ 100,000, issued in February and March 2012, respectively. The Company was incorporated for the specific purpose of issuing the Bonds referred to above, operations not linked to the Company's indebtedness. In 1st quarter of 2013, the Company conducted an operation of "offering to repurchase debt notes" using the funds from the issue of 2023 Notes in the amount of US$ 850,000 bearing interest at 7.75% per year;
- **Minerva Beef:** it is a controlled company set up for raising funds;
- **Minerva Middle East:** it is an office set up in Lebanon to market and sell the Company's products;
- **Transminerva Ltda:** located In Barretos (SP), it is the transportation company set up to serve the Company and reduce freight expenses inside Brazil;
- **Brascasing Comercial Ltda.:** located in José Bonifácio (SP), is engaged in processing beef tripe and serves local and foreign markets. By the ending of Q3 2011, it was a joint venture to which the Company, in compliance with the provisions laid down in CPC 26 (R1), applied the equity method or proportionate consolidation, based on its ownership interest. By December 2011, the Company acquired 5% of shares representing the Company's share capital, thereby holding 55% of its share capital, and consequently, the control of its operations. On December 17, 2012, the Company acquired 45% of the remaining shares of Brascasing, thereby holding 100% of the Company's capital stock;
- **Minerva Colômbia S.A.S:** headquartered in Barranquilla – Colombia, the company was set up with the purpose of exporting live cattle for the foreign market.

All other controlled Companies, that is, Loin Investments, Minerva Log and Livestock were instituted or acquired aiming at developing new markets for Minerva products and for fundraising. They were pre-operating as of March 31, 2013.

Consolidated information includes the following controlled companies:

	03/31/2014	12/31/2013
Minerva Industria e Comércio de Alimentos S/A	98.00%	98.00%
Minerva Dawn Farms S/A	100.00%	100.00%
Friasa S/A	100.00%	100.00%
Minerva Overseas I	100.00%	100.00%
Minerva Overseas II	100.00%	100.00%
Eurominerva Comércio e Exportação Ltda	-	100.00%
Minerva Beef	100.00%	100.00%
Minerva Middle East	100.00%	100.00%
Transminerva Ltda	100.00%	100.00%
Brascasing Comercial Ltda	100.00%	100.00%
Minerva Itália	100.00%	100.00%
Loin Investments	99.00%	99.00%
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%
Frigomerc S/A	100.00%	100.00%

Agreement between Minerva S.A. (Company) and BRF S.A.

On November 01, 2013, the Company announced an acquisition of two plants for slaughtering and deboning, Mirassol D'Oeste and Várzea Grande, both located in the State of Mato Grosso, belonging to BRF S.A. with total slaughtering capacity of 2,600 head/day. On the other hand, BRF will receive 29 million new common shares issued by Minerva (BEEF3), becoming holder of 16.3% of the Company's total capital. Considering the full conversion of the convertible debentures into shares, BRF's ownership interest will be automatically diluted, thus holding 15.2% of the Company's capital.

In this transaction context, BRF and VDQ Holdings S.A. (which currently hold 34.33% of the Company) commit to enter into a shareholders' agreement, regularizing their relation. This agreement will provide, besides maintaining the Company' control exercised by VDQ and other conditions, an appointment of two members for the Company's board of directors, which will then be formed by ten members.

Additionally, an agreement was entered into between the Company and BRF, under market conditions, regarding the supply of meat for manufacturing, that will be in effect after the agreement conclusion, therefore guaranteeing appropriation of part of the production in acquired assets.

The agreement implementation is subject to the approval of the Administrative Council for Economic Defense (CADE). Currently, this approval is under analysis by the mentioned entity.

Approval of the quarterly information

The issue of the quarterly information as of March 31, 2014 was authorized by the Executive Board and the Board of Directors on May 07, 2014.

2. Acquisitions of equity interest in companies (Business combinations)

MINERVA DAWN FARMS (Minerva Fine Foods)

As of 1 October 2010, the Company gained control of Minerva Dawn Farms, when acquired the right to subscribe 18,000 thousand new shares, entitled to voting rights, of the referred controlled company. As a result of this operation, the Company's equity interest in Minerva Dawn Farms increased from 50% to 80% of the voting capital. To that date Minerva Dawn Farms had been a jointly-controlled company.

The acquisition of control over Minerva Dawn Farms allowed the Company to obtain administrative and commercial synergies with the controlling company, reducing operating expenses, in addition to the growth of sales on the domestic market upon using the sales channels of distributors already existing in the company, as well as promote greater autonomy and speed in decision-making.

The process of the acquiring ownership interest in Minerva Dawn Farms by the Company amounted to R$ 60,000 thousand, which corresponded to the subscription of 18,000 thousand new shares. The amount paid for the subscription of the new shares is grounded in the economic value projected for 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, mainly evaluated by an independent expert company and revised by the Company at the acquisition balance sheet date (December 31, 2010), being subject to adjustments within a term not longer than one year, according to CVM Resolution 580/09 - CPC 15 (R1).

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 (R1) (IFRS 3), the acquisition of another 30% of equity interest in the Company which has so far been a joint-controlled company, represents a "business combination achieved in stages". As determined in that standard, upon the business combination made by stages, the acquirer should reassess its previous ownership interest in the acquiree at the fair value by the acquisition date, and should recognize in the income (loss) for the year the "earnings" or "losses" generated in that "business combination made by stages". In addition and as recommended in the aforementioned standards, the Company has chosen to state the minority 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 previously-held identifiable assets and acquisition of more than 30% of the equity interest are recognized for the year ended December 31, 2010, as shown below:

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

As provided for in CVM Resolution 580/09 - CPC 15 (R1), and previously mentioned, the Company conducted a review of the temporary amounts recorded for the transaction "business combination by stages", recorded at 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 acquired as of December 31, 2010 and amounting to R$ 130,946 refer to a portfolio of clients, which have 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 (R1) and, as determined by CVM Resolution 580/09 - CPC 15 (R1), 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 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 by expectation of future profitability	43,213
List of clients	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.

Goodwill stated above is classified in the Company's individual balance sheet 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 (R1) and IAS 36 and 38.

On November 1, 2012, the Company acquired the remaining 6,000 thousand common shares held by Dawn Farms, thereby holding 100% of Minerva Dawn Farms' paid-in capital and, consequently, its whole control. The business was entered into at the amount of R$ 12,012, paid as follows:

- The amount of R$ 2,500, settled through funds on December 28, 2012;
- Transfer of 830 thousand common shares of the Company. Such transfer will only be effective after a previous authorization granted by the Brazilian Securities and Exchange Commission (CVM), according to the provisions of the legislation in effect. After this approval, the common shares transferred to the seller will have the following lock up trading restrictions: 310 thousands shares with lock up restrictions up to 07/01/2013; 310 thousands shares with lock up restrictions up to 12/31/2013; and 210 thousand shares with lock up restrictions up to 07/01/2014. In case CVM does not authorize the payment with common (treasury) shares of the Company, the payment will be made with funds, amounting to R$ 9,512, respecting the same terms and proportion established for the "lock up" restrictions;
- On September 25, 2013, an "amendment to purchase and sale agreement" was established referring to 6,000 thousand common shares, revoking the transfer amount of 830 thousand common shares of the Company. For that reason, on October 03, the Company paid the amount of € 2,750 thousand (R$ 8,277).

  After acquisition of 100% of Minerva Dawn Farms' shares, the Company opted to change its trade name to Minerva Fine Foods. Through the acquisition of 100% of the shares representing the capital stock of Minerva Fine Foods, the minority interest in the amount of R$ 33,224 is now recognized as goodwill on expected future profitability.

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 in the capital Melo, near 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 agreement in the amount of de US$ 52,000 thousand, corresponding to R$ 86,643, whereby 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:

- US$ 20,000 thousand already paid on the date the parties sign the "Share Purchase Agreement";

- US$14,000 thousand by delivering 2,704,000 (two million seven hundred and four thousand) common shares of Minerva S/A, whose unit price is R$ 8.75. As of 8 November 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 settlement of the said portion of US$ 14,000 thousand. 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 US$ 13,000 thousand, whose payment was made on March 21, 2012, in the amount of R$23,717; and
- The amount of R$ 5,000 thousand, whose payment was made on March 21, 2013, in the amount of R$ 9,965.

The Slaughterhouse "PUL" has a total slaughtering capacity of 1,400 head a day. It is among the three largest meat-packing plants in Uruguay, with realized revenue for 2011 amounting to US$ 120 million, to US$ 140 million for 2012, and expected US$ 180 million for 2013, 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, US- and EC-approved for organic meat, and USDA-certified.

Below are the condensed financial statements as of January 1, 2011, date when Minerva S/A actually acquired control over PULSA S/A. They consider the fair value of assets acquired and liabilities assumed:

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

LIABILITIES	Balance – fair value 01/01/2011
Current liabilities	
Trade accounts payable	11,014
Loans and financing	16,190
Other liabilities	11,034
Non-current liabilities	
Loans and financing	20,218
Deferred 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 (R1), 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 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 from 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 – book value	**33,214**

Under CPC 15 (R1), 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. It is the difference between the amounts transferred for acquiring control over the acquiree and the total capital calculated according to assets identified to date and liabilities assumed in the business combination, whose control was acquired by Minerva S/A on 1 January 2011, and is as follows:

In thousands of Brazilian Reais	
Shareholders' equity (fair value) – 01/01/2011	25,000
Goodwill by expectation of future profitability – (Note 12)	61,643
Consideration transferred	86,643

Goodwill stated above is classified in the Company's individual balance sheet as intangible assets, and its amortization is not realized, as in the consolidated financial statements. Such goodwill is subject to annual impairment testing, pursuant to CPC 01 (R1) and IAS 36 and 38.

BRASCASING COMERCIAL LTDA.

By December 2011, the Company acquired 5% of shares representing the share capital of Brascasing Comercial Ltda., thereby holding 55% of its share capital, and consequently, the control of its operations.

The operation which gave rise to the obtaining of control of Brascasing Comercial Ltda by the Company totaled of R$ 3,000, corresponding to the acquisition of 5,000 shares of the company's share 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, 2011) and will be adjusted not longer than 1 (one) year in accordance with CVM Resolution No. 31/2011 - CPC 1 (R1).

Determining goodwill by future profitability: According to CPC 15 (R1) (IFRS 3), the acquisition of another 5% of equity interest in the Company which has so far been a joint-controlled company, represents a "business combination achieved in stages". As determined in that standard, upon a business combination made by stages, the acquirer must reassess its previous ownership in the acquiree at the fair value on the acquisition date and recognize in the statement of operations for the financial year the "earnings" or "losses" generated in that "business combination made by stages". In addition and as recommended in the aforementioned standards, the Company has chosen to state the minority 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 previously-held identifiable assets and acquisition of more than 31 of the equity interest are recognized for the year ended December 31, 2011, as shown below:

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

On December 17, 2012, the Company acquired the residual 45,000 thousand shares of the company Depósito Fowles S.A., thereby holding 100% of Brascasing Comercial Ltda's paid-in capital and, consequently, its whole control. The business was entered into for the amount of US$ 4,950 (R$ 10,000) through payments distributed as follows:

- R$ 2,500 settled in a lump sum through funds;
- R$ 2,500 settled on 04/04/2013 through funds;
- R$ 2,500 settled on 10/04/2013 through funds;
- R$ 2,500 to be settled on 04/04/2014 through funds.

FRIGOMERC S/A

On October 02, 2012, the Company entered into a "share purchase and sale agreement" for the acquisition of 3,397 shares (representing 99.91% of capital stock) of Frigomerc Sociedade Anónima, thereby acquiring its control from that date.

The transaction was put into effect at the amount of US$ 35,000 thousand (R$ 70,910 on 10/01/2012), according to the following schedule:

- **In a lump sum – US$ 15,000 thousand (R$ 30,390 as of 10/01/2012):** upon the acquisition of the company, which occurred on October 01, 2012;
- **1st Portion – US$ 5,000 thousand (R$ 10,069 as of 03/31/2013):** settled on April 03, 2013;
- **2nd Portion – US$ 5,000 thousand (R$ 11,078 as of 06/30/2013):** settled on October 03, 2013;
- **Payment through shares – US$ 10,000 thousand:** Transfer represented by 1,918,268 common shares of the Company, made on June 06, 2013, in the amount of R$ 21,250, on that date, according to the previous approval granted by CVM.

Frigorífico Frigomerc Sociedad Anónima is located in Asuncion, Paraguay and has a daily slaughtering capacity of 1,000 heads and deboning of 200 tonnes.

Below are the condensed accounting information as of October 01, 2012, date when Minerva S/A actually acquired control over Frigomerc S/A, considering 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:

ASSETS	Balance – fair value 10/01/2012
Current	
Cash and cash equivalents	4,364
Accounts receivable	28,318
Inventories	8,963
Other accounts receivable	1,419
Non-current	
Other accounts receivable	410
Property, plant and equipment	29,253
Total assets	**72,727**

LIABILITIES	Balance – fair value 10/01/2012
Current liabilities	
Trade accounts payable	15,551
Loans and financing	7,254
Tax liabilities and social charges	1,530
Non-current liabilities	
Loans and financing	12,823
Court deposits	617
Provision for contingencies	22,422
Total liabilities	**60,197**
Shareholders' equity	**12,530**
Liabilities and shareholders' equity	**72,727**

The company reviewed, within the period specified in CVM Resolution 580/09 – CPC 15 (R1) of 1 (one) year, the amounts of acquired assets and assumed liabilities at the time of that acquisition (business combination).

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

ASSUMED LIABILITIES

In thousands of Brazilian R$

Provision for contingencies – book value	21
Adjustment - fair value	23,555
Provision for contingencies – fair value	**23,576**

Under CPC 15 (R1), the Company, together with an independent appraiser, valued contingent liabilities that were assumed in the business combination. Such contingent liabilities mainly refer to tax and labor 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 October 01, 2012, and is as follows:

In thousands of Brazilian R$

Shareholders' equity (fair value) – 10/01/2012	12,530
Goodwill by expectation of future profitability – (Note 14)	58,380
Consideration transferred	70,910

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 (R1) and IAS 36 and 38.

3. Basis of Preparation

Interim financial information

The interim financial information of the Company, included in the quarterly Information form for the quarter ended March 31, 2014, comprise:

The consolidated interim financial information which was prepared in accordance with CPC Technical Pronouncement 21 (R1) and International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission applicable to the preparation of the quarterly information.

The individual interim financial information which is being presented according to CPC 21 (R1) – Interim statements and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission applicable to the preparation of the quarterly information.

There is no difference between the equity and the consolidated income (loss) reported by the Company in its individual and consolidated financial statements.

The individual interim financial information presents the values of investments in controlled companies, jointly-controlled companies and associated companies using the equity method of accounting, in accordance with Brazilian prevailing legislation. Accordingly, this individual financial information is not in accordance with IFRS, which requires the valuation of those investments in separate financial statements from the Company at its fair value or acquisition cost.

This interim financial information was consistently applied to the main accounting policies used in the last financial statements in the prior year.

4. Summary of significant accounting practices

a. Measurement basis

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

c. Foreign transactions

The accounting information as of March 31, 2014 of controlled companies abroad (Friasa S/A, whose functional currency is Guarani; Frigomerc S/A, whose functional currency is Guarani; and Pulsa S/A, whose functional currency is the US Dollar) have been adapted to Brazilian accounting practices and have been translated into Brazilian Reais by applying the following procedures:

I. 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;
II. 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;
III. Revenues, costs and expenses are translated at the average monthly exchange rate;
IV. Exchange rate gains (losses) resulting from items (I), (II) and (III) above are recognized in a specific equity account as "asset and liability valuation adjustment."

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 (R2) – 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 the balance sheet, under the account cumulative translation adjustments and recognized in income 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 Judgment

The preparation of Company and consolidated interim financial information in accordance with IFRS and CPC standards requires management to make judgments, estimates and assumptions that affect the application of accounting practices and the reported amounts of assets and liabilities, revenues and expenses. Actual results could differ from those estimates.

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. Basis of consolidation

Business combinations

Acquisitions made on January 1, 2009 or after that date

For acquisitions made as from January 1, 2009, 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 chose 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, in which the Company and its controlled companies incur related to a business combination, are expensed as incurred.

Acquisitions before January 1, 2009

As part of the transition to IFRS and CPC, the Company has chosen not to republish business combinations occurred prior to January 01, 2009. Concerning acquisitions prior to January 01, 2009, goodwill is equal to the amount recognized under the accounting practices previously adopted. Goodwill is annually assessed for impairment, in accordance with CPC 01 (R1).

(i) Controlled companies and joint ventures

The accounting information of controlled companies are included in the consolidated financial statements as from the date that such control has begun up to the date when they are terminated.

(ii) Transactions eliminated in consolidation

Balances and intercompany transactions, as well as all other revenue or expenses from such transactions, are eliminated at 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 entities. Unrealized losses are eliminated in the same manner as unrealized gains, except to the extent they provide evidence of impairment.

g. Results 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.

h. 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.

i. 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 operations:** 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. Earnings are recognized 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 at 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 in 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 attributable transaction costs. After the initial recognition, those financial liabilities are measured at the amortized cost using the effective interest method.

Derivatives

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.

j. 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 force on the date of the interim financial information. An allowance for doubtful accounts is recorded in an amount considered sufficient by management.

k. Inventories

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

l. Biological assets

Biological assets are measured at fair value. Fair value variations are recognized in the statement of operations. Agricultural activities, such as cattle herd growth (confinement of cattle or grazing cattle) and growth of different crops, are subject to revaluation of their assets, in order to determine their fair value based on the mark to market (MtM) concept.

m. 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, effective since 1 January 2008.

The Company has chosen not to revalue its fixed assets at deemed cost as of the beginning date of 2009. Note that the Company and its controlled companies have hired expert appraisers to determine the deemed cost of its assets to check it against book values. No significant changes were found to warrant the recognition and control of this appreciation, which was decisive for management not to recognize deemed cost.

Cost includes expenses directly attributable to the acquisition of an asset. The cost of assets built by the Company and its controlled companies include materials and direct labor, as well as any costs directly related to the location of the asset at the place and the conditions necessary to enable it to operate as intended by management. Borrowing costs on qualifying assets are capitalized since 1 January 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 net carrying amount of the asset and should be recognized as revenue or expense in the statement of operations.

Depreciation

Depreciation is recognized in the statement of operations on a straight-line basis over 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 added to assets.

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

	Company	Consolidated
Buildings	2.93%	2.55%
Machinery and equipment	8.16%	7.87%
Furniture and fixtures	18.08%	17.19%
Vehicles	7.32%	8.05%
Hadware	19.43%	19.34%

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 22, will be held until its complete amortization, due to full amortization or disposal of assets.

n. Lease

Finance lease agreements are recognized in property, plant and equipment and in liabilities for loans and financing at the lower of the present value of the minimum mandatory payments of the agreement or the fair value of the assets, whichever is the lowest, in addition to, 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.

o. 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 in the consolidated financial statements. For acquisitions prior to 1 January 2009, goodwill is included based on its deemed cost, which represents the amount recognized according to the accounting practices previously adopted.

p. Impairment loss

Financial Assets

Management annually analyses if there is objective evidence that the financial 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 its assets when events or changes in economic, operating or technological circumstances indicate that impairment may have taken place. When such evidence is identified and the net book value is higher than the recoverable value, an impairment loss is recognized immediately 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 selling price is determined according to a binding sale agreement in an arm's length transaction between knowledgeable, willing parties, adjusted for expenses attributable to the asset's sale. If there is no such binding agreement, it should be based on the market price defined in an active market, or on the price of the most recent transaction 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 economic 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.

q. 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 and/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.

r. Discount to present value of assets and liabilities

Non-current monetary assets and liabilities are discounted to present value and current assets and liabilities are discounted to present value when the effect is considered material with respect to the interim financial information taken as a whole.

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 borne by the Company and its controlled companies over time, which was approximately 12% p.a., 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 accounts.

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 cost exceeds the benefit. Non-current term assets and liabilities are calculated and recorded, when applicable and relevant.

Calculations and analyses are quarterly reviewed.

s. 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, considering, where applicable, income and social contribution tax loss carry forwards, up to 30% of taxable income.

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

Deferred taxes are recognized for temporary differences between the financial statement 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 assets and liabilities are offset when there's a legal right for compensation of current tax assets and liabilities, and they relate to income tax registered by the same tax authority on the same entity subject to taxation.

An income and social contribution deferred tax income is recognized by tax losses, tax credits, differences in accounting practices (IFRS) and deductible temporary differences non-utilized, 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 sufficient taxable income will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

t. Contingent assets and liabilities and legal obligations

The accounting practices for recording and disclosing contingent assets and liabilities and legal obligations are as follows: (i) contingent assets are recognized only when there are secured guarantees or favorable legal decisions that are already final and unappealable. Contingent assets with probable chances of success are disclosed in a note to the financial statements; (ii) and 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 provisioned 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.

u. Employee benefits

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

v. Sales revenue recognition

Sales revenue is presented net of taxes and discounts on it. Taxes on sales are recognized when sales are invoiced; for discounts, it's when they are acknowledged. 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.

w. 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 23.

x. Earnings 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 year. Diluted result per share is determined through the abovementioned outstanding share average, adjusted by instruments potentially convertible in shares with dilution effect for the presented years.

y. Segment reporting

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

z. New pronouncements of IFRS, issues, amendments and interpretations issued by IASB applicable to the consolidated financial statements

The new standards, amendments and interpretation of standards issued by the IASB entered into force as from January 01, 2014 and are as follows:

- IAS 32 – "Financial instruments: Presentation", brings additional clarification to the guidance included in IAS 32 on the requirements to offset financial assets and liabilities in the balance sheet. The standard is applicable as from January 1, 2014;

- IAS 36 – Impairment of assets: In May 2013, IASB issued a review of the standard IAS 36. The amendment of this standard requires the disclosure of discount rates which were used in current and previous impairment testing, if the amount of asset impaired is based on valuation techniques to present value at fair value less write-off cost. This standard will be in effect for annual periods beginning on or after January 01, 2014. The Company is evaluating the impacts of the adoption of this amendment on its financial statements;
- IAS 39 – Changes in derivatives and continuity of hedge accounting: In June 2013, IASB issued a review of the standard IAS 39. The amendment of this standard has the purpose of clarifying when the Company shall discontinue a hedge instrument, when this instrument expires, is sold, terminated or exercised. This standard will be in effect for annual periods beginning on or after January 01, 2014. The Company is evaluating the impacts of the adoption of this amendment on its financial statements;
- **IFRS 10, IFRS 12 and IAS 27** – "Investment Entities" in October 2012, IASB issued a review of the standards IFRS 10, IFRS 12 and IAS 27 which define investment entities, and introduce an exception to the consolidation of controlled companies by investment entities, establishing the accounting treatment in these cases. The amendments to these standards are effective for the annual periods initiated on/or after January 01, 2014. The Company analyzed the review of the pronouncement mentioned here and found no effect on disclosing of this quarterly information;
- IFRIC 21 – Levies: In May 2013, IASB issued the interpretation IFRIC 21. This interpretation addresses aspects related to recognition of a tax liability when this originates from requirement of IAS 37 – Provision, Contingent Liabilities and Assets. This standard interpretation will be in effect for annual periods beginning on or after January 01, 2014. The Company is evaluating the impacts of the adoption of this amendment on its interim financial information.

New standards and interpretations not yet in effect

IASB issued the following new standards, amendments and interpretations for which the Committee of Accounting Pronouncements (CPC) has not yet issued equivalent pronouncements. The early adoption of IFRS pronouncements depends on their prior approval by the Brazilian Securities and Exchange Commission ("CVM").

- **IFRS 9** – "Financial instruments": The IFRS 9 keeps but simplifies the combined measurement model and establishes two main categories for measurement of financial assets.

In December 2013, IASB issued a review of the standards IFRS 1, IFRS 2, IFRS 3, IFRS 8, IFRS 12, IFRS 13, IAS 16, IAS 24, IAS 38 and IAS 40, which deals with improvements to the IFRS issued in December 2013 for the annual periods initiated on/or after July 01, 2014. The Company is evaluating the impact of these changes in its financial statements.

aa. Determination of fair value

A lot of Company's practices and issuances 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 assets or liabilities.

bb. Statements of value added

The Company prepared the individual and consolidated Statement of Valued Added in terms of CPC 09, in which are presented as part of the Financial Statements in accordance with BR GAAP applicable to public companies, while to IFRS represents additional information for not being required as part of the financial statements taken as a whole.

5. Cash and cash equivalents

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 follows:

	Company		Consolidated	
	03/31/14	12/31/13	03/31/14	12/31/13
Cash	273	258	588	853
Bank current accounts	4.582	6.175	55.305	67.179
Cash and cash equivalents in foreign currency	424.180	636.673	431.503	644.644
	429.035	643.106	487.396	712.676
Financial investments				
In domestic currency:				
Bank Certificate of Deposit (CDB)	190.866	266.804	206.513	289.923
Debentures	192.661	87.681	193.236	111.257
Brazilian prize-draw investment bonds	1.073	1.082	1.073	1.082
Investment fund	8.282	8.135	8.282	8.135
LCA	100.151	109.380	100.151	109.380
In foreign currency:				
Other financial assets	-	-	313.491	331.396
	493.033	473.082	822.746	851.173
	922.068	1.116.188	1.310.142	1.563.849

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	
	31.03.14	31.12.13	31.03.14	31.12.13
Measured at fair value through income	491,960	472,000	821,673	850,091
Held-to-maturity	1,073	1,082	1,073	1,082
	493,033	473,082	822,746	851,173

6. Trade accounts receivable

	Company		Consolidated	
	03/31/14	12/31/13	03/31/14	12/31/13
Notes receivable - domestic market	46,670	50,015	65,119	69,410
Notes receivable - foreign market	61,057	40,862	159,811	123,586
Notes receivable – related parties	2,815	16,646	-	-
	110,542	107,523	224,930	192,996
(-) Allowance for doubtful accounts	(7,231)	(6,861)	(8,638)	(8,775)
	103,311	100,662	216,292	184,221

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

Accounts receivable aging list

	Company		Consolidated	
	03/31/14	12/31/13	03/31/14	12/31/13
Falling due:	94,134	84,126	189,221	150,700
Overdue:				
Up to 30 days	2,975	8,287	16,734	22,837
From 31 to 60 days	572	543	3,334	2,095
From 61 to 90 days	201	-	901	259
From 91 to 180 days	12,660	14,567	14,740	17,105
	110,542	107,523	224,930	192,996

Changes in the allowance for doubtful accounts

	Company	Consolidated	Consolidated (-) Company
Balances as of December 31, 2013	(6,861)	(8,775)	(1,914)
Receivables provisioned for	(603)	(603)	-
Recovered receivables	-	0	-
Written-off receivables	-	507	507
Exchange rate gains (losses)	233	233	-
Balance as of March 31, 2014	(7,231)	(8,638)	(1,407)

During the year ended March 31, 2014 there were no significant changes in the allowance for doubtful accounts.

The Company has a FIDC - Receivables Investment Fund for disposal of part of its receivable from domestic market in the amount of R$ 100 million, of which R$ 19.8 set up as subordinated shares.

The maximum exposure to credit risk for the Company consists of the amounts shown below. The value of the effective risk of possible losses 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 sales income made by the Company and its controlled companies.

The Company has no guarantee for overdue receivables.

7. Inventories

	Company		Consolidated	
	03/31/14	12/31/13	03/31/14	12/31/13
Finished goods	173,899	179,414	249,152	250,391
Raw materials	-	-	9,896	12,077
Stockrooms and secondary materials	21,985	17,221	35,808	29,305
	195,884	196,635	294,856	291,773

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 quarters ends, 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). The operation is conducted through the acquisition of mature biological assets for resale, whose valuation at market rates is reliably measured because of the existence of active markets for them. Their representation is as follows:

	Cattle
	Company and Consolidated
Balance as of December 31, 2013	79,341
Increase due to acquisitions	120,383
Decrease due to sales	(116,317)
Change in fair value less estimated selling expenses	5,858
Balance as of March 31, 2014	89,265

As of March 31, 2014, cattle in the farm held for sale were 37,304 feeder cattle (as of December 31, 2013 – 36,853 feeder cattle).

As of March 31, 2014 and December 31, 2013, the Company did not have any type of biological assets with restricted ownership or offered as guarantee of obligations, and there were no other risks (financial, commitments, and weather related) affecting the Company's biological assets.

9. Recoverable Taxes

	Company		Consolidated	
	03/31/14	12/31/13	03/31/14	12/31/13
PIS (Tax on sales)	75,514	72,303	80,691	77,110
COFINS (Tax on sales)	312,752	301,236	330,999	321,894
Reintegra (Special Regime of Reintegration of Tax Amounts to Export Companies)	662	662	1,459	1,726
ICMS (State VAT)	156,804	153,505	179,106	174,367
Income and social contribution taxes	77,186	71,555	85,780	77,389
Other recoverable taxes	6,136	5,584	19,378	8,056
	629,054	604,845	697,413	660,542
Current	500,148	475,939	559,032	522,030
Non-current	128,906	128,906	138,381	138,512

PIS and COFINS (taxes on sales)

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. 10.637/02 and Law No. 10.833/03, 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 credits, properly formalized by the Company and its controlled companies, which shall occur in 2014 and 2015 and will result in a significant amount arising from the refund of those credits during those years.

Grounded on studies made by the Company's management regarding the expectation of refunding tax credits, part of current assets credits were segregated to non-current assets amounting R$ 73,811 as of March 31, 2014 in company and R$ 79,779 in consolidated. Realization expectation of 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, thereby generating credits which, after ratification by the State Tax Authority, are used for purchasing inputs for production, and may also be sold to third parties.

The aforementioned credit balance is being inspected and ratified by the São Paulo State Finance Department and the Company's management expects to recover a significant portion throughout 2014 and 2015. Grounded on studies conducted by the Company's management, an amount deemed sufficient to cover slower lawsuit, totaling R$ 55,095 in company and R$ 58,488 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 are expected to be realized up to the end of year 2015.

10. Deferred tax assets

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

	Company			
	Balance as of December 31, 2013	Recognized in income (loss)	Realization of deferred taxes	Balance as of March 31, 2014
Deferred IR/CS on Tax Losses	217,060	-	-	217,060
Total deferred tax assets	217,060	-	-	217,060

	Consolidated			
	Balance as of December 31, 2013	Recognized in income (loss)	Realization of deferred taxes	Balance as of March 31, 2014
Deferred IR/CS on Tax Losses	222,313	-	-	222,313
Total deferred tax assets	223,579	-	-	222,313

The deferred tax credits arising from Income and Social Contribution Tax losses were recognized at June 30, 2012, December 31, 2011, September 30, 2011 and December 31, 2010 for the Company in the accumulated amount of R$ 217,060 as of March 31, 2014 and in the consolidated amount of R$ 222,313 as of March 31, 2014 and December 31, 2013. The recognition is based on the fact that the Management understands 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 these deferred tax assets on income and social contribution tax losses was grounded on the business plan and budget and internal financial projections, prepared by independent advisors which are annually reviewed.

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:

	03/31/14	03/31/14
	Company	Consolidated
2014	14,560	17,007
2015	39,182	41,989
2016	41,975	41,975
2017 onwards	121,343	121,342
	217,060	222,313

(*) 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' meetings held on February 21, 2011, October 24, 2011, 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:

	Company		Consolidated	
Loans receivable	03/31/14	12/31/13	03/31/14	12/31/13
Brascasing (a)	37,857	35,135	-	-
Minerva Indústria e Comércio de Alimentos S.A. (b)	2,884	82,884	-	-
Minerva Dawn Farms S.A. (Minerva Fine Foods) – (c)	233,323	202,597	-	-
Transminerva Ltda (d)	20,710	19,680	-	-
Minerva Overseas Ltd (e)	255,646	272,074	-	-
Frigomerc S/A (f)	13,410	13,780	-	-
Others (g)	9,293	9,293	9,274	9,278
	573,123	635,443	9,274	31,331

(a) Loan to Brascasing Ltda. to be reimbursed;
(b) Loan made to Minerva Indústria e Comércio de Alimentos Ltda., to start building the new factory and for working capital;
(c) Loan made to Minerva Dawn Farms S.A. (Minerva Fine Foods) for working capital;
(d) Expenses of Transminerva, a controlled company, and working capital to be reimbursed;
(e) Loan made to Minerva Overseas Ltda. to be reimbursed;
(f) Loan made to Frigormec S/A, to be reimbursed;
(g) These refer to other loans and payments to the controlled companies and related parties to Minerva S.A.

	Company		Consolidated	
Loans payable	03/31/14	12/31/13	03/31/14	12/31/13
Minerva Luxemburgo (a)	5,361	37,275	-	-
Eurominerva Comércio e exportação Ltda. (b)	-	635	-	-
Minerva Overseas II Ltd (c)	60,755	62,892	-	-
Others (d)	-	-	8	109
	66,116	100,802	8	109

(a) Loan from Minerva Luxembourg to the controlling company;
(b) Loan from Eurominerva Ltda to the controlling company;
(c) Loan from Minerva Overseas II to the controlling company;
(d) Loans made by its controlled companies.

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 presented below:

	Company		Consolidated	
Trade accounts payables	03/31/14	12/31/13	03/31/14	12/31/13
Brascasing Comercial Ltda.	598	74	-	-
Minerva Dawn Farms S.A.	14,359	8,547	-	-
Minerva Indústria e Comércio de Alimentos S.A.	9,897	20,148	-	-
Friasa	-	588	-	-
Pul	1,533	641	-	-
Frigomerc	-	976	-	-
Partners' acquisition	2,864	6,042	2,864	6,042
	29,251	18,005	2,864	3,560

	Company		Consolidated	
Trade accounts receivable	03/31/14	12/31/13	03/31/14	12/31/13
Brascasing Comercial Ltda.	782	959	-	-
Minerva Dawn Farms S.A.	1,401	14,942	-	-
Minerva Ind. e Com. de Alimentos S.A.	632	348	-	-
Frigomerc	-	397	-	-
	2,815	16,646	-	-

	Company		Consolidated	
	03/31/14	03/31/13	03/31/14	03/31/13
Sales revenue:				
Brascasing Comercial Ltda.	1,754	13,924	-	-
Minerva Dawn Farms S.A.	3,884	35,420	-	-
Minerva Indústria e Comércio de Alimentos S.A.	1,106	4,580	-	-
Friasa S.A	-	-	-	
	6,744	53,924	-	-
Purchases of meat:				
Brascasing Comercial Ltda.	907	2,411	-	-
Minerva Dawn Farms S.A.	14,246	35,407	-	-
Minerva Indústria e Comércio de Alimentos S.A.	48,060	194,456	-	-
Friasa S.A.	809	25,107	-	-
Pul	686	5,570	-	-
Frigomerc	8,921	15,402	-	-
	73,629	278,353	-	-
Purchases of cattle:	13,623	8,002	13,623	8,002
Partners' acquisition	13,623	8,002	13,623	8,002

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

No allowances for doubtful accounts or expenses incurred with uncollectible debts regarding related-party transactions were recognized in the periods ended March 31, 2014 and 2013.

Remuneration 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 periods ended March 31, 2014 and 2013 is summarized below:

	Members 2014	03/31/14	03/31/13
Executive Management and Board of Directors	19	1,348	1,014
	19	1,348	1,014

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:

	Ownership interest %	Balance in 12/31/13	Transfers	Goodwill	Provision for impairment	Conversion adjustment	Acquisition/ Write-off of ownership interest	Paid-in capital	Equity in earnings (losses) of controlled companies	Balance as of 03/31/14
Goodwill by expectation of future profitability		419,553	-	-	-	-	-	-	-	419,553
Minerva Indústria e Comércio de Alimentos Ltda.	98.00%	36,135	-	-	-	-	-	-	8,936	45,071
Eurominerva Indústria e Comércio de Alimentos Ltda.	100.00%	648	-	-	-	-	(648)	-	-	0
Minerva Overseas Ltd	100.00%	96,426	-	-	-	-	-	-	2,138	98,564
Minerva Overseas Ltd II	100.00%	26,008	-	-		-	-		18,339	44,347
Minerva Middle East	100.00%	37	-	-	-	-	-	-	-	37
Brascasing Comercial Ltda. (*)	100.00%	(8,608)	-	-	-	-	-	-	617	(7,991)
Minerva Beef Ltd	100.00%	688	-	-	-	-	-	-	(32)	656
Friasa Ltd	100.00%	10,469	-	-	-	(3,455)	(6,220)	-	462	1,256
Minerva Log S.A	100.00%	206	-	-	-	-	-	-	3	209
Livestock	42.00%	2,828	-	-	-	-	-	-	-	2,828
Minerva Dawn Farms S.A. (*)	100.00%	(107,491)	-	-	-	-	-	-	(10,441)	(117,932)
Pulsa S.A	100.00%	29,333	-	-	-	(1,427)	-	-	13,005	40,911
Loin Investments	99.00%	170	-	-	-	-	-	-	24	194
Frigomerc	100.00%	45,892	-	-	-	(561)	-	6,220	(853)	50,698
Minerva Colombia	100.00%	944	-	-	-	(14)	-	-	(257)	673
Investments		553,238	-	-	-	(5,457)	(6,868)	6,220	31,941	579,074
Transminerva	100.00%	(14,359)	-	-	-	-	-	45	(1,336)	(15,650)
Minerva Overseas Ltd II	100.00%	-	-	-	-	-	-	-	-	-
Minerva Luxemburgo	100.00%	(263,973)	-	-	-	-	-	-	15,871	(248,102)
Provisions for losses on investments		(278,332)	-	-	-	-	-	45	14,535	(263,752)
Net investments		274,906	-	-	-	(5,457)	(6,868)	6,265	46,476	315,322

(*) Negative investment balances of Minerva Dawn Farms and Brascasing have not considered goodwill of R$ 188,391 e R$ 98,094, respectively, allocated to the specific line item.

As described in Note 2, in the 4th quarter of 2012, the Company acquired the remaining shares of Minerva Dawn Farms and of Brascasing Comercial Ltda., therefore acquiring whole control over the companies.

During the 2nd quarter of 2013, the Company acquired 8% of the shares of Friasa S/A, then holding 100% of that company's shares. The transaction was closed at U$ 4,200 thousand (R$ 8,407).

Summary of the controlled companies' and jointly controlled companies' information as of March 31, 2014:

	Ownership interest %	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity
Minerva Alimentos	98.00%	70,795	111,662	88,958	47,509	45,990
Minerva Overseas	100.00%	319,953	112,243	-	333,631	98,565
Minerva Overseas II	100.00%	120	942,953	-	898,726	44,347
Minerva Middle East	100.00%	37	-	-	-	37
Brascasing	100.00%	39,439	3,281	12,902	37,808	(7,990)
Minerva Dawn Farms	100.00%	53,583	109,881	24,429	256,966	(117,931)
Minerva Beef	100.00%	657	-	-	-	657
Minerva Luxemburgo	100.00%	15,547	1,758,260	36,564	1,985,345	(248,102)
Friasa	100.00%	3,258	2,021	4,024	-	1,255
Transminerva	100.00%	2,825	3,370	1,135	20,710	(15,650)
Loin Investments	99.00%	218	-	5	17	196
Minerva Log	100.00%	210	-	1	-	209
Livestock	42.00%	2,828	-	-	-	2,828
Pulsa S.A.	100.00%	102,722	76,605	98,942	39,474	40,911
Frigomerc	100.00%	111,990	48,129	95,990	13,430	50,699
Minerva Colombia	100.00%	2,426	117	1,797	74	672
Total		726,608	3,168,522	364,747	3,633,690	(103,307)

Below, we present the results of controlled companies which had movement during the periods ended March 31, 2014 and 2013:

	03/31/14		03/31/13	
	Net sales	Net income / loss for the year	Net sales	Net income / loss for the year
Minerva Alimentos	106,808	8,936	78,311	(5,701)
Eurominerva Comércio	-	-	-	-
Minerva Overseas	-	2,138	-	(615)
Minerva Overseas II	-	18,339	-	11,043
Brascasing	5,858	618	5,936	(3,865)
Minerva Dawn Farms	32,718	(10,440)	31,083	(6,998)
Minerva Beef	-	(32)	-	(9)
Minerva Luxemburgo	-	15,871	-	(14,460)
Friasa	-	462	47,446	(2,749)
Transminerva	1,171	(1,335)	583	(2,001)
Loin Investments	-	24	-	23
Minerva Log	-	3	-	4
Pulsa S.A.	100,129	13,005	88,098	(4,003)
Frigomerc	140,574	(853)	66,739	2,070
Minerva Colombia	-	(257)	1,516	197

13. Property, plant and equipment

a. Breakdown of property, plant and equipment

Company				03/31/14	12/31/13
Description	Depreciation rate - %	Historical cost	Accumulated depreciation	Net	Net
Buildings	2.93%	505,280	(85,869)	419,411	422,874
Machinery and equipment	8.16%	273,023	(76,952)	196,071	201,193
Furniture and fixtures	18.08%	2,915	(2,033)	882	983
Vehicles	7.32%	10,031	(3,187)	6,844	7,056
Hadware	19.43%	3,625	(3,086)	539	637
Plots of land		47,110	-	47,110	47,110
Construction in progress		395,959	-	395,959	304,899
Provision for impairment loss		(21,518)	-	(21,518)	(21,518)
		1,216,425	(171,127)	1,045,298	963,234

Consolidated				03/31/14	12/31/13
Description	Depreciation rate - %	Historical cost	Accumulated depreciation	Net	Net
Buildings	2.55%	653,815	(107,191)	546,624	559,368
Machinery and equipment	7.87%	433,860	(136,405)	297,455	304,984
Furniture and fixtures	17.19%	6,379	(3,680)	2,699	2,801
Vehicles	8.05%	15,486	(4,910)	10,576	11,321
Hadware	19.34%	7,088	(5,708)	1,380	1,518
Plots of land		62,865	-	62,865	63,025
Construction in progress		475,506	-	475,506	384,270
Provision for impairment loss		(21,518)	-	(21,518)	(21,518)
		1,633,481	(257,894)	1,375,587	1,305,769

b. Changes in property, plant and equipment

Company	Buildings	Machinery and equipment	Furniture and fixtures	Vehicles	Hardware	Plots of land	Construction in progress	Provision for impairment	Total
Balance as of December 31, 2013	422,874	201,193	983	7,056	637	47,110	304,899	(21,518)	963,234
Additions	-	-	-	-	-	-	91,060	-	91,060
Transfers	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(37)	-	-	-	-	(37)
Depreciation	(3,463)	(5,122)	(101)	(175)	(98)	-	-	-	(8,959)
Others	-	-	-	-	-	-	-	-	-
Balance as of March 31, 2014	419,411	196,071	882	6,844	539	47,110	395,959	(21,518)	1,045,298

Consolidated	Buildings	Machinery and equipment	Furniture and fixtures	Vehicles	Hardware	Plots of land	Construction in progress	Provision for impairment	Total
Balance as of December 31, 2013	559,368	304,984	2,801	11,321	1,518	63,025	384,270	(21,518)	1,305,769
Additions	531	9,331	345	139	156	6	92,410	-	102,918
Transfers	(143)	806	11	45	-	-	(719)	-	-
Disposals	(6,705)	(8,694)	(266)	(483)	(101)	-	(455)	-	(16,704)
Depreciation	(4,441)	(8,392)	(191)	(439)	(191)	-	-	-	(13,654)
Others (conversion adjustment)	(1,986)	(580)	(1)	(7)	(2)	(166)	-	-	(2,742)
Balance as of March 31de, 2014	546,624	297,455	2,699	10,576	1,380	62,865	475,506	(21,518)	1,375,587

c. Construction and facilities in progress

As of March 31, 2013, the balances of construction and facilities in progress refer to the following major projects: Expansion of the plant of Campina Verde (MG); Expansion of the slaughtering area of Araguaína (TO); and Structuring and expansion of the Distribution Centers.

As informed to market on March 06, 2014, the Company acquired a plant for slaughtering and deboning of cattle for R$ 40.0 million located in the city of Janaúba (MG), auctioned by court order, which offered bankrupt estate assets of the meat-packing plant Kaiowa. Additionally, there were acquisition costs in the amount of R$ 2.0 million incurred which total R$ 42.0 million as of March 31, 2014.

d. Provision for impairment

As required by the Brazilian accounting practices and International standards (IFRS), the Company annually tests its assets for impairment. Accordingly, Industrial plant of Goinésia (GO) is underused, due to strategic issues. Therefore, analyses of the plant value by cash generation were affected, and the sale value net of selling expenses was chosen for evaluation. Based on the valuation made by an independent company it was found that the mentioned plant has a value higher than its realization value on sale of R$34,175, of which R$ 21,518 from property, plant and equipment and R$ 12,657 from expectation of future profitability, which generated a recognition of provision for impairment.

e. Amounts offered as collateral

Total property, plant and equipment offered as collateral for loans and financing amounted to R$ 260,544 as of March 31, 2014 (R$ 256,276 as of December 31, 2013).

f. 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 and control these effects.

14. Intangible assets

	Company		Consolidated	
	03/31/14	12/31/13	03/31/14	12/31/13
Goodwill on acquisitions	-	-	419,552	419,552
Software	250	250	250	250
Assignment of easement strips	4,679	4,833	5,937	6,054
	4,929	5,083	425,739	425,856

The movements of intangible assets during the period ended March 31, 2014 is shown below:

	Company			
	Goodwill paid on Acquisitions	Assignment of easement strips	Software acquired	Total
Balance as of December 31, 2013	-	250	4,833	5,083
Acquisition	-	-	37	37
Amortization	-	-	(191)	(191)
Balance as of March 31, 2014	-	250	4,679	4,929

	Consolidated			
	Goodwill paid on Acquisitions	Assignment of easement strips	Software acquired	Total
Balance as of December 31, 2013	419,552	250	6,054	425,856
Acquisition	-	-	135	135
Amortization	-	-	(252)	(252)
Provision for impairment	-	-	-	-
Balance as of March 31, 2014	419,552	250	5,937	425,739

The Company records the amortization of its software, the only intangible assets that can be amortized, according to the contractual license period, when acquired from third parties, or for the period estimated by the Company, for software internally developed by the Company. As of March 31, 2014 and December 31, 2013, the average amortization rates were 19.3% and 22%, respectively, with expected final amortization of those intangible assets in 2017.

Goodwill by expectation of future profitability

	Consolidated	
	03/31/14	12/31/13
Minerva Dawn Farms (MDF) – (i) and (Note 2)	188,391	188,391
Brascasing Industria e Comércio Ltda. – (ii) and (Note 2)	98,094	98,094
Pulsa S/A – (iii) and (Note 2)	61,643	61,643
Frigomerc (iv)	62,126	62,126
Other (v)	9,298	9,298
	419,552	419,552

(i) As described in Note 2, to comply with the requirements defined in the CVM Resolution 580/09 – CPC 15 (R1), the Company revised the acquired assets and liabilities calculations made at the time of recording of the fair value of the acquisition of more 30% of Minerva Dawn Farms - MDF's shares. This was framed as a "business combination by stages", and the segregation of appreciation (goodwill) found in the temporary recording of the fair value of the Company's interest in that operation, amounting to R$ 188,390 (R$ 188,390 as of December 31, 2012), segregating goodwill by expectation of future profitability – R$ 98,714, client portfolio – R$ 87,733 and appreciation of assets – R$1,944, complying with CPC pronouncements, instructions and guidance. As previously described, during the last quarter of 2012, the Company acquired the residual interest of 20% of MDF shares, held by Dawn Farms, thereby acquiring 100% of MDF's control;

(ii) In December 2011, the Company acquired 5% of the jointly controlled company's share capital, Brascasing Comercial Ltda. as of that date, becoming holder of 55% of this company's share capital, 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. After the full acquisition of the Company, goodwill totaled R$ 98,094;

(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) During the last quarter of 2012, the Company purchased 100% shares of Frigomerc S/A, which caused the recording of goodwill by expectation of future profitability amounting to R$ 58,380. On March 16, 2013, an addendum to the purchase and sale agreement of Frigomerc S/A was prepared determining a supplement of Working Capital amounting to R$ 3,745 (USD 1,830 thousand), totaling on December 31, 2012 R$62,126;

(v) During 2nd quarter of 2013, the Company acquired the remaining 8% of the Friasa S/A's shares, resulting in a record of goodwill by future expectation in the amount of R$ 7,233 totaling R$ 9,298 on June 30, 2012.

During 4th quarter of 2013, as required by the Brazilian accounting practices and International standards (IFRS), the Company annually tests its assets for impairment. Accordingly, the Industrial plant from Goinésia (GO), company previously named as "Lord Meat", due to strategic issues, is temporarily out of operation, according to Note 13.

In compliance with CPC 1 (R1) (IAS 36), the Company tests for impairment, at least annually, its intangible assets which do not have estimated useful lives.

15. Loans and financing

		Company		Consolidated	
Types	Finance charges	03/31/14	12/31/13	03/31/14	12/31/13
Debentures (1)	127% of CDI	-	-	-	-
Debentures – 4th issue (1)	CDI + 1.75% p.a.	307,362	299,269	307,362	299,269
Debentures (1)	Fixed rate	463,136	483,476	-	-
BNDES (2)	TJLP + Spread	72,672	75,636	72,672	75,636
BNDES – Revitaliza (1)	9% p.a.	-	-	-	-
FINEP (1)	TJLP + Spread	-	-	34,007	35,854
Lease (1)	TJLP + 3.5% p.a.	5,025	2,956	5,216	3,165
Bank Credit Note (1)	Rate 8.5% p.a.	18,504	20,137	66,997	71,462
Bank Credit Note (1)	CDI + spread	613	596	613	596
NCE (1)	8% p.a.	261,654	260,431	261,654	260,431
Progeren	3.9% p.a. + TJLP	21,386	20,949	21,386	20,949
IFC (1)	CDI + spread	144,874	140,684	144,874	140,684
Other types (1)	TJLP + Spread	-	64	3,776	4,630
		1,295,226	1,304,198	918,557	912,676
Foreign currency (US dollar)					
ACCs (1)	Interest from 1.30% to 3.0%p.a. + Exchange rate gains (losses)	377,457	271,988	434,092	271,988
NCE (1)	Interest from 2.50% to 3.7% p.a. + Libor	136,461	107,020	136,461	107,020
Senior Unsecured Notes - I and II (3)	Exchange rate gains (losses).+ interest	1,307,492	1,342,954	2,020,860	2,151,346
PPE (1)	Interest of 2.7% p.a. + LIBOR	67,890	70,278	67,890	70,278
Other types (1)	Libor +Spread	-	-	117,626	126,616
Hedging instruments - derivatives		(220,213)	(211,642)	(221,260)	(210,665)
		1,669,087	1,580,598	2,555,669	2,516,583
Total loans		2,964,313	2,884,796	3,474,226	3,429,259
Current		493,031	361,019	659,893	515,533
Non-current		2,471,282	2,523,777	2,814,333	2,913,726

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) 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 March 31, 2014:

Company

	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Lease	1,103	748	827	496	18	-	-	-	-	3,192
BNDES	13,589	18,119	9,968	6,116	6,116	509	-	-	-	54,417
CCB	4,874	6,498	542	-	-	-	-	-	-	11,914
Debentures	-	-	150,000	147,308	-	-	-	450,000	-	747,308
IFC	8,607	17,215	17,215	17,215	17,215	17,215	17,215	17,215	8,607	137,719
NCE	93,242	186,667	-	-	-	-	-	-	-	279,909
Pre-shipment	45,260	22,630	76,684	-	846,894	-	-	341,713	-	1,333,181
Progerem	-	20,000	-	-	-	-	-	-	-	20,000
Hedging instruments - derivatives	(94,407)	(21,951)	-	-	-	-	-	-	-	(116,358)
	72,268	249,926	255,236	171,135	870,243	17,724	17,215	808,928	8,607	2,471,282

(Consolidated) long-term portions of loans and financing mature as follows as of March 31, 2014:

									Consolidated
	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Lease	1.134	790	869	527	18	-	-	-	-	3.338
BNDES	13.590	18.118	9.967	6.116	6.117	510	-	-	-	54.418
CCB	14.954	11.812	5.855	5.313	5.313	5.313	5.313	6.448	-	60.321
Debentures	-	-	150.000	147.309	-	-	-	-	-	297.309
FINAME	899	-	-	-	-	-	-	-	-	899
FINEP	5.861	7.912	7.911	3.956	-	-	-	-	-	25.640
IFC	8.607	17.215	17.215	17.215	17.215	17.215	17.215	17.215	8.607	137.719
NCE	93.242	186.667	-	-	-	-	-	-	-	279.909
Pre-shipment	45.260	22.630	-	-	-	-	-	-	-	67.890
Progerem	-	20.000	-	-	-	-	-	-	-	20.000
Senior Unsecured Notes	-	-	53.340	-	125.717	-	-	279.950	1.526.337	1.985.344
Hedging instruments - derivatives	(96.503)	(21.951)	-	-	-	-	-	-	-	(118.454)
	87.044	263.193	245.157	180.436	154.380	23.038	22.528	303.613	1.534.944	2.814.333

Below are the Company's and its controlled companies' main loans and financing as of March 31, 2014:

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

IFC – International Finance Corporation

In September 2013, IFC and Minerva entered into a financing agreement, with term of 10 years, in the amount of R$ 137,718 disbursed on October 24, 2013. The debt balance as of March 31, 2014 is R$ 144,874 whose interests are calculated through CDI + Spread semi-annually paid. The debt matures on April 15, 2023.

Early redemption of debentures of the 1st issue

On January 18, 2013, the Company concluded the early redemption of the totality of debentures of the 1st issue of simple, non-convertible into shares, unsecured, with personal guarantee debentures, for public offer with restricted effort, and original maturity in 2015, amounting to R$ 203,913.

Debt notes/bonds abroad

Through its controlled companies Minerva Overseas Ltd. and Minerva Overseas Ltd. II, the Company issued debt notes abroad in the amount of US$ 200,000 thousand and US$250,000 thousand, respectively. The *Notes* are collateralized by Minerva S.A. and mature in 2017 and 2019, respectively. Additionally, in February 2012, the Company put into effect the issue of US$ 350,000 thousand *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 US$ 100,000 thousand, 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, respectively, and the Notes operations issued by Minerva Luxembourg (Bonds 2022 and Retap) shall pay six-month coupons at a rate of 12.25% per year and (Bonds 2023) shall pay six month coupons at 7.75% per year. The Company shall guarantee all the obligations of the Issuer, in regard to the issue referred to above.

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

The *Notes*' main early maturity clauses are as follows: (i) failure to fulfill the obligations established under the confidential offering circular, even relating to the 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 an expectation of maintaining a financial covenant 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 banks" – means the sum of the balances of the Company's following balance sheet accounts: "Cash and cash equivalents" and "Securities"; (III) "Write-downs" means a range of exceptions, including but not limited to exchange rate gains (losses) since the issue of the note, or allowed 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 US$ 141,000 thousand (equivalent to approximately R$ 330,307), additionally, all expenses related to exchange rate gains (losses) since the issue of the notes are also considered for write down purposes; (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 financial statements.

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

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

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

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

Note-related liabilities as of March 31, 2013 were R$ 2,020,860 (R$ 2,151,345 as of December 31, 2013) in the consolidated financial statements.

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 March 31, 2014 the consolidated debt balance was R$ 34,007 (R$ 35,854 as of December 31, 2013) and bears annual interest of 4.5%. The debt matures on June 15, 2018, but may be subject to early maturity if, among other situations: (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$53,793, whose balance as of March 31, 2014 was R$ 48,493 (R$ 51,326 as of December 31, 2013). 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 March 31, 2014, 7.50% of the Company's and its controlled companies' total debt was secured by security interest in real estate (7.47% as of December 31, 2013).

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

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 controlled companies undertake to pay any dividend or make any distribution of interest on its invested capital held by other than its controlled companies, (except (a) dividends or distributions paid on qualified interests of Minerva, and (b) dividends or distributions payable by a controlled company, 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, or 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 to 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.

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, 2011, 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.

4th Issue of non-convertible debentures

On June 15, 2013, the Company offered debentures, not convertible into shares, totaling R$ 300,000, maturing on June 15, 2018. The debentures were offered by making restricted efforts (CVM Instruction No. 476). The principal amounts to R$ 300,000, and bears interest at the accumulated variation (effective rate) of 100% of average daily rates of Interbank deposits (DI), plus a surcharge of 1.75% p.a. The funds were intended 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 the process of issue of such debentures, the Company incurred transaction costs in the amount of R$ 3,153, recorded in its financial statements as a reduction of own liabilities, to be fully amortized during the effective period of the debentures until 2018.

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

16. Trade accounts payable

	Company		Consolidated	
	03/31/14	12/31/13	03/31/14	12/31/13
Domestic	198,370	298,943	238,077	348,449
Foreign	14,602	27,424	17,131	28,434
	212,972	326,367	255,208	376,883

17. Salaries, social charges and tax liabilities

	Company		Consolidated	
	03/31/14	12/31/13	03/31/14	12/31/13
Labor				
Salaries and management compensation	4,141	4,828	5,590	6,393
Social charges – FGTS and INSS (employees and third parties)	6,851	7,673	8,713	10,179
Provision for vacation pay/year-end bonus and charges	21,824	18,105	31,631	26,171
Other proceeds and charges	2,401	3,128	3,387	4,051
Total labor	**35,217**	**28,552**	**49,321**	**38,894**
Tax				
INSS installment payment (*)	27,190	29,262	27,190	29,262
ICMS payable	3,322	4,896	3,671	5,102
IRPJ (Corporate Income Tax)	3,370	-	5,571	1,877
Social Contribution Tax	2,430	-	3,232	437
Other taxes and fees	11,509	11,137	15,456	12,786
Total taxes	**47,821**	**53,468**	**55,120**	**60,170**
Grand total	83,038	82,020	104,441	99,064
Current	58,512	52,678	79,841	69,907
Non-current	24,526	26,351	24,600	26,351

18. Income and social contribution taxes

Deferred tax debts are recorded to reflect future tax effects attributable to temporary differences between the tax bases of assets and liabilities and their respective carrying amounts, as well as to reflect the tax credits resulting from the revaluation of assets. They are stated as below:

	Company		Consolidated	
	03/31/14	03/31/13	03/31/14	03/31/13
Temporary add-backs				
Sundry provisions	5,771	2,039	5,771	2,039
Fair value of biological assets	57,838	-	57,838	-
Temporary deductions				
Sundry provisions	(8,742)	(2,973)	(8,742)	(2,973)
Fair value of biological assets	(64,441)	-	(64,441)	-
Calculation basis of deferred taxes	(9,574)	(934)	(9,574)	(934)
Deferred IR/CS – temporary difference	(3,255)	(318)	(3,255)	(318)
Total deferred IR/CS	(3,255)	(318)	(3,255)	(318)

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

	Company			
	Balance as of January 1, 2014	Recognized in income (loss)	Realization of deferred taxes	Balance as of March 31, 2014
Taxes on revaluation surplus	34,618	-	(291)	34,327
Taxes on adjustment of biological assets	6,365	21,910	(19,665)	8,610
Taxes on appreciation in controlled company	48,532	-	-	48,532
Other deferred taxes	(21,657)	2,972	(1,963)	(20,648)
Total deferred tax liabilities	67,858	24,882	(21,919)	70,821

	Consolidated			
	Balance as of January 1, 2014	Recognized in income (loss)	Realization of deferred taxes	Balance as of March 31, 2014
Taxes on revaluation surplus	34,618	-	(291)	34,327
Taxes on adjustment of biological assets	6,365	21,910	(19,665)	8,610
Taxes on appreciation in controlled company	48,532	-	-	48,532
Other deferred taxes	(21,657)	2,972	(1,963)	(20,648)
Total deferred tax liabilities	67,858	24,882	(21,919)	70,821

Based on budgeting, business planning and budget projection, management estimates that tax credits arising from temporary differences shall be realized by 2016.

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	
	03/31/14	03/31/13	03/31/14	03/31/13
Income (loss) before taxes	76,754	14,541	79,702	14,286
Add-backs				
Temporary differences	5,770	7,828	6,081	7,828
Permanent differences	247	27,153	252	27,153
Realization of temporary differences	(8,743)	(5,788)	(9,060)	(5,788)
Realization of revaluation surplus	857	966	857	966
Effects of the initial adoption of IFRS	302,978	167,102	306,215	167,102
Deductions				
Temporary differences	(46,477)	-	(46,477)	
Effects of the initial adoption of IFRS	(312,096)	(175,424)	(315,431)	(175,424)
Tax calculation basis	19,290	36,378	22,139	36,123
Offsets	(5,805)	(10,913)	(9,273)	(10,913)
Calculation basis after loss to offset	13,485	25,465	12,866	25,210
Taxes on income				
Income tax payable	(3,370)	(6,360)	(5,404)	(6,460)
Social contribution tax payable	(1,215)	(2,292)	(1,947)	(2,292)
Expenses on current IRPJ and CSLL	(4,585)	(8,652)	(7,351)	(8,752)

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.

c. Comments on MP 627 and IN 1397

On November 12, 2013, Provisional Executive Order (MP) No. 627 was enacted. Among other issues addressed, it revokes the Transition Tax Regime (RTT) set forth by article 15 of Law No. 11.941/2009, and amends the legislation related to the Corporate Income Tax (IRPJ), Social Contribution Tax (CSLL), Social Integration Program (PIS) and Contribution for the Social Security Funding (COFINS).

The MP also revokes several provisions of tax legislation, as from January 01, 2015, which are mostly still pending discussion or which can be questioned in judicial and/or administrative levels. The MP will be in effect as from January 01, 2015, except for the following matters:

a) the provisions addressing the revocation of the RTT and its adaptation aspects, for calendar years 2008 to 2013, whose determinations were fully expressed by the Federal Revenue Service (RFB) in its Regulatory Instruction (IN) No. 1.397 of 2013;
b) possibility to opt for the effects of RTT revocation from January 01, 2014, regarding articles 1 to 66 of the MP; and
c) amendments referring to the special installment payment scheme for debts with the National Treasury.

By choosing the application of the new legislation (cancellation of RTT) from January 01, 2014, the option will be irreparable and make taxpayers subject to the provisions of articles 1 to 66 of the MP and to the revocation provided for in article 99 of the MP.

The MP also allows the option of adopting the new rules for taxation on universal bases (articles 72 to 91), which will also be irreparable and make taxpayers subject to the new determinations of the law.

Currently, the MP is being discussed in the Brazilian Congress, where more than 500 amendments have been proposed to the original text.

The Company has analyzed the effects of the legislation (MP 627 and IN 1397) and considered them immaterial for its financial statements as of December 31, 2013. The Management will monitor possible changes to the wording of this MP until its conversion into law, in order to decide for adhesion in calendar year 2014, and new RFB decisions on other procedures that must be followed by companies.

19. Convertible debentures

	Company and Consolidated	
	03/31/14	12/31/13
Debentures mandatorily convertible into shares	96,151	124,005
(-) Transaction cost (*)	(6,112)	(7,335)
	90,039	116,670
Current	2,650	504
Non-current	87,389	116,166

As described in Note 4 (cc), as determined by CVM, the Company reclassified the mandatorily convertible debentures into shares of 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. has 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$ 200,00;
- 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. Lease agreements

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, with an offsetting entry of the asset into property, plant and equipment.

b. Operating lease

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 plant 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 (years)	Expense amount 03/31/2014	Expense amount 03/31/2013
Farms and industrial plants	IPCA + 11% @ cattle/IGPM	Dec-15	375	375
			375	375

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	03/31/14	12/31/13	03/31/14	12/31/13
Tax contingencies	26,290	26,290	26,290	26,400
Labor contingencies	9,533	8,711	9,533	8,711
Civil contingencies	1,496	1,496	1,496	1,496
	37,319	36,497	37,319	36,607

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

a. Tax contingencies

PIS/COFINS

During the last quarter of 2012, the Company recorded a provision in the amount of R$ 14,980 for possible PIS/COFINS contingencies levied on sales of by-products, specifically the sale of manufactured leather. This provision was necessary as a result of some changes in the law applicable to this kind of operation, and was supported by opinion of the Company's legal advisors.

- **Offsets against tax credits**

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.

Although this decision was not final and unappealable, 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 thousand are duly added to it, adding up to a total provision of R$ 9,366 as of March 31, 2014.

b. Labor contingencies

Most of these labor claims involve health hazard, overtime and commuting time 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$ 9,533 were accrued for labor lawsuits, whose loss is probable both for Company and consolidated as of March 31, 2014 (R$ 8,711 for Company and consolidated, as of December 31, 2013, respectively).

c. Other proceedings (whose likelihood of loss is considered possible)

- **IR/CS**

The Company was assessed by the Federal Revenue Service (RFB) due to the questioning on possible undue deductions in the calculation base of Income and Social Contribution Taxes. From the total assessment amount of R$ 38,437 (adjusted with fine and interest), it is considered as possible loss, according to the Company's legal counselors.

- **Other tax and civil proceedings**

As of March 31, 2014, the Company and its controlled companies had other on-going tax and civil lawsuits amounting to approximately R$ 65,200 and R$ 5,073, respectively, whose likelihood of loss is considered possible by the Company's legal counselors, and for which the Company's management does not consider necessary to set up a provision.

- **Labor and Social Security Proceedings**

As of March 31, 2014, the Company and its controlled companies were involved in other ongoing proceedings of labor nature (public civil actions and collective actions) in the approximate amount of R$ 45,891, whose unfavorable outcome is considered possible, though not probable, and for which the Company's Management has chosen not to set up provision to cover possible losses.

Among these labor proceedings, there is a suit in which its controlled company "Minerva Indústria e Comércio de Alimentos S.A" is a defendant in a collective action (commuting time, time spent for changing the work uniform and breakfast) required by SINTRA-ALI and the Public Prosecutors' Office for Labor Issues (MPT) which was initiated in November 2012. A sentence was given on July 12, 2013, objected by the Company, and republished on 09/25/2013, when the Company was convicted in first-degree to pay the amount of R$ 4,200.

- **Rural worker assistance fund (Funrural)**

As of March 12, 2013, the Company filed a petition of writ of mandamus to suspend the withholding and payment of new Funrural. To avoid losing the right to require the contribution of new Funrural, INSS (Social Security Authority) issued various tax assessment notices against the Company until the current date. The amount involved in these notices, whose likelihood of loss is deemed possible, is approximately R$ 61,074.

- **Agribusiness – INSS (Social Security Tax)**

The Company received statutory notices of tax deficiency filed by the Federal Revenue Service arising from possible amounts unpaid of INSS in the period from February 2003 to February 2007, referring to the rate of 2.85% applied to occupational accident surtax - the National Service for Rural Training (SENAR), which shall levy on gross revenue of companies. The amount involved in this discussion, whose unfavorable outcome is possible, is approximately R$ 28,793.

22. Shareholders' equity

a. Share capital

The Company's subscribed and paid-in capital as of March 31, 2014 is R$ 744,142 (R$ 744,142 as of December 31, 2013), represented by 149,000,090 (145,056,023 as of December 31, 2013) common, book-entry shares, with no par value, all of which are free and clear of any burden or encumbrance. 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.

In November 2012, upon the conclusion of the follow on transaction conducted by the Company, 37,500,000 new common shares were issued, duly approved by the Board of Directors, issued at the unit value of R$ 11.00, which represented a capital increase of R$ 412,500.

By December 31, 2013 and according to the issue instrument of "debentures mandatorily convertible into shares", 10,056,437 common shares were converted into Company's shares, representing an increase in capital stock of R$ 76,499.

On February 20, 2014, the Board of Directors recorded a conversion of 30,000 convertible debentures into common shares of the Company, and the capital stock went from R$ 774,142 representing 145,056,023 common shares, to R$ 774,142 representing 149,000,090 common shares.

b. Revaluation surplus

In 2003 and 2006 the Company revalued the assets of its property, plant and equipment and the amount reported on March 31, 2014 was R$ 70,171 (R$ 70,737 as of December 31, 2013), 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 until December 31, 2007 until its full realization, which must occur due to depreciation or sale of revalued assets.

c. Statutory reserve

Recognized at the rate of 5% of annual net income, pursuant to article 193 of Law No. 6404/76, up to the limit of 20% of share capital. In the year when the balance of the statutory reserve, plus the amounts of capital reserves addressed by paragraph 1 of article 182 of Law No. 6404/76 exceeds 30% of share capital, allocating part of the year's net income to the statutory reserve will not be mandatory.

d. Income reserve

The appropriated retained earnings were recognized to set aside a part of 2010's accumulated earnings, in compliance with the capital budget approved by the Annual Shareholders' Meeting held on 30 April 2010, which establishes the continuation of the Company's growth plan.

The shareholders were convened for the Annual General Meeting scheduled for May 13, 2014, when they will decide on the allocation of income (loss) for the year ended December 31, 2013, among other resolutions.

e. Share and option plans

On April 30, 2010 it was approved by the Board of Directors of the Company in AGM (Annual General Meeting) a Share Option Plan and Other Covenants. This plan was limited to a maximum of 56,101 options, which were fully exercised in July 2010. On June 30, 2011 the Company did not have stock of share options and other covenants to be exercised as part of this plan; Accordingly, the circulation and the average share price need not be presented. 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.

On March 12, 2014, the Company's Board of Directors approved:

(i) The conclusion of the program to repurchase shares created by the Company's Board of Directors on February 18, 2013 ("Program"). Since the creation of the Program until the present date, 8,186,400 (eight million one hundred eighty-six thousand and four hundred) common shares issued by the Company, to be kept in treasury and later cancelled or disposed of ("Shares") were acquired;

(ii) In compliance with article 19, item XVI of the Company's bylaws, meeting the requirements of CVM Instruction No. 10 of February 14, 1980, as amended ("ICVM No. 10"), approve the creation of a new program to repurchase shares issued by the Company to be kept in treasury and later cancelled or disposed of, with no reduction in capital stock. The treasury shares shall be segregated in a specific account of the Company's shareholders' equity. In compliance with article 8 of ICVM No. 10, it is established that (a) the purpose of the Company through this operation is to efficiently invest the funds available in cash, aiming to capture a significant potential to generate value to the shareholder because of the current discount of the Company's shares in the market; (b) the negotiation will be limited to 9,000,000 (nine million) common, registered, book-entry shares of the Company, with no par value, representing 9.198% of the totality of outstanding Company's shares (calculated excluding the shares held by the controlling shareholder), being certain that (i) the actual repurchase by the Company of the totality of the 9,000,000 (nine million) shares approved through this plan will depend, among other things, on the number of treasury shares kept by the Company in the moment of the negotiation, in order to meet the limit established in article 3 of ICVM No. 10, and (ii) the negotiation limit now approved shall be adjusted in case the shares currently kept in treasury by the Company are cancelled; (c) the maximum period for the realization of the operation now authorized is 365 (three hundred sixty-five days), starting on this date and finishing on March 11, 2015; and (d) there are currently 97,849,892 (ninety-seven million, eight hundred forty-nine thousand, eight hundred ninety-two) common, registered, book-entry, outstanding shares, with no par value, as established in article 5 of CVM Instruction No. 10.

f. 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.

23. Management's compensation

As of March 31, 2014 the Company recorded expenses on key management personnel remuneration (Company's Board of Directors and officers) in the amount of R$ 1,348 (R$ 1,014 as of March 31, 2014). The entire remuneration is short-term.

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

24. Segment reporting

	Business segments					
	Live cattle		Meat		Consolidated	
	03/31/14	03/31/13	03/31/14	03/31/13	03/31/14	03/31/13
Net sales	131,887	103,679	1,266,017	1,091,308	1,397,904	1,194,987
Cost of goods sold	(103,947)	(84,095)	(1,011,171)	(883,164)	(1,115,118)	(967,259)
Operating expenses	(15,534)	(11,967)	(144,869)	(130,078)	(160,403)	(142,045)
Financial income (loss), net	(9,591)	145	(33,090)	(71,542)	(42,681)	(71,397)
Net income (loss) before taxes	2,815	7,762	76,887	6,524	79,702	14,286

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.

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

The main business segments of the Company and its controlled companies are the production, marketing and sale of meat, live cattle and its by-products and the processing of beef, pork and poultry.

25. Net revenue

	Company		Consolidated	
	03/31/14	03/31/13	03/31/14	03/31/13
Revenue from sale of goods – Domestic Market	411,360	365,027	469,743	421,785
Revenue from sale of goods – Foreign Market	752,126	651,206	1,012,664	848,100
Deductions from revenue – taxes levied and others	(72,467)	(58,972)	(84,503)	(74,898)
Net revenue	1,091,019	957,261	1,397,904	1,194,987

26. Financial income (loss), net

	Company		Consolidated	
	03/31/14	03/31/13	03/31/14	03/31/13
Financial revenues:				
Return on financial investments	14,531	12,287	18,066	13,264
Other financial revenues	-	-	-	-
	14,531	12,287	18,066	13,264
Financial expenses:				
Interest from financing	(108,001)	(68,584)	(109,406)	(86,547)
Other financial expenses	(8,141)	(15,690)	(13,830)	(12,766)
	(116,142)	(84,274)	(123,236)	(99,313)
Exchange rate gains (losses), net	24,334	14,052	62,489	14,052
Net financial income (loss)	(77,277)	(57,935)	(42,681)	(71,997)

27. Earnings per share

a. Basic earnings

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

Basic	03/31/14	03/31/13
Net income (loss) attributable to the Company's shareholders	68,914	5,571
Weighted average number of common shares issued - thousands	149,000	146,575
Weighted average of shares in treasury	-	(6,121)
Weighted average number of outstanding common shares - thousands	149,000	140,454
Basic earnings per share - R$	0.46251	0.03966

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	03/31/14	03/31/13
Net income (loss) attributable to the Company's shareholders	68,914	5,571
Weighted average number of outstanding common shares - thousands	149,000	140,454
Adjustment from conversion of debentures	12,293	19,948
Adjustment from Share Purchase Option - thousands	-	-
Weighted average number of common shares for diluted earnings (losses) per share - thousands	161,293	160,402
Diluted earnings per share – R$	0.42726	0.03473

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 take derivatives for the purpose of implementing operating and financial strategies established by the executive management 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, and employees.

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 fat 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 guarantee the Company's operating income and hedge its currency flows 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 and inflow of funds in US dollars.

2. Balance sheet hedging

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 long-term indebtedness.

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

Hedging instruments available on the market may be used, such as: US dollar cash withholding, NDFs, futures contracts in BMF, 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: futures contracts and options of finished cattle in BMF and options on futures contracts of finished cattle can be used in BMF.

2. Hedging of meat sold

For the purpose of guaranteeing the cost of the raw material used in its meat production, the Company uses BM&F to purchase futures 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 futures contracts for fat cattle on the BM&F can be used.

Statement of derivatives positions

The statement of derivative positions was prepared so as to present the derivative financial instruments taken out by the Company in the period ended March 31, 2014 and December 31, 2013, according to their purpose (asset protection and other purposes):

Description	/Thousand		Fair value in R$ thousand		Accumulated effect in R$ thousand	
	03/31/14	12/31/13	03/31/14	12/31/13	Amount receivable / (received)	Amounts payable / (paid)
Future Agreements:	-	-	-	-	-	-
Purchase agreements	-	-	-	-	-	-
Dollar (US$)	42,500	-	97,112	-	3,109	1,572
EUR	-	-	-	-	-	-
Others	-	-	-	-	-	-
BGI (arrobas)	-	-	-	-	-	-
Corn (sacks)	167	-	4,959	-	545	328
Soy (sacks)	-	-	-	-	76	-
DI 1 DAY (R$)	-	-	-	-	-	-
Sale agreements	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
Dollar (US$)	-	43,000	-	102,516	-	-
EUR	-	20,000	-	65,725	-	-
BGI (arrobas)	-	445	-	49,310	1,703	5,396
Corn (sacks)	-	-	-	-	-	-
Soy (sacks)	-	100	-	6,561	-	571
Option contracts	-	-	-	-	-	-
Call holder	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
Dollar (US$)	-	-	-	-	-	-
Others	-	-	-	-	-	-
BGI (arrobas)	41	-	3	-	-	389
Put holder	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
Dollar (US$)	-	-	-	-	-	1,721
Others	-	-	-	-	-	-
BGI (arrobas)	-	165	-	243	-	1,059
Corn (sacks)	-	-	-	-	-	-
Call seller	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
Dollar (US$)	-	-	-	-	-	-
Others	-	-	-	-	-	-
BGI (arrobas)	-	-	-	-	96	-
Put seller	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
Dollar (US$)	-	-	-	-	2,446	-
Others	-	-	-	-	-	-
BGI (arrobas)	-	181	-	183	533	-
Corn (sacks)	-	-	-	-	-	-
Forward contracts	-	-	-	-	-	-
Long position	-	-	-	-	-	-
NDF (US dollar)	766,035	379,504	769,280	373,734	-	8,246
Short position	-	-	-	-	-	-
NDF (Euro)	66,615	131,665	65,468	128,737	-	1,326
NDF (US dollar)	-	-	-	-	-	-

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 Sales Contracts of DOL:** US dollars futures contracts traded at BM&F represented the negotiation of US$ 50,000 thousand per notional contract and have daily adjustments. The fair value is calculated by multiplying the notional amount in US dollars by the reference US dollar for the contract disclosed by the BM&F;
- **Future Sales Contracts of BGI:** future contracts for Fat Cattle (BGI) traded at BM&F are valued at R$ 330 per arroba. The fair value is calculated by multiplying the notional amount in Brazilian Reais by the reference value for the contract disclosed by the BM&F;
- **Short Position Forward Contracts: NDF (Euro):** The contracts are trade in over-the-counter markets and, therefore, have no standardization and daily adjustment. The fair value is calculated by multiplying the negotiated notional amount and the PTAX EURO sale rate disclosed by the Central Bank of Brazil;
- **Short Position Forward Contracts: NDF (US dollar):** The contracts are trade in over-the-counter markets and, therefore, have no standardization and daily adjustment. The fair value is calculated by multiplying the negotiated notional amount and the PTAX 800 sale rate disclosed by the Central Bank of Brazil.

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

Derivatives undergo daily financial adjustments at BM&F, except for over-the-counter transactions (swap, options and NDF) whose 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 March 31, 2014 and December 31, 2013 as "Treasury advances". The breakdown of the balances payable/receivable recorded in the financial statements is as follows:

Derivatives	***03/31/2014***	***12/31/2013***
	Receivable (payable)	***Receivable (payable)***
Futures contracts (D+ 1)	*2,635*	*-997*
Option contracts	*0*	*0*
Swap	*0*	*0*
NDF	*0*	*0*
Shares	*0*	*0*
	2,635	***-997***

Outstanding over-the-counter NDF, Swap and São Paulo Stock Exchange (BM&F – Bovespa) option transactions are marked to market and as of March 31, 2014 and December 31, 2013 are recorded as "NDF receivable/payable", "Swaps" and "Options receivable", respectively.

Derivatives	***03/31/14***	***12/31/13***
	Mark to Market	***Mark to Market***
Options	*622*	*-790*
Swap	*219,164*	*207,038*
NDF (EUR+Dollar)	*-23,176*	*-12,112*
Grand total	***196,610***	***194,136***

b. 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 can be managed by using derivative financial instruments traded on exchanges, or over-the-counter operations such as swap transactions, NDFs (Non Deliverable Forwards), and options.

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		
	03/31/14		
	Currency		
	Domestic	Foreign	Total
Assets			
Cash	588		588
Bank current accounts	55,305	431,503	486,808
Financial investments	509,255	313,491	822,746
Accounts receivable	65,119	151,173	216,292
Total current	630,267	896,167	1,526,434
Total assets	630,267	896,167	1,526,434
Liabilities			
Short-term financing	100,346	559,547	659,893
Total current	100,346	559,547	659,893
Long-term financing	818,210	1,996,123	2,814,333
Total non-current	818,210	1,996,123	2,814,333
Total liabilities	918,556	2,555,670	3,474,226
Net financial debt	288,289	1,659,503	1,947,792
Currency hedging derivatives – net position		(221,260)	(221,260)
Net exchange position	-	1,438,243	1,726,532

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

Financial instruments (net)	Asset (liability) position, net at 03/31/2014	Asset (liability) position, net at 12/31/2013
Future contracts – DOL (Dollar)	42.500	(43.000)
Futures contracts - EUR	-	(20.000)
Option Contracts (US dollar, Cattle, Corn and IDI)	41	(16)
Swap contracts	219.164	207.038
NDF (US dollar + EURO)	699.420	247.839
Total Net	**961.125**	**391.861**

Financial assets and liabilities are presented in the interim financial information for March 31, 2014 and December 31, 2013 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.

Following is a list of NDF agreements in effect for the Company as of March 31, 2014:

Type	Status	Currency	Maturity	Domestic	Institution
NDF	PURCHASE	DOL	04/01/2014	15,000.00	Banco Barclays S.A.
NDF	SALE	DOL	04/01/2014	(15,000.00)	Banco Barclays S.A.
NDF	PURCHASE	DOL	04/15/2014	4,800.00	Banco Morgan Stanley S.A.
NDF	SALE	DOL	04/15/2014	(4,800.00)	Banco Morgan Stanley S.A.
NDF	SALE	DOL	04/15/2014	(4,800.00)	HSBC Bank Brasil S.A. - Banco Múltiplo
NDF	PURCHASE	DOL	05/02/2014	25,000.00	Banco Santander (Brasil) S.A.
NDF	SALE	DOL	05/02/2014	(350.00)	Bank of America Merrill Lynch Banco Múltiplo S.A.
NDF	SALE	DOL	05/02/2014	(112.00)	HSBC Bank Brasil S.A. - Banco Múltiplo
NDF	SALE	DOL	05/02/2014	(25,000.00)	Banco Santander (Brasil) S.A.
NDF	SALE	DOL	05/15/2014	(4,800.00)	Banco Morgan Stanley S.A.
NDF	SALE	EUR	04/11/2014	(10,000.00)	Banco Barclays S.A.
NDF	PURCHASE	EUR	04/11/2014	10,000.00	Banco Barclays S.A.
NDF	SALE	EUR	04/22/2014	(7,500.00)	Banco Itau S.A.
NDF	PURCHASE	EUR	04/22/2014	7,500.00	Banco Itau S.A.
NDF	SALE	EUR	04/25/2014	(5,000.00)	Banco Santander (Brasil) S.A.
NDF	PURCHASE	EUR	04/25/2014	5,000.00	Banco Santander (Brasil) S.A.
NDF	SALE	EUR	05/12/2014	(6,000.00)	Banco Barclays S.A.
NDF	PURCHASE	EUR	05/12/2014	6,000.00	Banco Barclays S.A.
NDF	SALE	EUR	05/30/2014	(10,000.00)	Banco Barclays S.A.
NDF	SALE	EUR	06/04/2014	(11,000.00)	Bank of America Merrill Lynch Banco Múltiplo S.A.
NDF	SALE	EUR	06/12/2014	(4,000.00)	Bank of America Merrill Lynch Banco Múltiplo S.A.
NDF	SALE	EUR	06/12/2014	(4,000.00)	Banco Itau S.A.
NDF	PURCHASE	EUR	06/12/2014	4,000.00	Bank of America Merrill Lynch Banco Múltiplo S.A.
NDF	PURCHASE	EUR	06/12/2014	4,000.00	Banco Itau S.A.
NDF	PURCHASE	DOL	05/02/2014	50,000.00	Bank of America Merrill Lynch Banco Múltiplo S.A.
NDF	PURCHASE	DOL	05/02/2014	50,000.00	HSBC Bank Brasil S.A. - Banco Múltiplo
NDF	PURCHASE	DOL	05/02/2014	50,000.00	Banco Bradesco S.A.
NDF	PURCHASE	DOL	05/02/2014	14,500.00	Banco Pine S.A.
NDF	PURCHASE	DOL	05/02/2014	35,500.00	Banco Pine S.A.
NDF	PURCHASE	DOL	05/02/2014	50,000.00	HSBC Bank Brasil S.A. - Banco Múltiplo
NDF	PURCHASE	DOL	06/02/2014	50,000.00	Banco Barclays S.A.
NDF	PURCHASE	EUR	07/01/2014	50,000.00	Banco Barclays 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 exposed to the volatility of the prices for cattle, its main 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.

Over-the-counter market	**Fair value 03/31/2014**
Purchased forward contract	
Notional amount (@)	763,306
Future Contract Prices (R$/@)	114
Total R$/1000	**86,926**

Market BM&F	**Fair value 03/31/2014**
Sold Future Contracts	
Notional amount (@)	662,640
Future Contract Prices (R$/@)	119
Total R$/1000	**78,986**

d. Cash sensitivity analysis chart

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 March 31, 2014;
- A downward movement typifies an increase in prices or risk factors as of March 31, 2014;

- Probable scenario: Impact of 6%; fluctuation scenario of 25%; and fluctuation 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.

Equity hedging
(In thousands of R$)

Operation	Moviment	Risk	Probable scenario 6% fluctuation	Possible scenario 25% fluctuation	Remote scenario 50% fluctuation
Hedging derivatives	Upward	Cattle	(15,684)	(65,842)	(131,838)
Cattle	Upward	Cattle	5,216	21,732	43,463
Net			**(10,468)**	**(44,110)**	**(88,375)**
Hedging derivatives	Upward	US dollar	51,983	216,598	433,196
Invoices + Cash – in $ US	Upward	US dollar	11,559	48,163	96,326
Net			**63,542**	**264,761**	**529,522**
Hedging derivatives	Upward	Euro	(3,928)	(16,367)	(32,734)
Invoices – in $ EUR	Upward	Euro	3,520	14,665	29,331
Net			**(408)**	**(1,702)**	**(3,403)**
Hedging derivatives	Upward	US dollar	(70,984)	(295,768)	(591,536)
Funds raised in $US	Upward	US dollar	(148,062)	(616,924)	(1,233,848)
Net			**(219,046)**	**(912,692)**	**(1,825,384)**
Swap of shares	Downward	Shares	(726)	(3,026)	(6,051)
Net			**(726)**	**(3,026)**	**(6,051)**

Exchange rate USD 2.2630 - Sale Ptax (Source Central Bank)
Exchange rate EUR 3.1175 - Sale Ptax (Source Central Bank)

Result of the equity hedging chart

- **Hedging derivatives x Cattle:** In the probable scenario where market fluctuation is 6%, the Company may have losses of R$ 10,469; in a scenario with 25% fluctuation losses would amount to R$ 44,110, and with 50% fluctuation R$ 88,375;
- **Hedging derivatives x Invoices + Cash in US$:** In the probable scenario where market fluctuation is 6%, the Company may have loss of R$ 63,543; in a scenario with 25% fluctuation losses would amount to R$ 264,761, and with 50% fluctuation R$ 529,522;
- **Hedging derivatives x Invoices + Cash in EUR:** In the probable scenario where market fluctuation is 6%, the Company may have loss of R$ 408; in a scenario with 25% fluctuation losses would amount to R$ 1,702, and with 50% fluctuation R$ 3,403;
- **Swap of shares in R$:** In the probable scenario where market fluctuation is 6%, the Company may have losses of R$ 726; in a scenario with 25% fluctuation losses would amount to R$ 3,026, and with 50% fluctuation R$ 6,501.

e. Guarantee margins

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 March 31, 2014, amounts deposited for margin amount to R$ 47,728.

F. Contract of share swap

In a meeting held on March 14, 2014, the Company's Board of Directors approved the agreement on swaps with Credit Suisse Próprio Fundo de Investimento Multimercado ("Credit Suisse").

The purpose of the Company when hiring this swap with Credit Suisse was to show its commitment and capacity of effectively operating its business. The Company decided for the strategy of not making any financial disbursements, entering into swap agreements with Credit Suisse that establish that the return of the Company will be equivalent to the changes in the prices of its shares.

The swap contracts 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.

Following there is a list of contracts/operations to settle; their reference amounts; settlement term; and fair value and amounts receivable/payable for each contract:

Contract date	Maturity date	Share equivalents	Reference value	Fair value	Amount Receivable
03/20/2014	03/20/2015	500	5,115	5,233	(25)
03/25/2014	06/22/2015	550	5,498	5,757	79
03/26/2014	09/23/2015	150	1,490	1,570	23
		1,200	**12,103**	**12,560**	**77**

The above mentioned operations, whose results will be financially settled upon maturity, 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 non-convertible debentures 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 (loss)

In compliance with CPC 26(R1) (IAS 1 – Presentation of financial statements, the Company presents below the changes in comprehensive income (loss) for the fiscal periods ended March 31, 2014 and 2013:

	Company		Consolidated	
	03/31/14	03/31/13	03/31/14	03/31/13
Income (loss) for the year	68,914	5,571	69,096	5,216
Asset and liability valuation adjustment	(5,458)	(316)	(5,457)	(592)
Total comprehensive income	63,456	5,255	63,639	4,624
Comprehensive income (loss) attributable to:				
Controlling shareholders	63,456	5,255	63,456	5,255
Non-controlling shareholders	-	-	183	(631)
Total comprehensive income	63,456	5,255	63,639	4,624

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 cover in effect as of March 31, 2014 is as follows:

	Type of coverage	Amount insured
Buildings	Fire and miscellaneous risks	515,000
Facilities, equipment and products in stock	Fire and miscellaneous risks	46,000
Vehicles and aircrafts	Fire and miscellaneous risks	27,620
Civil liability	Operating risks	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.

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

31. Subsequent events

Issue of perpetual bond

On March 27, 2014, the Company announced that concluded the issue of perpetual bonds in foreign market in the amount of US$ 300 million at annual interest rate of 8.75%, by means of its wholly-owned subsidiary Minerva Luxembourg S.A. The issue of the bonds had as purpose to extend the average term of the Company's debts and improve capital structure through the use of a different instrument for raising funds, varying even more the investors' basis. The settlement occurred on April 03, 2014.

Conclusion of Frigorífico Carrasco acquisition

On April 30, 2014, the Company announced the conclusion of the acquisition of 100% of the shares of Frigorífico Carrasco, located Montevideo in Uruguay. The transaction totaled US$ 37 million already considering the working capital of which US$ 17 million paid in a lump sum, US$ 10 million to be paid on April 30, 2015 and US$ 10 million which may be paid with 1,700,000 shares of the Company (BEEF3). Accordingly, with this acquisition, Minerva will locally increase its capacity to 2,400 head/day, approximately, and own a market share in exports of approximately 18%. The acquisition of Frigorifico Carrasco is another concluded stage of the Company's investment plan whose main focus is to increase production capacity in South America, recognizing the great moment of the region as for the production and sales of beef.

1Q14 Earnings Release

Barretos, May 7, 2014 – Minerva S.A. (BM&FBOVESPA: BEEF3 | OTCQX: MRVSY), one of the leaders in South America in the production and sale of fresh beef, live cattle and cattle byproducts, with operations also in the beef, pork and poultry processing segments, announces today its results for the first quarter of 2014 (1Q14). The financial and operating information herein is presented in BRGAAP and Brazilian real (R$), in accordance with International Financial Reporting Standards (IFRS).

1Q14 Highlights

Minerva (BEEF3)

Price on May 6 2014:
R$10.20

Market Capitalization:
R$ 1,519.8 million

149,000,090 Shares

Free Float – 65.7%

Conference Calls
May 8, 2014

Portuguese
9:30 a.m. (Brasília)
8:30 a.m. (US EST)
Phone: +55 (11) 2188-0155
Code: Minerva
Webcast: click here

English
11:00 a.m. (Brasília)
10:00 a.m. (US EST)
Phone: +1 (412) 317-6776
Code: Minerva
Webcast: click here

IR Contacts:

Eduardo Puzziello
Fernanda Naveiro
Kelly Barna

Phones: +55 (17) 3321-3355
+55 (11) 3074 -2444

ri@minervafoods.com

- ✓ In 1Q14, Minerva posted net income of R$69.1 million, significantly greater than 1Q13's R$5.2 million. Net margin in 1Q14 was 4.9%, compared to 0.4% in the same period of 2013. ROIC reached 19.8% in 1Q14, up 1.6 p.p. over ROIC in 1Q13, showing once again the Management's commitment to return from our operations.
- ✓ In 1Q14, net revenue once again posted significant growth of 17% year-on-year to R$1.4 billion. Both sales from the Beef Division and the Others Division, which includes Leathers, MFF and Resale, performed strongly with growth of 14.7% and 25.0% year-on-year, respectively. The highlight of the Beef Division was export revenue, up 19.8% over the same period of the previous year. Sales to the domestic market from the Others Division were up 38.1%, driven by MFF and Leathers.
- ✓ 1Q14 EBITDA was R$136.3 million, up 35.8% over 1Q13. EBITDA margin reached 9.7%, up 140 bps over 1Q13.
- ✓ Financial leverage at the end of the first quarter, expressed as Net Debt /EBITDA, was 3.58x. The Company prioritized the profitability of its operations despite greater investments in working capital, the result of typical seasonality in the quarter. The cash position on March 31, 2014 was R$1.3 billion, approximately two times greater than short-term maturities.
- ✓ In 1Q14, we advanced on important fronts in the current growth plan. We acquired a slaughtering and de-boning house in Janaúba, Minas Gerais State and a meat packing plant in Carrasco, Montevideo, Uruguay. These strategic transactions are in line with the plan toward geographic diversification of our operations in South America.
- ✓ At the close of 1Q14, we issued a perpetual bond on the international market in amount of US$300 million with interest of 8.75% p.a. to extend the average maturity of our debt, further diversifying the investor base. Proceeds will be used to increase and provide more flexibility to the capital structure and improve credit metrics used by ratings agencies. The issue saw strong investor demand of approximately four times the total amount issue, demonstrating the market's confidence in Minerva's long-term fundamentals.

Key Indicators

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Slaughtering (´000 heads)	444.1	485.6	-8.6%	456.8	-2.8%	1,965.0	1,802.6	9.0%
Sales Volume (´000 tonnes)	104.7	110.6	-5.4%	108.2	-3.3%	464.5	427.5	8.7%
Gross Revenues	1,482.4	1,269.9	16.7%	1,534.8	-3.4%	6,005.4	4,921.1	22.0%
Domestic Market	469.7	421.8	11.4%	500.5	-6.1%	1,940.1	1,616.1	20.1%
Export Market	1,012.7	848.1	19.4%	1,034.3	-2.1%	4,065.2	3,305.0	23.0%
Net Revenues	1,397.9	1,195.0	17.0%	1,443.8	-3.2%	5,659.5	4,630.8	22.2%
EBITDA	136.3	100.4	35.8%	153.3	-11.1%	587.3	492.6	19.2%
EBITDA Margin	9.7%	8.4%	1.4 p.p.	10.6%	-0.9 p.p.	10.4%	10.6%	-0.3 p.p.
Net (Loss) Income	69.1	5.2	1,224.7%	-124.6	-155.4%	-250.4	-126.9	97.4%
Net Margin	4.9%	0.4%	4.5 p.p.	-8.6%	13.6 p.p.	-4.4%	-2.7%	-1.7 p.p.
Net Debt/EBITDA(x) [(1)]	3.58	3.13	0.45	3.35	0.23	3.58	3.13	0.45

[(1)] Net debt in 1Q14 excluding the amount paid for the Janaúba acquisition

Message from the Management

The start of 2014 was very challenging for the Brazilian beef industry. After an excellent January in terms of demand both on the domestic and foreign markets supported by a strong supply of animals, the drought that affected the country in February and March compromised supply in the harvest period. In this atypical environment of low rainfall, pastures dried out and cattle did not gain enough weight to be sent to slaughter, driving producers to retain their herds for longer to wait for rain and better return. This effect significantly reduced cattle availability on the market, affecting the arroba price.

In this context, through its exceptional risk management instruments, Minerva used its geographic diversification and basis strategy to maintain competitiveness in purchasing cattle and maintaining the profitability of its operations in 1Q14. We increased spot cattle purchases to ensure supply at plants and, at the same time, good operating return. We also focused on improving the sales mix, increasing exports (which require greater working capital) without compromising opportunities on the domestic market. The impact of this strategy was a ROIC of 19.8%, up approximately 1.6 p.p. year-on-year with EBITDA margin of 9.7%, up 1.4 p.p. over 1Q13. It should be noted that both ROIC and EBITDA margin in 1Q14 were the highest for a first quarter since the Company went public in 2007.

With the end to the drought in mid-March, April saw higher cattle availability. In addition to animals that were previously scheduled for slaughter this month, which is typically a month of high supply, part of the cattle that had not been available in February and March due to the drought were also brought to slaughter. We estimate increased feedlot operations for 2014, especially in the first round of the year, based on projected improved profitability, which should minimize the volatility of cattle prices in the off season (July to November).

In 1Q14, we made further advances in our investment plan announced at the end of 2012, acquiring a slaughtering and deboning plant in Janaúba, Minas Gerais State and a meat packing plant in Carrasco, Montevideo, Uruguay. With the conclusion of these acquisitions and, including BRF plants, for which the acquisition is under analysis by CADE, Minerva will increase its production capacity by approximately 40%, from 11,480 head/day to 15,880 head/day. These operations demonstrate our strategic consistency, predictability and financial discipline.

At the close of 1Q14, we also issued a perpetual bond on the international market in the amount of US$300 million with interest of 8.75% p.a. The purpose of this issue was to extend the average tenor of the Company's debt and improve its capital structure by using a different fundraising instrument. The issue saw strong investor demand of approximately four times the total issue, demonstrating the market's confidence in Minerva's long-term fundamentals. It should be noted that this is the first issue of perpetual bonds by any South American meat company.

Finally, Minerva constantly seeks to improve its governance. At the Annual General Meeting held on April 24, 2014, the controlling shareholders and other shareholders present elected new members to the Fiscal Council and Board of Directors. Through our initiatives to improve our corporate governance, strategic growth and capital discipline, we reaffirmed our commitment to transparency, consistency and predictability, always focusing on generating value for our shareholders.

Fernando Galletti de Queiroz, Chief Executive Officer

Industry Overview

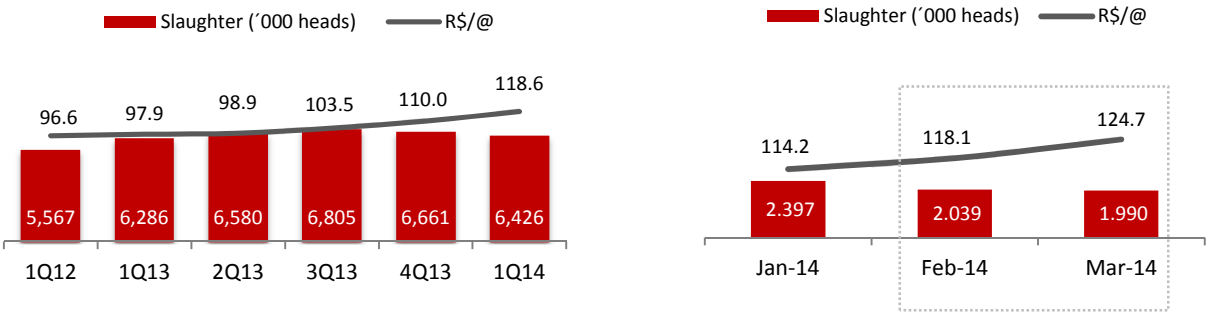
Brazil

Cattle Supply

2014 began with record slaughter volumes for a January: up 4.5% year-on-year, sustaining the pace seen during 2013, as a result of increased cattle availability, especially at the start of the harvest. Beginning in February, a long drought predominated for most of Brazil, altering the rains and causing ranchers to retain their cattle to ensure that they gained weight when the rains returned. As a result of this atypical weather for this time of year, slaughter in Brazil in 1Q14 fell 3.5% quarter-on-quarter and remained stable year-on-year.

The lack of cattle in a period that is typically one of harvest impacted the average arroba price, which was up 7.8% in the quarter as compared to the average price in 4Q13. However, as shown in the graph below, the increase in prices intensified on February and March, when cattle availability was directly affected by the drought. Higher cattle price significantly impacted the utilization capacity of the industry in February and March, as shown below in the same graph.

Figures 1 and 2 – Cattle slaughter in Brazil (thousand head) and average arroba price (R$)



Source: Ministry of Agriculture and Ranching, CEPEA/ESALQ | preliminary slaughter data for 1Q14

Exports

In 1Q14, Brazilian exports of fresh beef maintained the fast pace seen throughout 2013, with a 22% rise in exports as compared to 1Q13. Revenue totaled US$1.3 billion, up 17% year-on-year. The decline in beef production among important players as the United States and Europe, combined with the Dollar's appreciation against the Real explain the continued growth of Brazilian exports. This impact can be measured through the higher price index of beef on the international market as measured by the FAO, which reached its peak at the start of 2014, as shown in the following graph. It should be noted that the average price of Brazilian beef in Dollars in 1Q14 (US$4.4 thousand/ton) fell year-on-year (US$4.6 thousand/ton), as it reflects changes in the sales and products mix, as can be seen in the next graph.

Figure 3 - Fresh beef exports

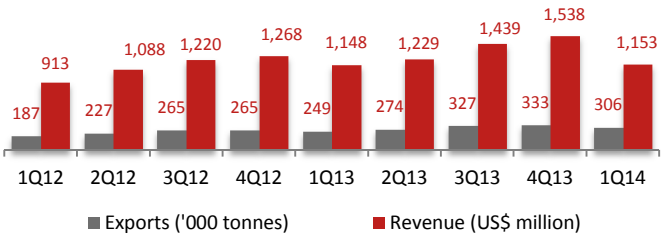
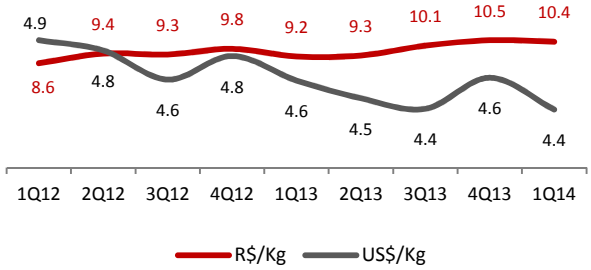
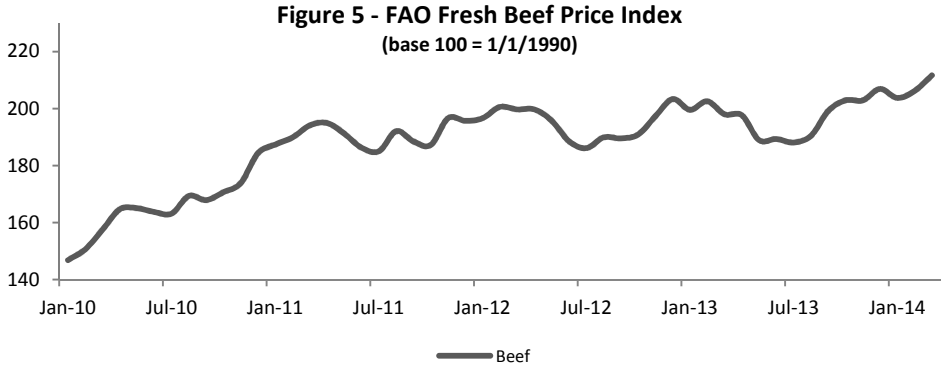


Figure 4 - Average fresh beef prices



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

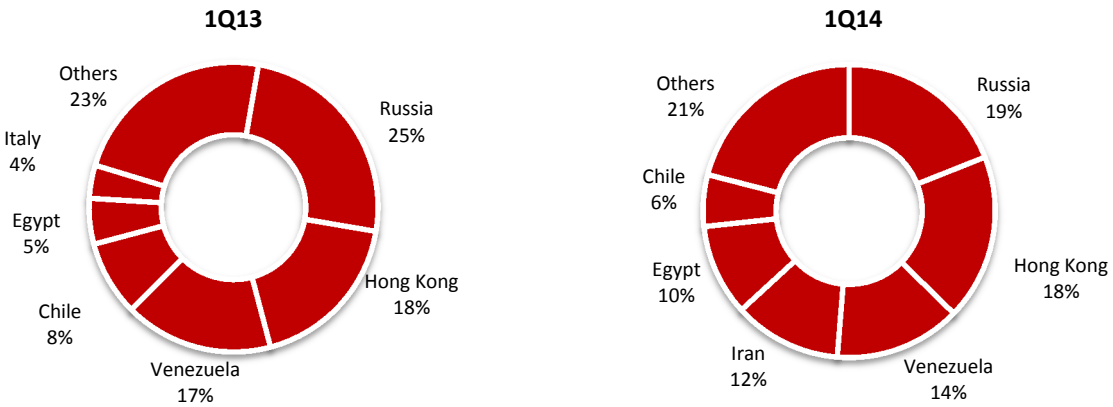
Figure 5 - FAO Fresh Beef Price Index
(base 100 = 1/1/1990)



Source: Food and Agriculture Organization of the United Nations (FAO)

The strong performance of Brazilian exports in this quarter can be explained by: (i) growing demand among emerging economies, especially Egypt (up from 5% in 1Q13 to 10% in 1Q14) and Iran. For its part, Russia remained the main market at 19% of total exports, followed by Hong Kong/China, which remained stable year-on-year at 18% of total exports; (ii) weaker beef production among key players such as the United States and (iii) the 18% appreciation of the average Dollar against the Real in 1Q14 as compared to 1Q13.

Figures 6 and 7 - Destinations of Brazilian Exports (% of Revenues)



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

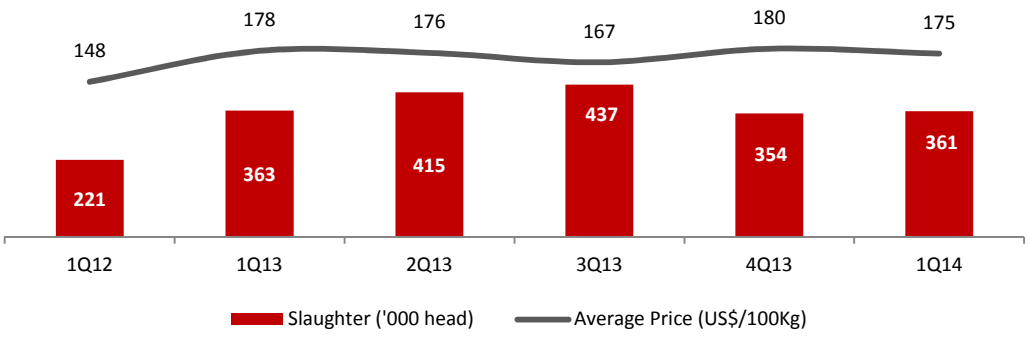
Domestic Market

Although demand for beef is seasonally weaker in the first quarter of the year, we saw atypical strong demand at the start of 2014, driven by climate impacts, which increased consumption on the Brazilian coast, especially the Northeast, and upstate São Paulo. In addition to high consumption in January, strong exports in the first two months of 2014 reduced beef supply on the domestic market which, combined with the high cost of cattle, drove average beef prices up on the domestic market in 1Q14.

Paraguay

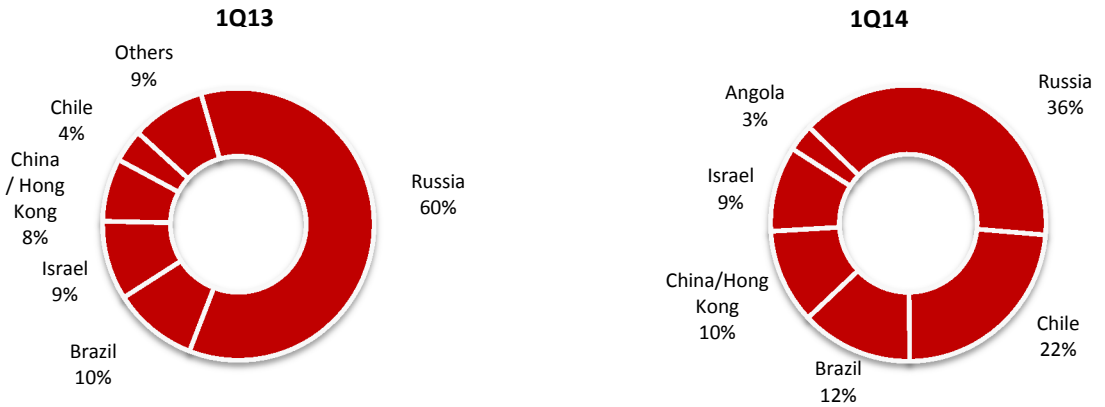
After a significant reduction in slaughter and increase in the price of cattle in Paraguay in 4Q13, compromising the profitability of the industry, we saw movement toward recovery of margins throughout 1Q14. The price of cattle fell and slaughter increased slightly. The quarter was marked by strong rains that made animal transportation more difficult, reducing cattle availability for slaughter. It should be noted that year-on-year, the resumed exports to Chile considerably minimized dependence on Russia, with exports to that country reaching 36% of the total in 1Q14, compared to 60% in 1Q13.

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



Source: SENACSA

Figures 9 and 10 – Destination of Paraguay's Exports (% of Revenues)

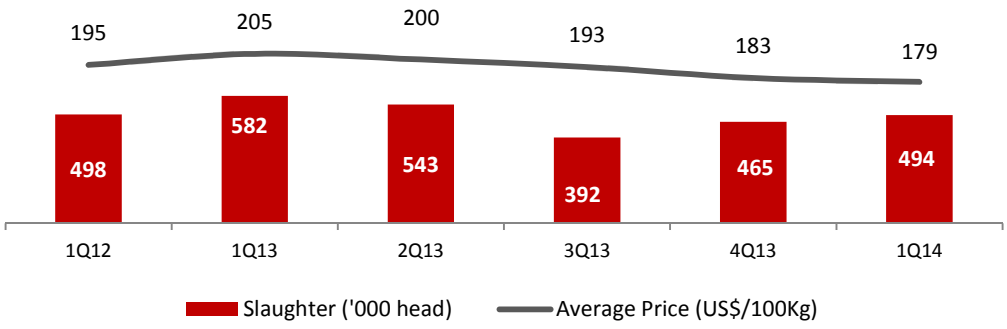


Source: SENACSA

Uruguay

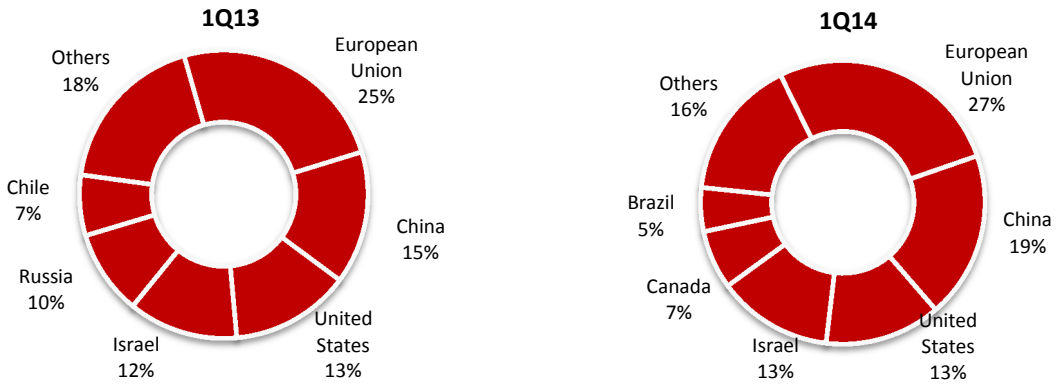
The Uruguayan industry continues to show signs of recovering operating margins, which began at the close of 2013 and was intensified in the first quarter of 2014. This good result is basically explained by 2 factors: (i) better pricing of Uruguayan beef in the international market, which has benefitted producers and exporters and helped drive up margins, and (ii) decline in the price of cattle with greater availability and improved rationality in the industry, especially since the second half of 2013. Uruguay is beginning a positive cycle with expected increased availability of cattle for slaughter in the coming years. In this scenario, the profitability of Uruguayan operations should remain high, especially considering the outstanding position of this country in the international market, with access to markets like the United States, Canada, South Korea and European niche markets at a time when the world beef supply is relatively low.

Figure 11 – Cattle Slaughter Trends and Average Cattle Prices in Uruguay



Source: INAC

Figures 12 and 13 – Destination of Uruguay's Exports (% of Revenues)



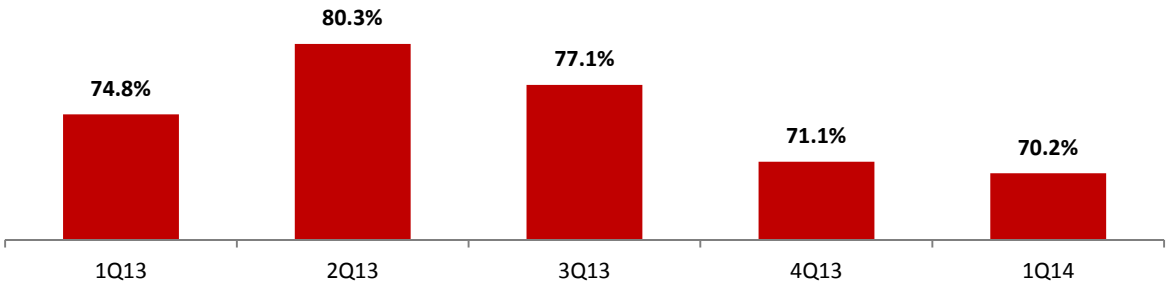
Source: INAC

Minerva – Results Analysis

Slaughter

In 1Q14, 444.1 thousand heads were slaughtered, below 4Q13 volumes (456.8 thousand heads) as a result of the drought in February and March. As a result, Minerva's utilization rate reached 70.2%. In the last 12 months, the average utilization rate was 74.7%.

Figure 14 - Slaughter Capacity Utilization



Source: Minerva

Consolidated Gross Revenue

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Gross Revenues	**1,482.4**	**1,269.9**	**16.7%**	**1,534.8**	**-3.4%**	**6,005.4**	**4,921.1**	**22.0%**
Beef Division	1,172.9	1,022.3	14.7%	1,128.5	3.9%	4,712.8	3,874.9	21.6%
Others	309.5	247.6	25.0%	406.3	-23.8%	1,295.5	1,046.2	23.5%

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Domestic Market	**469.7**	**421.8**	**11.4%**	**500.5**	**-6.1%**	**1,940.1**	**1,616.1**	**20.1%**
% Gross Revenues	31.7%	33.2%	-1.5 p.p.	32.6%	-0.9 p.p.	32.3%	32.8%	-0.5 p.p.
Beef Division	350.8	335.7	4.5%	369.0	-4.9%	1,476.1	1,308.7	12.8%
Others	118.9	86.1	38.1%	131.5	-9.6%	464.0	307.4	50.9%

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Export Market	**1,012.7**	**848.1**	**19.4%**	**1,034.3**	**-2.1%**	**4,065.2**	**3,305.0**	**23.0%**
% Gross Revenues	68.3%	66.8%	1.5 p.p.	67.4%	1.0 p.p.	67.7%	67.2%	0.5 p.p.
Beef Division	822.0	686.6	19.7%	759.6	8.2%	3,236.8	2,566.1	26.1%
Others	190.6	161.5	18.0%	274.8	-30.6%	828.5	738.9	12.1%

The Company's gross revenue totaled R$1,482.4 million, significant growth of 16.7% as compared to 1Q13 revenue. This result is partially explained by the 14.7% increase in revenue from the Beef Division (79% of Gross Revenue). In addition, revenue from the Others Division (21% of Gross Revenue) was up 25.0%, driven by growth in the Leathers, Live Cattle, Resale and MFF operations.

Figure 15 - Breakdown of Consolidated Gross Revenue 1Q13

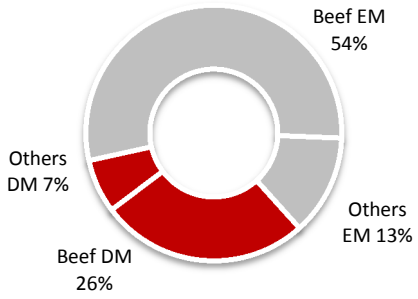
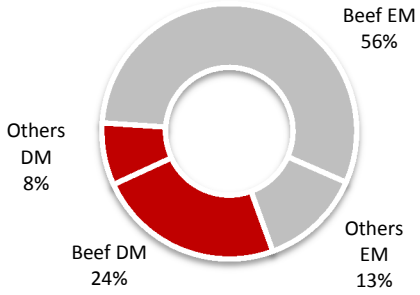


Figure 16 - Breakdown of Consolidated Gross Revenue 1Q14



Source: Minerva

In 1Q14, the Company remained one of the top beef exporters in the countries where it operates. In Paraguay, our market share reached 17% and in Uruguay, 8%. If we consider the result of the Carrasco Plant (for which the acquisition was concluded on May 1st), our participation would have increased to 14%. In Brazil, we remained the second largest exporter with a market share of 17% of beef Brazilian exports.

Figure 17 - Market Share of Exports - Brazil (% of Revenues)

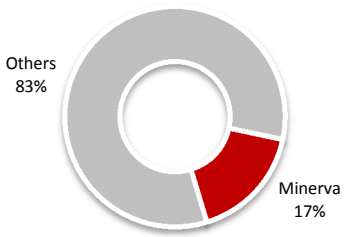
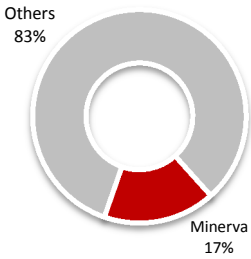


Figure 18 - Market Share of Exports - Uruguay (% of Revenues)



Figure 19 - Market Share of Exports - Paraguay (% of Revenues)



Source: Minerva, Secex, INAC and SENACSA

In the graphs below, we show the growth of the Company's exports by region. Due to quarterly seasonality, we show the last 12 months ended in March of 2013 and 2014, as below:

Americas: the participation of this region in the Company's export mix increased from 15.9% in LTM 1Q13 to 17.5% in LTM 1Q14. This increase is explained by increased sales to Chile with the re-opening of Paraguay in 2Q13. In addition, in the last 2 quarters, the Company increased its sales to Venezuela, where all sales are made through letters of credit confirmed by ALADI, which ultimately represents the credit risk of the Brazilian Central Bank.

Asia: this region has systematically increased its share in our exports. There was a significant increase in the period, from 8.1% in LTM 1Q13 to 12.1% in LTM 1Q14. Key highlights are China/Hong Kong and Malaysia.

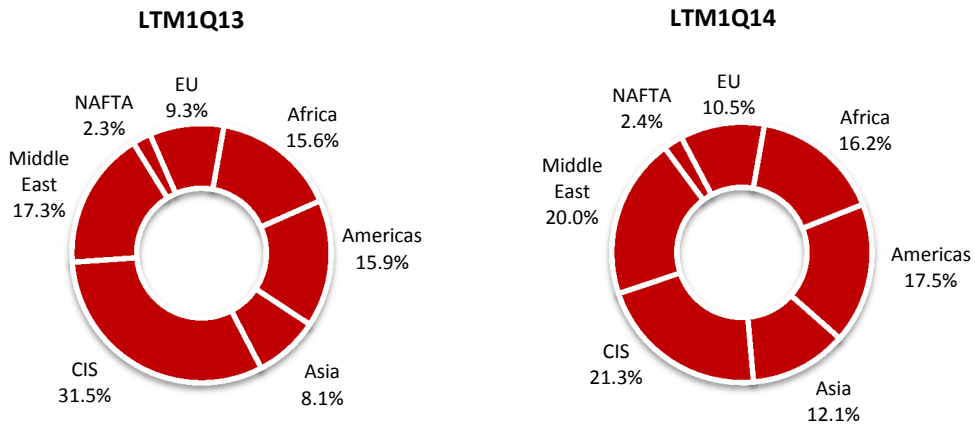
CIS: CIS (Community of Independent States) countries, particularly Russia, have historically been the top destination for our exports. In LTM 1Q14, the participation of this region in Minerva's exports was 21.3% (LTM 1Q13: 31.5%). It should be noted that in recent months, the Company has redirected part of the volume previously shipped to Russia to markets with better margins, especially Middle East.

Europe: in recent months, the Company has sought to market specific beef cuts to this region with greater profitability. As a result, the participation of this region in Minerva's total exports increased from 9.3% in LTM 1Q13 to 10.5% in LTM 1Q14.

North Africa: the participation of this region in the Company's exports increased from 15.6% in LTM 1Q13 to 16.2% in LTM 1Q14 and is associated with increased exports to Libya and Algeria, seeking to focus sales on countries with greater profitability.

Middle East: this region has been a major destination for Minerva's exports. In recent quarters, we have focused more on niche markets with ethnic cuts that have higher profitability. Based on this strategy, the participation of this region in the Company's exports increased from 17.3% in LTM 1Q13 to 20.0% in LTM 1Q14. Highlights were the increased volume to Lebanon and Iran from Brazil and to Kuwait from Paraguay.

Figure 20 and 21 - Consolidated Sales Breakdown by Region



Source: Minerva

Beef Division

Gross revenue was up 14.7% year-on-year in 1Q14 with 19.7% growth in the foreign market and 4.5% in the domestic market, driven by higher average prices of fresh beef. On exports, the price in dollars remained stable as compared to 1Q13 even as it grew 16.8% in Reais with the currency's depreciation against the Dollar. On the domestic market, the price of beef increased 21.5% as a result of strong demand and higher cattle price that is strongly related to the beef price on the domestic market.

Below are full details of the beef division:

Gross Revenue (R$ Million)	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Fresh Beef – EM	753.7	643.7	17.1%	720.1	4.7%	3,024.3	2,409.7	25.5%
Processed Beef – EM	0.0	5.7	-99.9%	0.0	0.0	10.2	23.4	-56.3%
Others – EM	68.3	37.2	83.8%	39.5	73.2%	202.2	133.1	52.0%
Subtotal – EM	**822.0**	**686.6**	**19.7%**	**759.6**	**8.2%**	**3,236.8**	**2,566.1**	**26.1%**
Fresh Beef – DM	295.0	269.9	9.3%	312.3	-5.5%	1,216.8	1,076.5	13.0%
Processed Beef – DM	2.2	4.8	-55.3%	6.9	-68.9%	22.1	7.3	203.2%
Others – DM	53.6	60.9	-11.9%	49.7	7.9%	237.2	224.9	5.5%
Subtotal – DM	**350.8**	**335.7**	**4.5%**	**369.0**	**-4.9%**	**1,476.1**	**1,308.7**	**12.8%**
Total	**1,172.9**	**1,022.3**	**14.7%**	**1,128.5**	**3.9%**	**4,712.8**	**3,874.8**	**21.6%**

Volume ('000 tonnes)	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Fresh Beef – EM	62.5	62.3	0.2%	61.5	1.6%	267.6	239.0	12.0%
Processed Beef – EM	0.0	0.4	-99.8%	0.0	0.0	0.7	1.7	-59.8%
Others – EM	5.1	5.1	-0.9%	5.2	-2.5%	22.6	19.9	13.4%
Subtotal – EM	**67.5**	**67.8**	**-0.4%**	**66.7**	**1.3%**	**290.9**	**260.6**	**11.6%**
Fresh Beef – DM	30.9	34.4	-10.0%	33.1	-6.4%	141.2	132.6	6.5%
Processed Beef – DM	0.2	0.5	-58.0%	0.7	-68.0%	2.3	0.9	150.6%
Others – DM	6.0	7.9	-24.1%	7.8	-23.1%	30.1	33.4	-9.7%
Subtotal – DM	**37.1**	**42.8**	**-13.2%**	**41.5**	**-10.6%**	**173.7**	**166.9**	**4.1%**
Total	**104.7**	**110.6**	**-5.4%**	**108.2**	**-3.3%**	**464.5**	**427.5**	**8.7%**

Average Price – EM (US$/kg)	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Fresh Beef – EM	5.1	5.2	-1.0%	5.1	-0.6%	5.0	5.0	0.3%
Processed Beef – EM	4.1	7.3	-43.1%	0.0	0.0	6.7	6.9	-2.8%
Others – EM	5.7	3.6	57.1%	3.3	71.4%	4.0	3.3	19.9%
Total	5.2	5.1	1.9%	5.0	3.1%	4.9	4.9	1.1%
Average FX (source: BACEN)	2.36	2.00	18.0%	2.28	3.6%	2.25	2.01	11.8%

Average Price – EM (R$/kg)	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Fresh Beef – EM	12.1	10.3	16.8%	11.7	3.0%	11.3	10.1	12.1%
Processed Beef – EM	9.8	14.5	-32.8%	0.0	0.0	15.0	13.8	8.6%
Others – EM	13.5	7.3	85.4%	7.6	77.6%	8.9	6.7	34.0%
Total	12.2	10.1	20.2%	11.4	6.9%	11.1	9.8	13.0%

Average Price – DM (R$/kg)	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Fresh Beef – DM	9.5	7.9	21.5%	9.4	1.0%	8.6	8.1	6.1%
Processed Beef – DM	9.6	9.0	6.4%	9.8	-2.8%	9.5	7.8	21.0%
Others – DM	9.0	7.7	16.1%	6.4	40.3%	7.9	6.7	16.8%
Total	9.4	7.8	20.4%	8.9	6.4%	8.5	7.8	8.4%

EM – Export Market, DM – Domestic Market

Others Division

Gross revenue from this division grew 25.0% year-on-year in 1Q14. This positive result was due to the strong performance of practically all of the Company's business units, especially the Live Cattle, Resale, Leathers and MFF segments.

Gross revenue from MFF increased 15% as compared to the same period of 2013 driven by the domestic market, where the main focus continues to be the food service market. The increase in capacity utilization, reaching levels greater than 85%, justifies the current investment plan for expansion, which should increase production capacity up to 3,300 ton/month by the close of 2015.

The performance of Leathers segment remained strong in the first quarter of the year, growing 39% over 1Q13, focusing on processed leathers and special niches both in the domestic market and exports.

Another segment that performed well was exports of live cattle, which grew 28.5% in revenue year-on-year.

The resale of third-party products continued to post significant increase in gross revenue in 1Q14, up more than 30% as compared to the same period of 2013 driven by the participation of food service in our client base.

Net Revenue

Net revenue totaled R$1,397.9 million in 1Q14, up 17.0% year-on-year. In the last twelve months, net revenue grew 22.0% over LTM 1Q13.

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Gross Revenues	1,482.4	1,269.9	16.7%	1,534.8	-3.4%	6,005.4	4,921.1*	22.0%
Sales Taxes and Deductions	-84.5	-74.9	12.8%	-91.0	-7.2%	-345.9	-290.3	19.1%
Net Revenues	1,397.9	1,195.0	17.0%	1,443.8	-3.2%	5,659.5	4,630.8	22.2%
% Gross Revenues	94.3%	94.1%	0.2 p.p.	94.1%	0.2 p.p.	94.2%	94.1%	0.1 p.p.

*does not include pro-forma figures from the Frigomerc operation from April to September of 2012.

Cost of Goods Sold (COGS) and Gross Margin

COGS in 1Q14 was R$1,115.1 million, equal to 79.8% of net revenue in the period, down 1.1 p.p. as compared to 1Q13's 80.9%. Despite the 21% increase in the average price of cattle as compared to 1Q13, the Company was able to reduce this impact on its COGS by using basis arbitrage (geographic arbitrage in cattle purchase) and increasing spot cattle purchases with a discount on the order of 2% over the term price. This movement, together with better price of beef on the domestic and external markets in Reais positively impacted gross margin in 1Q14, which reached 20.2%, up 1.2 p.p. over 1Q13 and representing a record for a first quarter.

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Net Revenues	1,397.9	1,195.0	17.0%	1,443.8	-3.2%	5,659.5	4,630.8	22.2%
COGS	**-1,115.1**	**-967.3**	**15.3%**	**-1,135.3**	**-1.8%**	**-4,478.6**	**-3,671.7**	**22.0%**
% Net Revenues	79.8%	80.9%	-1.1 p.p.	78.6%	1.1 p.p.	79.1%	79.3%	-0.2 p.p.
Gross Profit	282.8	227.7	24.2%	308.5	-8.3%	1,180.9	959.1	23.1%
Gross Margin	**20.2%**	**19.1%**	**1.2 p.p.**	**21.4%**	**-1.1 p.p.**	**20.9%**	**20.7%**	**0.2 p.p.**

Selling, General and Administrative Expenses

Expenses with sales represented 8.2% of net revenue in 1Q14, down 500 bps year-on-year. Administrative expenses remained stable in both periods.

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Sales Expenses	-115.0	-103.9	10.7%	-121.6	-5.4%	-491.5	-406.6	20.9%
% Net Revenues	8.2%	8.7%	-0.5 p.p.	8.4%	-0.2 p.p.	8.7%	8.8%	-0.1 p.p.
G&A Expenses	-45.7	-37.9	20.6%	-46.6	-2.0%	-174.1	-144.3	20.7%
% Net Revenues	3.3%	3.2%	0.1 p.p.	3.2%	0.0 p.p.	3.1%	3.1%	0.0 p.p.

EBITDA

1Q14 EBITDA reached R$136.3 million, up 35.8% over the same period of 2013. EBITDA margin reached 9.7% in 1Q14, up 1.4 p.p. over 1Q13.

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Net Income/Loss	**69.1**	**5.2**	**1224.7%**	**-124.6**	**-155.4%**	**-250.4**	**-126.9**	**97.4%**
(+) Deferred Income and Social Contribution Taxes	10.6	9.1	16.9%	-4.9	-317.8%	-0.2	12.8	-101.4%
(+) Reduction to recoverable asset value [(1)]	0.0	0.0	-	34.2	-	34.2	0.0	-
(+) Financial Result	42.7	72.0	-40.7%	233.4	-81.7%	746.2	553.4	34.8%
(+) Depreciation and Amortization	13.9	14.1	-1.3%	15.2	-8.8%	57.5	53.3	8.0%
EBITDA	**136.3**	**100.4**	**35.8%**	**153.3**	**-11.1%**	**587.3**	**492.6**	**19.2%**
EBITDA Margin	**9.7%**	**8.4%**	**1.4 p.p.**	**10.6%**	**-0.9 p.p.**	**10.4%**	**10.6%**	**-0.3 p.p.**

[(1)] More information – see note 13 to the Standard Financial Statements for 2013

Financial Result

Financial result in 1Q14 was negative R$42.7 million, compared to negative R$72.0 million in 1Q13. Financial expenses totaled R$109.4 million in the quarter, up 26.4% year-on-year, chiefly due to the 18% appreciation of the average Dollar (1Q14: R$2.36 and 1Q13: R$2.00) and the 325 bps rise in the CDI rate in the period. Non-cash financial revenue from foreign exchange variation on the debt denominated in foreign currency (approximately 67% of total debt) was R$62.5 million in 1Q14.

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%
Financial Expenses	-109.4	-86.5	26.4%	-100.1	9.3%
Financial Income	18.1	13.3	36.2%	14.2	26.8%
FX Variation	62.5	14.1	344.7%	-132.5	-147.2%
Other Expenses (*)	-13.8	-12.8	8.3%	-15.1	-8.3%
Financial Result	**-42.7**	**-72.0**	**-40.7%**	**-233.4**	**-81.7%**
Average Dollar (R$/US$) (Source: Bacen)	2.36	2.00	18.0%	2.28	3.6%
Closing Dollar (R$/US$) (Source: Bacen)	2.26	2.01	12.2%	2.34	-3.5%

(*) Other Expenses (R$ Million)	1Q14	1Q13	Chg.%	4Q13	Chg.%
Expenses with FX Hedge and Commodities	-3.6	0.4	-975.9%	3.1	-215.9%
Financial Discounts, Rates, Commissions, Commercial Discount and Other Financial Expenses	-10.2	-13.2	-22.6%	-18.2	-43.9%
Total	-13.8	-12.8	8.1%	-15.1	-8.5%

Net Income

In 1Q14, the Company registered net income of R$69.1 million net of income tax and social contribution. Net margin reached 4.9%. Net income adjusted for foreign exchange variation and the payment of income tax and social contribution was R$17.2 million.

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Income (Loss) before taxes	79.7	14.3	457.9%	-129.5	-161.6%	-250.6	-114.0	119.7%
Income and Social Contribution Taxes	-10.6	-9.1	16.9%	4.9	-317.8%	0.2	-12.8	-101.4%
Net (Loss) Income	**69.1**	**5.2**	**1224.7%**	**-124.6**	**-155.4%**	**-250.4**	**-126.9**	**97.4%**
Net Margin	**4.9%**	**0.4%**	**4.5 p.p.**	**-8.6%**	**13.6 p.p.**	**-4.4%**	**-2.7%**	**-1.7 p.p.**

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Net (Loss) Income	69.1	5.2	1224.7%	-124.6	-155.4%	-250.4	-126.9	97.4%
Reduction to recoverable asset value *	0.0	0.0	-	-34.2	-	-34.2	0.0	-
FX Variation	-62.5	-14.1	344.7%	132.5	-147.2%	320.1	217.6	47.1%
Income and Social Contribution Taxes	10.6	9.1	16.9%	-4.9	-317.8%	-0.2	12.8	-101.4%
Adjusted (Loss) Income	**17.2**	**-8.8**	**-**	**-26.3**	**-**	**35.5**	**90.8**	**-60.8%**

* More information – see note 13 to the Standard Financial Statements for 2013

Operating Cash Flow

Operating cash flow in 1Q14 was negative R$179.1 million, though LTM operating cash flow reached positive R$388.9 million. The highlight of the quarter was the working capital, which consumed R$298.7 million. This result is explained by increased spot purchases of cattle at R$122 million to ensure supply to plants, especially in March, and at the same time, increase the profitability of the operation. This movement can be measured by the number of supplier days, which fell from 29.9 days in 4Q13 to 20.6 days 1Q14.

In addition, there was a R$102 million impact on "Other Accounts Payable" that is primarily explained by the decline in the "Advances to Clients" line. As mentioned previously, the Company's credit policy requests early payment from some clients and in some countries, according to their risk profiles. With the increase in exports in a world market of restricted beef supply, combined with South America's privileged position as a supplier, the Company intensified requests for advances from clients in 2013. Nonetheless, in 1Q14, there was a change in the mix of exports to markets with lower risk and clients that use letters of credit as a means of payment. This alteration significantly impacted the "Advances to Clients" line, bringing greater working capital needs for operations in 1Q14.

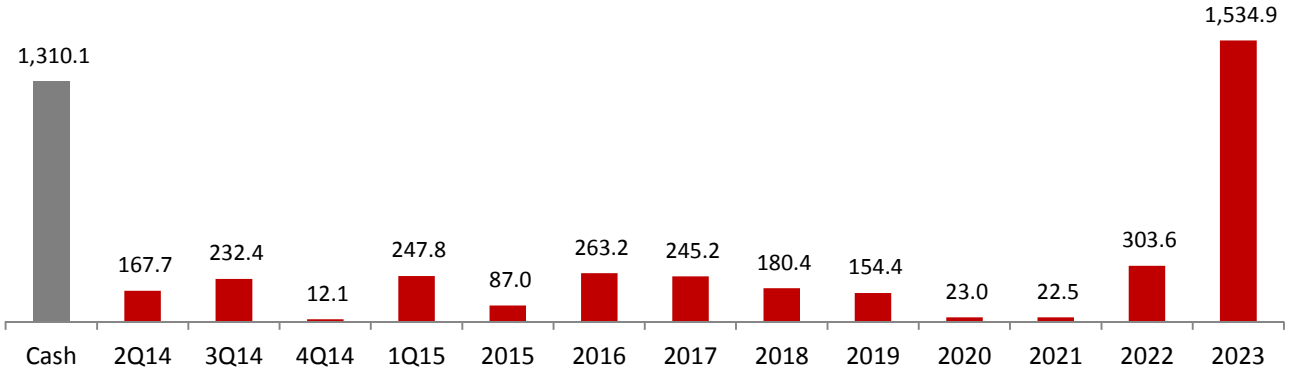
It should be noted that, considering the seasonality of the quarter, the Company opted to maintain operational profitability measured by Return on Invested Capital despite increased working capital.

R$ Million	1Q14	1Q13	4Q13	LTM1Q14
Net (Loss) Income	69.1	5.2	-124.6	-250.4
Net income adjustments	50.5	68.3	268.6	776.9
(+/-) Variation in working capital needs	-298.7	-166.7	135.2	-137.6
Operating Cash Flow	**-179.1**	**-93.3**	**279.2**	**388.9**

Capital Structure

The Company closed 1Q14 with a cash position of R$1,310.1 million, enough to amortize debt through 2018. Short-term debt corresponded to 19.0% of the total. At the end of 1Q14, approximately 67% of total debt was exposed to foreign exchange variation, as per the financial policy. Net debt/EBITDA was at 3.58x at the close of 1Q14, up 0.2x than reported at the close of 4Q13.

Figure 23 - Debt amortization schedule on 03/31/14
(R$ Million)



R$ Million	Mar-14	Mar-13	Chg.%	Dez-13	Chg.%
Short Term Debt	**659.9**	**349.3**	**88.9%**	**515.5**	**28.0%**
% Short Term Debt	**19.0%**	**14.5%**	**4.5 p.p.**	**15.0%**	**4.0 p.p.**
Local Currency	100.4	95.1	5.6%	83.5	20.2%
Foreign Currency	559.5	254.2	120.1%	432.0	29.5%
Long Term Debt	**2,814.3**	**2,062.4**	**36.5%**	**2,913.7**	**-3.4%**
% Long Term Debt	**81.0%**	**85.5%**	**-4.5 p.p.**	**85.0%**	**-4.0 p.p.**
Local Currency	818.2	343.4	138.3%	829.2	-1.3%
Foreign Currency	1,996.1	1,719.0	16.1%	2,084.5	-4.2%
Total Debt(1)	**3,474.2**	**2,411.7**	**44.1%**	**3,429.3**	**1.3%**
Local Currency	918.6	438.5	109.5%	912.7	0.6%
Foreign Currency	2,555.7	1,973.2	29.5%	2,516.5	1.6%
(Cash and Cash Equivalents)	-1,310.1	-773.9	69.3%	-1,563.8	-16.2%
Net Debt (2)	**2,102.2**	**1,539.7**	**36.5%**	**1,846.2**	**13.9%**
Net Debt/ EBITDA(x) (2)	**3.58**	**3.13**	**0.4**	**3.35**	**0.2**

(1) Total debt excluding convertible debentures
(2) Includes the subordinate FDIC quotas in the amount of R$19.8 million in 1Q14 and excludes the payment of the Janaúba plant (R$42 million)

Throughout the second semester of 2013, the Company repurchased some of its international bonds. In the table below, we show the balance of gross debt and the cash position, excluding these repurchases, considering that we do not plan to re-sell the bonds acquired. This operation did not have an impact on the Company's leverage, but it did reduce gross leverage to 5.39x.

R$ million	03/31/2014
Gross Debt	**3,474.2**
Bond buyback	305.6
2019	1.1
2022	31.6
2023	272.9
Gross Debt ex Bond Buyback	**3,168.7**
Cash ex Bond Buyback	**1,004.6**
Net Debt[(1)]	2,102.2
Net Debt[(1)]/EBITDA LTM	**3,58**
Gross Debt/EBITDA LTM	**5,39**

(1) Includes subordinate FDIC quotas and excludes the payment of the Janaúba plant

Domestic currency (R$ ´000)	Mar/14	Dec/13
1Q14	0	23,137
2Q14	55,044	24,651
3Q14	26,098	25,995
4Q14	9,819	9,713
1Q15	9,386	10,731
2015	76,945	74,559
2016	262,514	261,595
2017	191,817	191,290
2018	180,436	179,843
2019	28,663	28,381
2020	23,038	23,016
2021	22,528	22,528
2022	23,662	28,631
2023	8,607	8,607
TOTAL	**918,557**	**912,677**

Foreign currency (R$ ´000)	Mar/14	Dec/13
1Q14	0	382,791
2Q14	112,621	33,006
3Q14	206,274	2,130
4Q14	2,251	14,110
1Q15	238,401	251
2015	10,099	16,922
2016	679	1,475
2017	53,340	55,023
2018	0	0
2019	125,717	130,065
2020	0	0
2021	0	0
2022	279,951	289,407
2023	1,526,336	1,591,402
TOTAL	**2,555,670**	**2,516,582**

CAPEX

Investments totaled R$83.6 million in 1Q14, with approximately R$30 million allocated to operation maintenance, R$42 million relative to payment in full for the Janaúba plant and approximately R$12 million for expansion, especially Minerva Fine Foods. We expect to begin operations at the Janaúba plant beginning in the second half of 2014.

Subsequent Events

Perpetual Bond Issue

On March 27, the Company announced the conclusion of the perpetual bond issue on the international market in the amount of US$300 million with interest of 8.75% p.a. through its wholly-owned subsidiary Minerva Luxemburg. The issue sought to extend the average tenor of the Company's debt and improve the capital structure through the use of a different fundraising instrument, further diversifying the investor base. The settlement of the operation took place on April 3, 2014 and will impact results beginning in 2Q14.

Annual General Meeting

On April 24, Minerva held its Annual General Meeting. Among key resolutions, shareholders in attendance approved (i) the financial statements relative to the fiscal year ended on December 31, 2013, (ii) the Management's proposal for the allocation of 2013 income, (iii) the election of the members of the Company's Board of Directors, (iv) the establishment of the total annual compensation of the Management and (v) the installation of the Company's Fiscal Council.

Conclusion of the Carrasco Plant Acquisition

On April 30, the Company announced the conclusion of the acquisition of 100% of the shares of Frigorífico Carrasco, located in Uruguay. The operation was priced at a total of US$37 million, including working capital, with US$17 million paid initially and US$10 million to be paid on April 30, 2015 and an additional US$10 million that could be payable with 1,700,000 Company-issued shares (BEEF3). With the acquisition, Minerva will increase its capacity to approximately 2,400 head/day in the country and will significantly increase its market share in exports in the country. The acquisition of Frigorífico Carrasco is another step in the Company's investment plan focused on increasing production capacity in South America, recognizing the region's excellent moment in terms of production and sale of beef.

Based on recent the results reported, we present below a sensitivity analysis of the leverage using 4 scenarios of EBITDA margin, after the consolidation of the recent acquisitions (BRF cattle operations, Janaúba Plant and Carrasco Assets).

Scenarios of EBITDA Margin	BRF EBITDA (1) (R$ mm)	Janaúba EBITDA (2) (R$ mm)	Carrasco EBITDA (3) (R$ mm)	Consolidated EBITDA (4) (R$ mm)	Consolidated Net Debt(5)/ EBITDA
5,0%	59	25	17	688	3,2 x
7,5%	89	38	25	739	2,9 x
10,0%	118	50	34	789	2,8 x
12,5%	148	63	42	840	2,6 x

(1) Amounts estimated based on the revenue from BRF's assets in 2012
(2) Based on the annual net revenue estimate of R$500 million for the Janaúba Plant
(3) Considering an exchange rate of R$2.40/US$ on Frigorífico Carrasco's revenue of US$140 million in 2013
(4) Considering Minerva's LTM1Q14 EBITDA of R$ 587 million
(5) Minerva's net debt on March 31, 2014 + R$ 73 million (working capital estimates for Janaúba of R$ 35 million + 1st installment of R$ 38 million related to Carrasco's settlement, paid on April 30, 2014)

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 March 31, 2014, the Company had a daily slaughtering capacity of 11,480 head of cattle and daily beef deboning capacity equivalent to 14,177 head of cattle. With a presence in the states of São Paulo, Rondônia, Goiás, Tocantins, Mato Grosso do Sul and Minas Gerais, as well as in Paraguay and Uruguay, Minerva operates eleven slaughter and deboning plants, one processing plant and twelve distribution centers. In the last 12 months ended on March 31, 2014, the Company recorded net sales revenue of R$6.0 billion, growing by 22% in relation to the same period of 2013.

Relationship with Auditors

In accordance with CVM Instruction 381/03, we inform that our auditors did not provide services other than those related to the external audit in fiscal years 2010, 2011, 2012, 2013 and 1Q14.

Statement from Management

In compliance with CVM Instructions, Management declares that it has discussed, revised and agreed with the individual and consolidated accounting information related to the fiscal year ended March31, 2014, and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.

APPENDIX 1 – INCOME STATEMENT (CONSOLIDATED)

(R$ ´000)	1Q14	1Q13	4Q13
Revenue from Domestic Sales	469,743	421,785	500,498
Revenue from Exports	1,012,664	848,100	1,034,329
Gross Sales Revenue	**1,482,407**	**1,269,885**	**1,534,827**
Deductions from revenue – taxes and other	-84,503	-74,898	-91,047
Net Revenue	**1,397,904**	**1,194,987**	**1,443,780**
Cost of Goods Sold	-1,115,118	-967,259	-1,135,272
Gross Profit	**282,786**	**227,728**	**308,508**
Selling Expenses	-115,023	-103,926	-121,628
General and Administrative Expenses	-45,666	-37,873	-46,587
Other Operating Revenues (Expenses)	286	354	-2,226
Result before financial expenses	**122,383**	**86,283**	**138,067**
Financial Expenses	-109,406	-86,547	-100,089
Financial Revenues	18,066	13,264	14,248
FX Variation	62,489	14,052	-132,460
Other Expenses	-13,830	-12,766	-15,078
Financial Result	**-42,681**	**-71,997**	**-233,379**
Reduction to recoverable asset value	0	0	-34,175
Result Before Taxes	**79,702**	**14,286**	**-129,487**
Income and Social Contribution Taxes - Current	-7,351	-8,752	-2,791
Income and Social Contribution Taxes - Deferred	-3,255	-318	7,661
Net Income before Non-Controlling Interest	**69,096**	**5,216**	**-124,617**
Net Income Attributed to Controlling Shareholders	69,914	5,571	-124,755
Net Income Attributed to Non-Controlling Shareholders	182	-355	138
Net Income	**69,096**	**5,216**	**-124,617**

APPENDIX 2 – BALANCE SHEET (CONSOLIDATED)

(R$ ´000)	Mar/14	Dec/13
ASSETS		
Cash and Cash Equivalents	1,310,142	1,563,849
Accounts Receivable from Clients	216,292	184,221
Inventories	294,856	291,773
Biological Assets	89,265	79,341
Taxes Recoverable	559,032	522,030
Other assets	192,975	196,898
Total Current Assets	**2,662,562**	**2,838,112**
Related Parties	9,274	9,278
Taxes Recoverable	138,381	138,512
Deferred fiscal assets	222,313	222,313
Other assets	30,247	26,394
Judicial Deposits	12,859	11,902
Investments	0	0
Fixed Assets	1,375,587	1,305,769
Intangible	425,739	425,856
Total Non-Current Assets	**2,214,400**	**2,140,024**
Total Assets	**4,876,962**	**4,978,136**
LIABILITIES		
Loans and Financing	659,893	515,533
Convertible Debentures	2,650	504
Suppliers	255,208	376,883
Labor and tax liabilities	79,841	69,907
Other Liabilities	272,636	374,361
Total Current Liabilities	**1,270,228**	**1,337,188**
Loans and Financing	2,814,333	2,913,726
Convertible Debentures	87,389	116,166
Labor and tax liabilities	24,600	26,351
Provision for Contingencies	37,319	36,607
Provisions for losses in investments	0	0
Related Parties	8	109
Accounts Payable	34,706	36,503
Deferred Tax Liabilities	70,821	67,858
Total Non-Current Liabilities	**3,069,176**	**3,197,320**
Shareholders' equity		
Capital Stock	774,142	744,142
Capital Reserves	253	253
Revaluation Reserves	70,171	70,737
Profits Reserve	0	0
Accumulated profit (loss)	-286,825	-356,596
Treasury Stock	0	0
Equity pick-up adjustments	-21,105	-15,647
Total shareholders' equity attributed to controlling shareholders	**536,636**	**442,889**
Non-Controlling Interest	922	739
Total shareholders' equity	**537,558**	**443,628**
Total liabilities and shareholders' equity	**4,876,962**	**4,978,136**

APPENDIX 3 – CASH FLOW (CONSOLIDATED)

(R$ ´000)	1Q14	1Q13	4Q13
Cash Flow from Operating Activities			
Net Income (Loss)	69,096	5,216	-124,617
Reconciliation of Net Income to Net Cash provided by Operating Activities:			
Depreciation and Amortization	13,901	14,083	15,234
Net Income Attributed to Non-Controlling Shareholders	-182	355	-138
Fair Value of Biological Assets	-6,603	-2,973	-1,158
Realization of Deferred Taxes – Temporary Differences	3,255	318	-7,661
Reduction to recoverable asset value	0	0	34,175
Financial Charges	108,498	85,789	96,671
FX Variation – Not Realized	-69,117	-30,059	128,875
Contingency Allowances	712	749	2,614
Accounts Receivable from Clients and Other Receivables	-32,001	-113,717	64,912
Inventories	-3,083	-22,590	-19,401
Biological Assets	-3,321	4,772	30
Taxes Recoverable	-36,817	-21,648	-15,169
Judicial Deposits	-957	-525	-993
Suppliers	-121,675	16,618	41,518
Labor and Tax Obligations	8,183	17,381	-4,996
Provisions for losses in investments	0	0	0
Other Accounts Payable	-108,981	-47,026	69,338
Payment of interest on loans and financing			
Net Cash Flow from Operating Activities	**-179,146**	**-93,257**	**279,234**
Cash Flow from Investments			
Acquisition of Intangible Assets	5	-233	-696
Acquisition of Fixed Assets	-83,607	-36,453	-52,598
Net Cash Flow from Investments	**-83,602**	**-36,686**	**-53,294**
Cash Flow from Financing Activities			
Loans and Financings	318,273	194,196	241,362
Loans and Financings Settled	-312,687	-504,469	-149,549
Convertible Debentures	-26,631	3,637	-30,171
Related Parties	-97	-43,581	7,792
Variation in Minority Interest	183	-631	153
Capital payment in cash	30,000	2,927	28,231
Treasury Stock	0	-37,030	0
Net Cash from Financing Activities	**9,041**	**-384,951**	**97,818**
Net Cash / Cash Equivalent Decrease	**-253,707**	**-514,894**	**323,758**
Cash and Cash Equivalents			
Beginning of Period	1,563,849	1,288,754	1,240,091
End of Period	1,310,142	773,860	1,563,849
Reduction in Cash and Cash Equivalents	**-253,707**	**-514,894**	**323,758**