

3Q16 Results Presentation

October/2016

M. Dias Branco

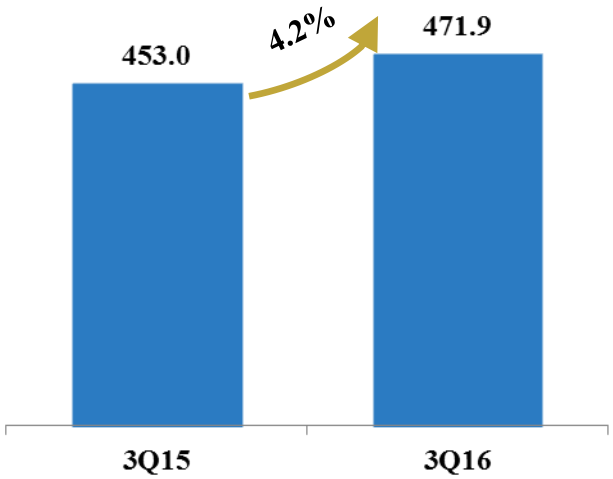
“FOOD FOR THE GOOD OF SOCIETY AND PEOPLE’S HAPPINESS”

This is the greater purpose that
Inspires our mission.

The statements contained in this document related to business prospects, operating and financial results and growth of M. Dias Branco are merely projections and, as such, are based exclusively on the Management expectations concerning the future of the business. These statements depend, substantially, on changes in market conditions, the performance of the Brazilian economy, as well as of the sector and the international markets, and therefore are subject to change without notice.

Sales Volume, Production Capacity and Utilization

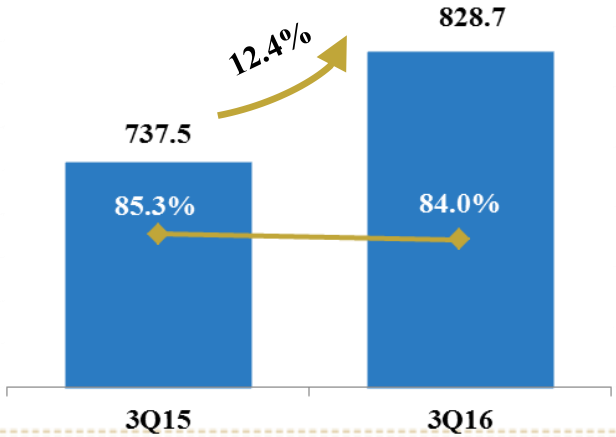
Total Sales Volume
(in '000 Tonnes, net of returns)



Sales Volume - Breakdown
(in '000 Tonnes, net of returns)

Item/Period	3Q15	3Q16	Δ
Cookies and Crackers	140.0	142.2	1.6%
Pasta	89.0	94.7	6.4%
Wheat Flour and Bran	202.5	213.7	5.5%
Margarine and Shortening	19.0	17.5	-7.9%
Other Products	2.5	3.8	52.0%
Total	453.0	471.9	4.2%

Production Capacity *('000 Tonnes)* and Production Capacity Utilization *(%)*



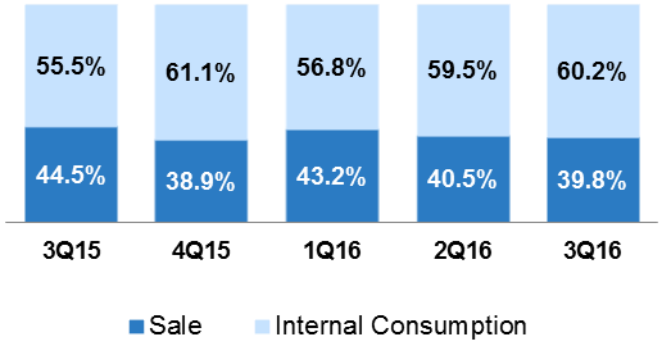
Production Capacity Utilization – Breakdown *(%)*

Item/Period	3Q15	3Q16	Δ
Cookies and Crackers	81.5%	79.3%	-2.2 p.p.
Pasta	77.6%	83.9%	6.3 p.p.
Wheat Flour and Bran	89.1%	85.9%	-3.2 p.p
Margarine and Shortening	91.8%	90.2%	-1.6 p.p.
Other Products	38.4%	46.7%	8.3 p.p.
Total	85.3%	84.0%	-1.3 p.p.

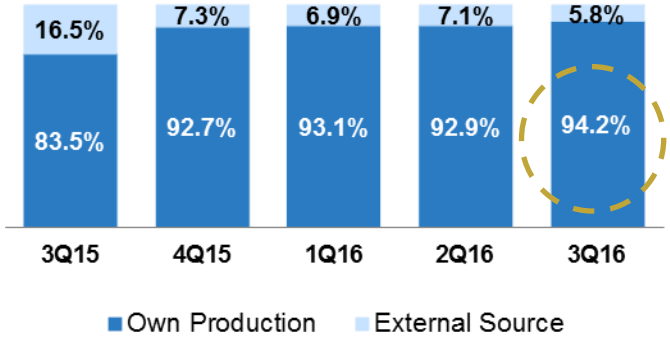
Vertical Integration

Wheat Flour

Production Allocation (%)



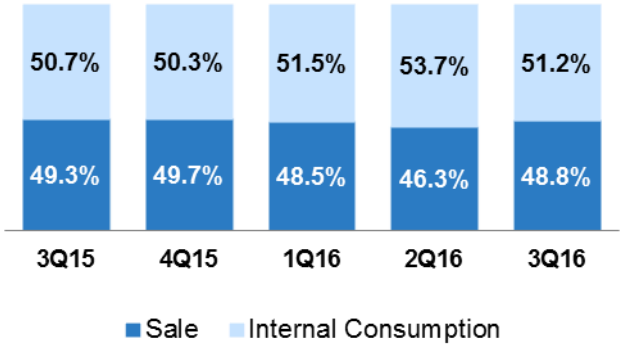
Company's Consumption (%)



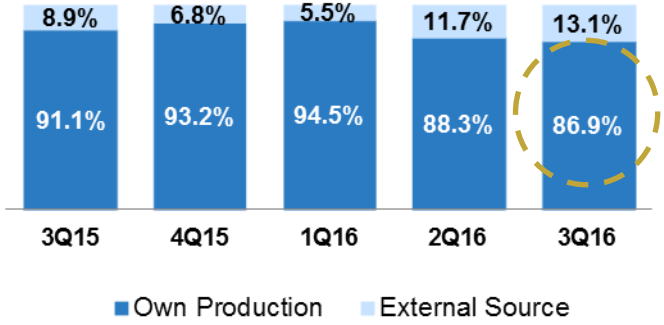
Vertical Integration Index

Vegetable Shortening

Production Allocation (%)

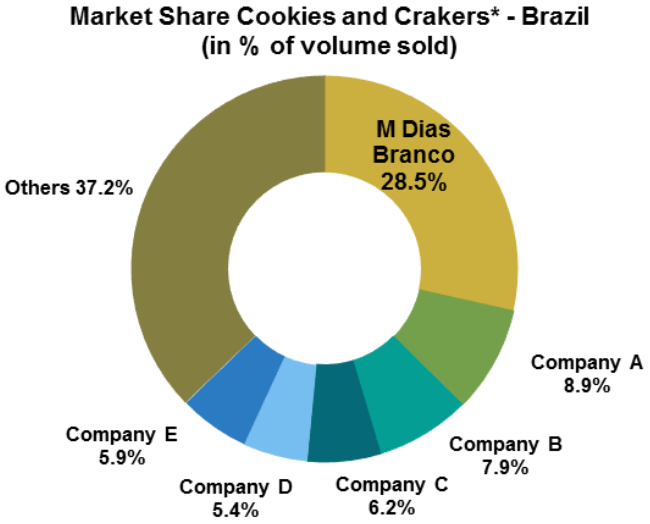


Company's Consumption (%)

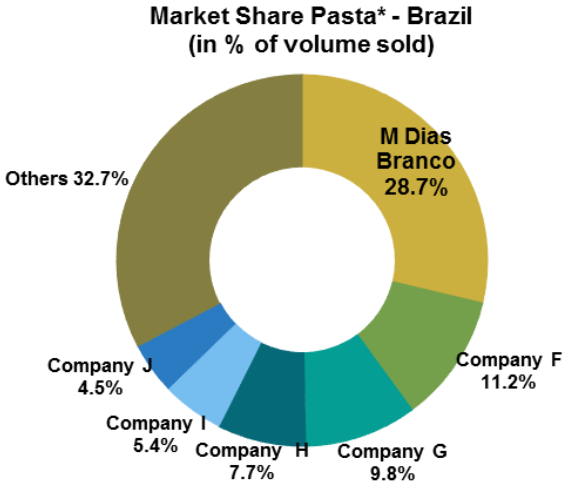


Vertical Integration Index

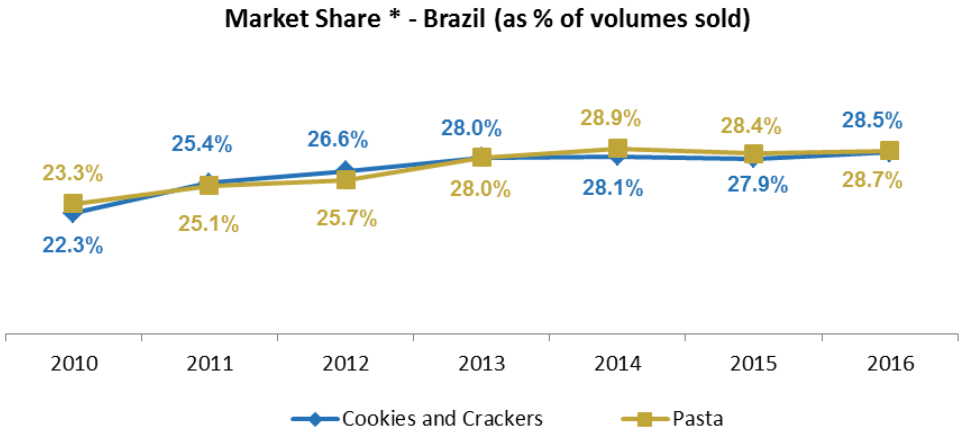
Market Share



* AC NIELSEN data from January to August of 2016



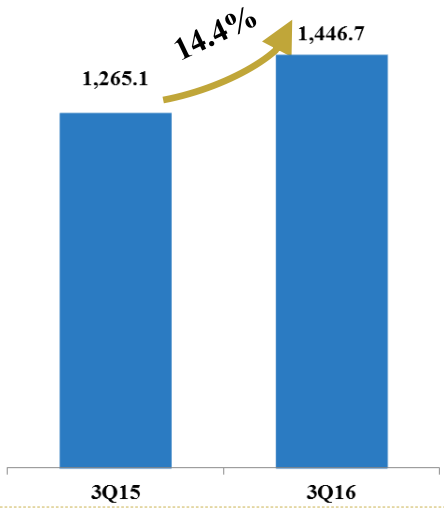
* AC NIELSEN data January to August of 2016



* AC NIELSEN data for the periodo Jan-Aug/2016.
Note: Data includes Pilar and Estrela since 2011 and Moinho Santa Lúcia since 2012.

Net Revenue & Net Average Prices

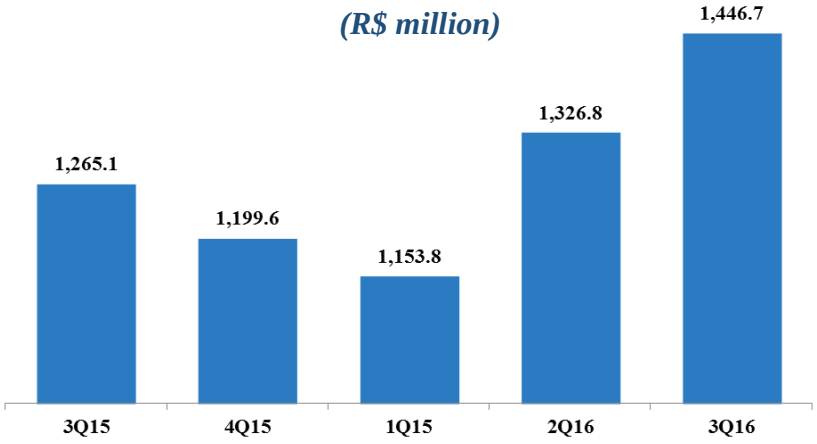
Net Revenue
(R$ million)



Net Revenue – Breakdown
(R$ million)

Item/Period	3Q15	3Q16	Δ
Cookies and Crackers	666.1	758.0	13.8%
Pasta	274.8	321.4	17.0%
Wheat Flour and Bran	236.5	266.0	12.5%
Margarine and Shortening	62.9	68.8	9.4%
Other Products	24.8	32.5	31.0%
Total	1,265.1	1,446.7	14.4%

Net Revenue
(R$ million)

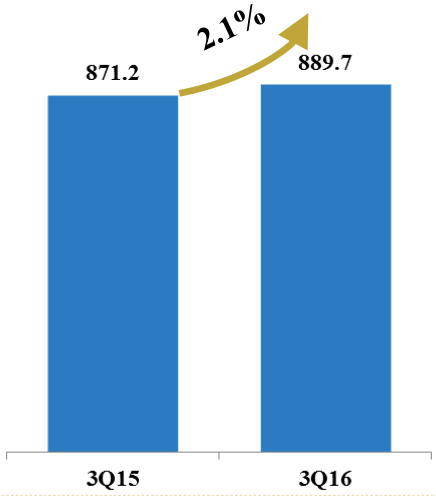


Net Average Prices
(in R$/Kg, net of returns)

Item/Period	3Q15	3Q16	Δ
Cookies and Crackers	4.76	5.33	12.0%
Pasta	3.09	3.39	9.7%
Wheat Flour and Bran	1.17	1.24	6.0%
Margarine and Shortening	3.31	3.93	18.7%
Other Products	9.92	8.55	-13.8%
Total	2.79	3.07	10.0%

COGS & Operational Expenses

COGS
(R$ million)



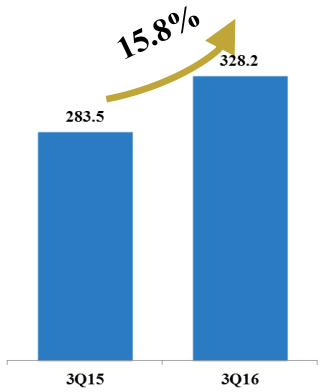
COGS *(R$ million)*

Item/Period	3Q15	3Q16	Δ	2Q16	Δ
Cogs	871.2	889.7	2.1%	861.4	3.3%
Raw Material	574.1	580,1	1,0%	566.9	2.3%
Other	297.1	309,6	4,2%	294,5	5.1%

COGS *(R$/kg)*

Item/Period	3Q15	3Q16	Δ	2Q16	Δ
Cogs/Kg	1.92	1.89	-2.0%	1.93	-2.1%
Raw Material/Kg	1.27	1.23	-3.0%	1.27	-3,1%
Other/Kg	0.66	0.66	0,0%	0.66	0.0%

Operational Expenses
(R$ million)



Operational Expenses *(R$ million)*

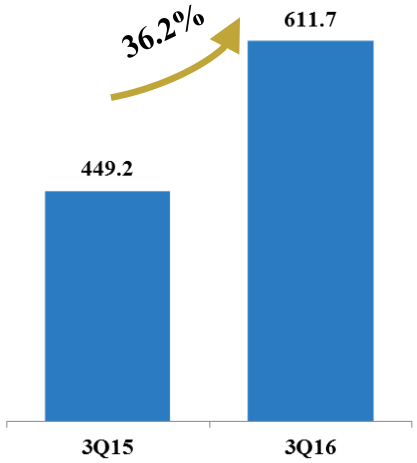
Item/Period	3Q15	3Q16	Δ	2Q16	Δ
Operational Expenses	283.5	328.2	15.8%	310.6	3.3%
Sales Expenses	237.1	238.9	0.8%	240.5	-0.7%
Other	46.4	89.3	92,5%	70.0	15.8%

Operational Expenses *(R$/kg)*

Item/Period	3Q15	3Q16	Δ	2Q16	Δ
Operational Expenses/Kg	0.63	0.70	11.1%	0.69	-1.4%
Sales Expenses/Kg	0.52	0.51	-3.3%	0.54	-5.6%
Other/Kg	0.10	0.19	84.7%	0.16	11.8%

Gross Profit & Gross Margin

Gross Profit* *(R$ million)*



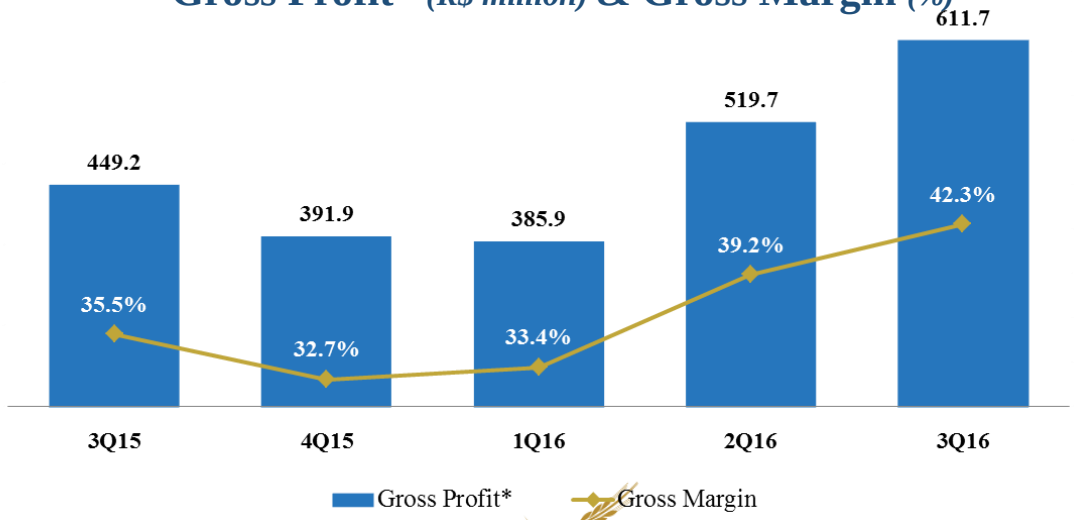
Gross Profit* *(R$ million)* & Gross Margin *(%)*

Item/Period	3Q15	3Q16	Δ
Gross Profit*	449.2	611.7	36.2%
Gross Margin	35.5 %	42.3 %	6.8 p.p

Item/Period	2Q16	3Q16	Δ
Gross Profit*	519.7	611.7	17.7%
Gross Margin	39.2 %	42.3 %	3.10 p.p

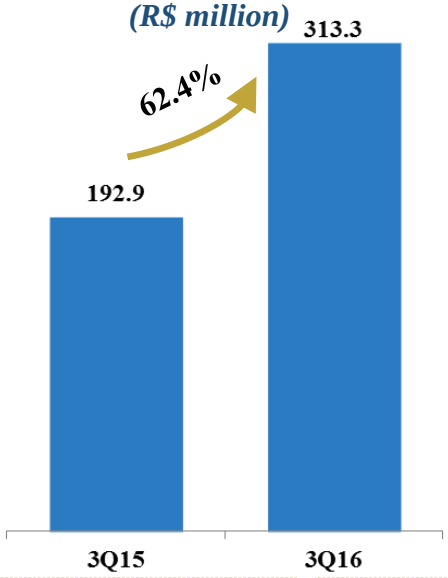
*Gross profit includes subsidies for state investments totaling R$ 54.7 million in 3Q16, R$ 55.3 million in 3Q15 and R$ 54.3 million in 2Q16.

Gross Profit* *(R$ million)* & Gross Margin *(%)*



EBITDA & EBITDA Margin

EBITDA (R$ million)

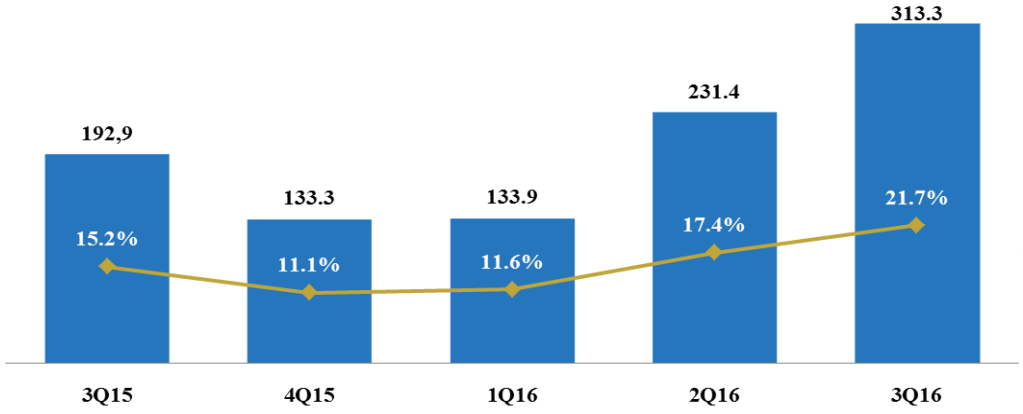


EBITDA (R$ million) & EBITDA Margin (%)

Item/Period	3Q15	3Q16	Δ
EBITDA	192.9	313.3	62.4%
EBITDA Margin	15.2%	21.7%	6.5 p.p.

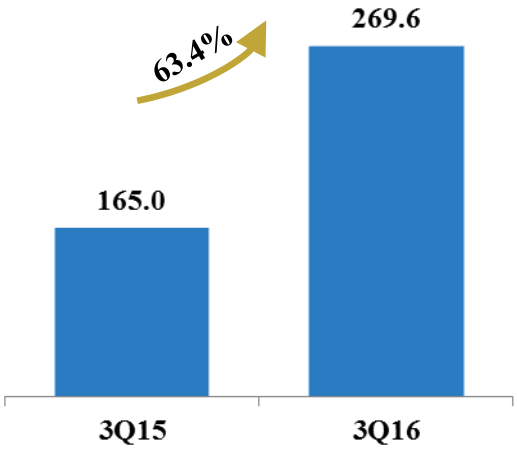
Item/Period	2Q16	3Q16	Δ
EBITDA	231.4	313.3	35.4%
EBITDA Margin	17.4%	21.7%	4.3 p.p.

EBITDA (R$ million) & EBITDA Margin (%)



Net Profit & Net Margin

Net Profit *(R$ million)*

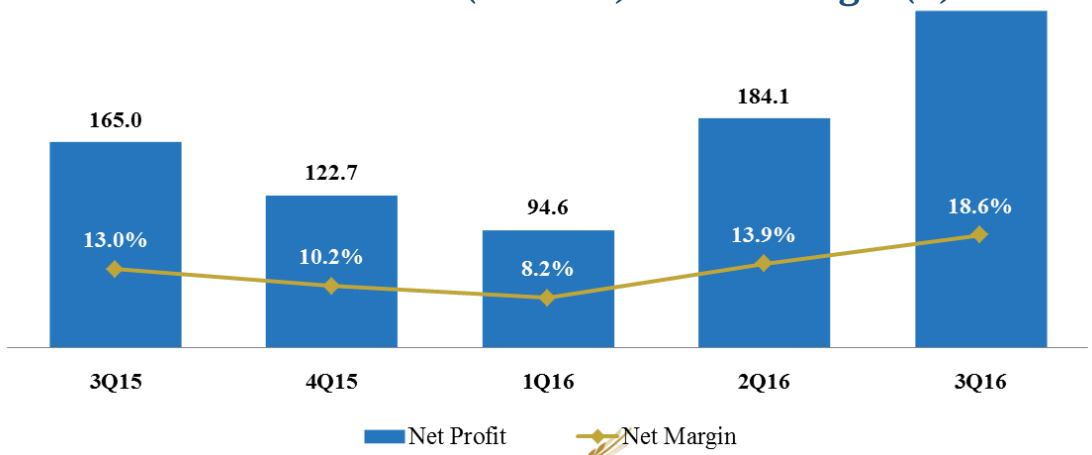


Net Profit *(R$ million)* & Net Margin *(%)*

Item/Period	3Q15	3Q16	Δ
Net Profit	165.0	269.6	63.4%
Net Margin	13.0%	18.6%	5.6 p.p.

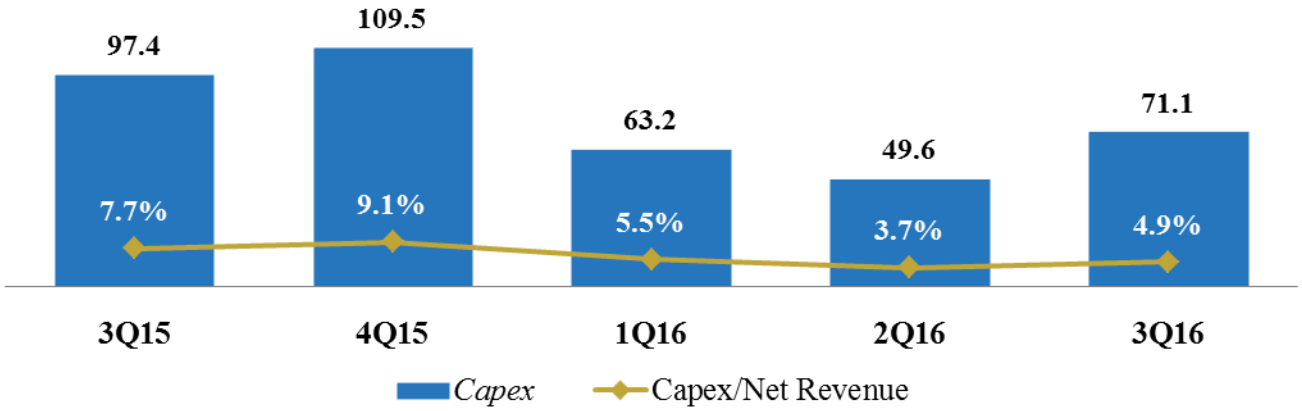
Item/Period	2Q16	3Q16	Δ
Net Profit	184.1	269.6	46.4%
Net Margin	13.9%	18.6%	4.7 p.p.

Net Profit *(R$ million)* & Net Margin *(%)*



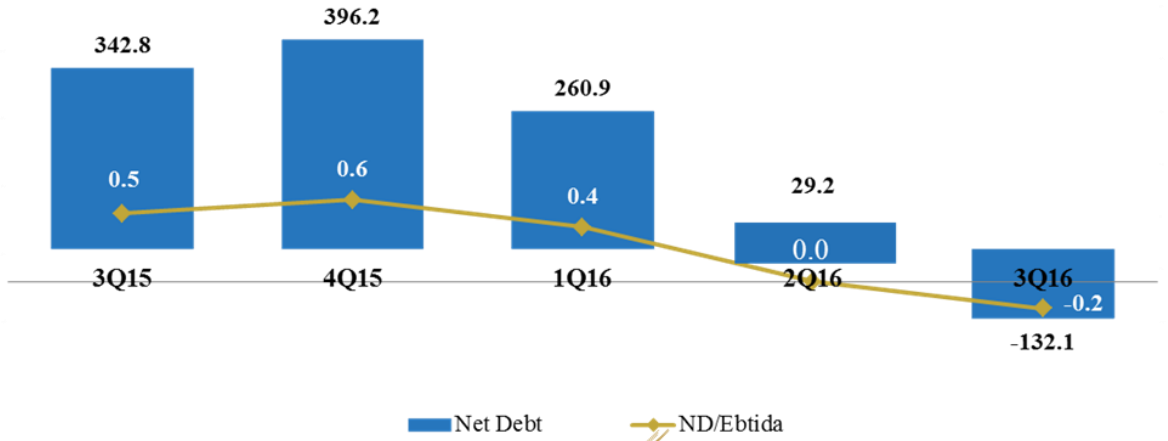
Capex & Net Debt

Capex* *(R$ million)* & Capex*/Net Revenue *(%)*



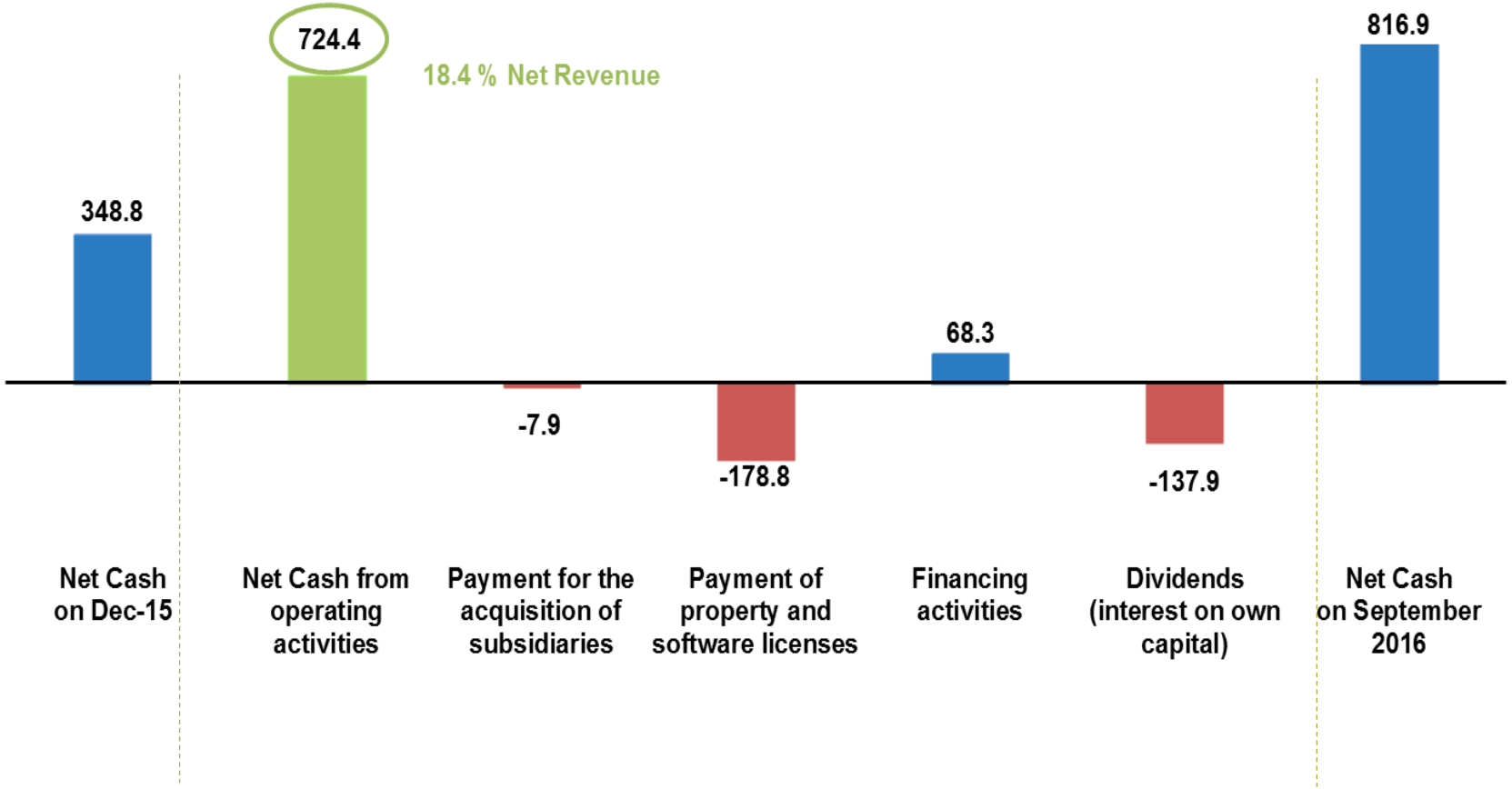
* Capex value does not include acquisitions.

Net Debt *(R$ million)* & Net Debt/EBITDA *(unit)*



Cash Flow

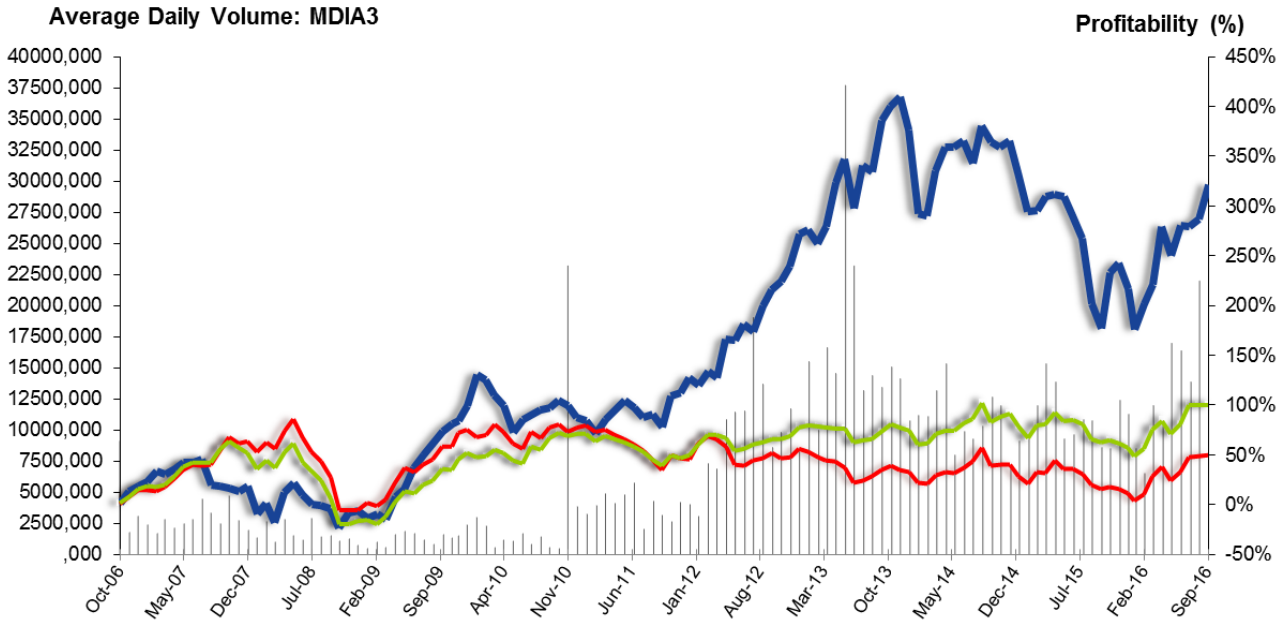
Cash Flow Evolution – 9 M16 *(R$ million)*



Capital Market

MDIA3 X IBOV X IGC

10/18/2006 a 09/30/2016



Price Evolution, Liquidity and Stock Performance	3Q16	3Q15
MDIA3		
Stock price (R$)*	132.90	58.10
Average Daily Trading Volume (R$ Million)	19.1	10.2
Performance		
MDIA3	25.50%	-29.15%
Ibovespa	13.27%	-15.11%
IGC	10.70%	-12.08%

*Closing stock price at the end of the period

Average Daily Trading Volume:

3Q15 – R$ 10.2 MM

4Q15 – R$ 10.8 MM

1Q16 – R$ 9.3 MM

2Q16 – R$ 14.7 MM

3Q16 – R$ 19.1 MM

Geraldo Luciano Mattos Júnior
Controlling and Investment Vice President
Ph: +55 85 4005-5667
E-mail: geraldo@mdiasbranco.com.br

Fabio Cefaly
New Business and IR Director
Ph: +55 85 4005-5730
E-mail: fabio.cefaly@mdiasbranco.com.br

www.mdiasbranco.com.br/ri
ri@mdiasbranco.com.br

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