

2Q16 Results Presentation

August/2016

M. Dias Branco

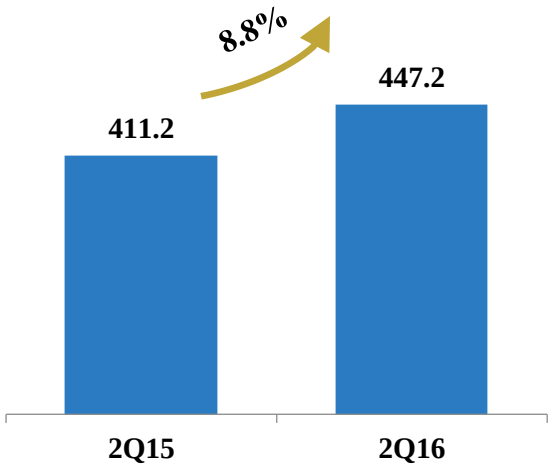
“FOOD FOR THE GOOD OF SOCIETY AND PEOPLE’S HAPPINESS”

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

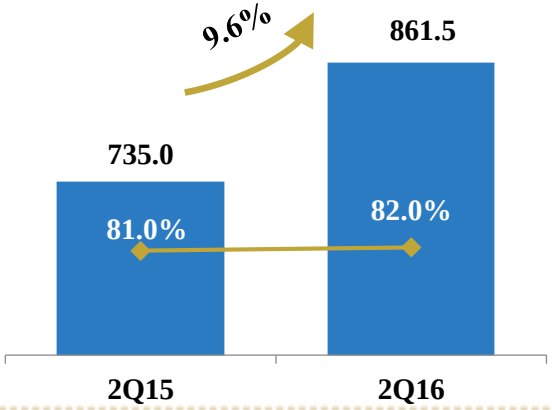
Total Sales Volume
(in '000 Tonnes, net of returns)



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

Item/Period	2Q15	2Q16	Δ
Cookies and Crackers	123.6	130.2	5.3%
Pasta	82.8	87.0	5.1%
Wheat Flour and Bran	187.3	210.3	12.3%
Margarine and Shortening	15.6	16.9	8.3%
Other Products	1.9	2.8	47.4%
Total	411.2	447.2	8.8%

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



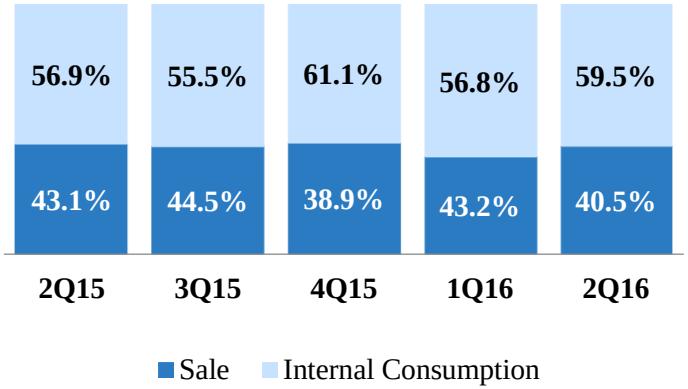
Production Capacity Utilization – Breakdown *(%)*

Item/Period	2Q15	2Q16	Δ
Cookies and Crackers	78.1%	80.1%	2.0 p.p.
Pasta	76.9%	90.4%	13.5 p.p.
Wheat Flour and Bran	84.8%	81.7%	-3.1 p.p.
Margarine and Shortening	77.6%	81.3%	3.7 p.p.
Other Products	30.7%	41.1%	10.4 p.p.
Total	81.0%	82.0%	1.0 p.p.

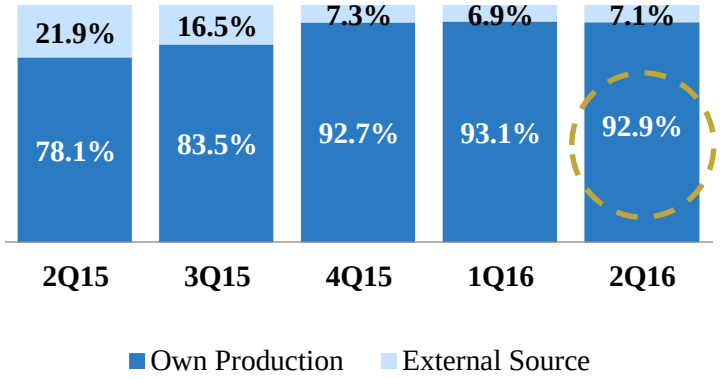
Vertical Integration

Wheat Flour

Production Allocation (%)



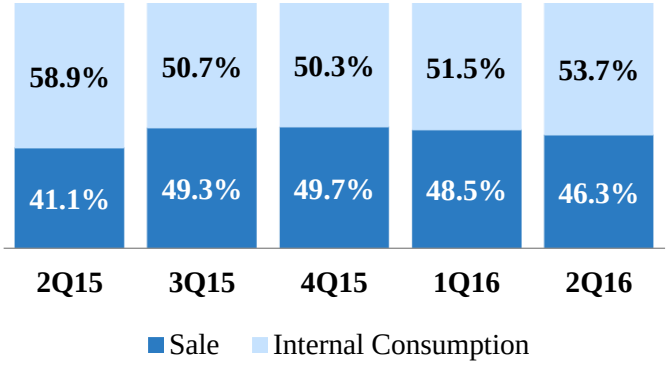
Company's Consumption (%)



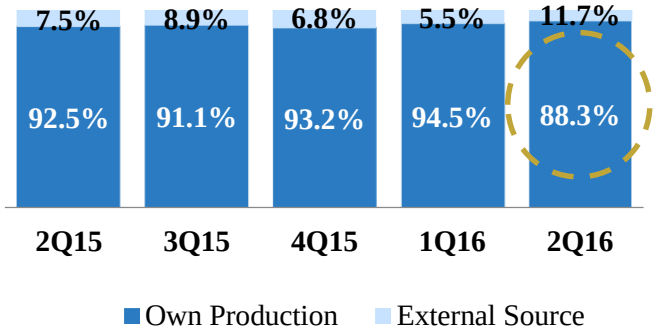
Vertical Integration Index

Vegetable Shortening

Production Allocation (%)



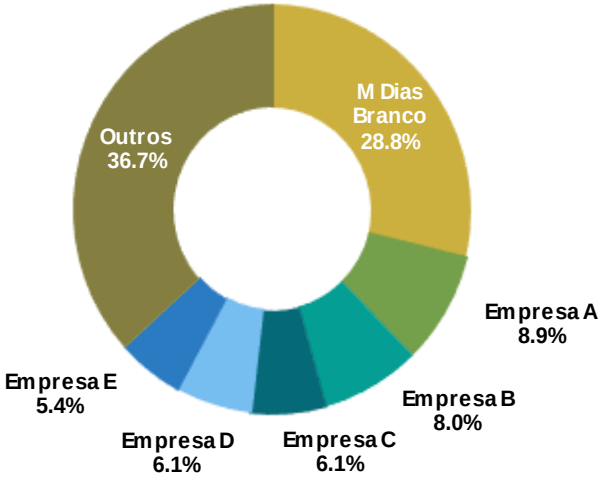
Company's Consumption (%)



Vertical Integration Index

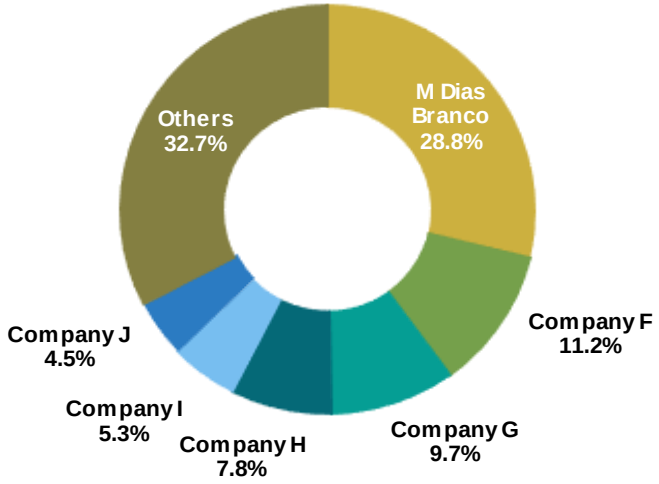
Market Share

Market Share Cookies and Crakers* - Brazil (in % of volume sold)



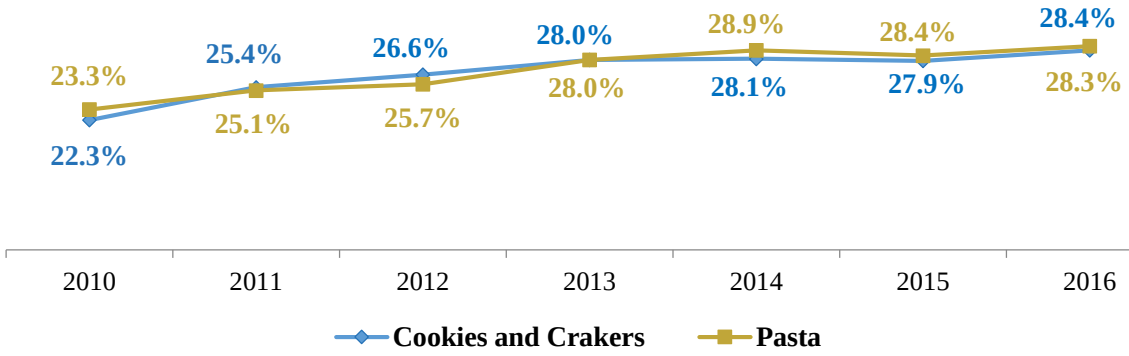
* AC Nielsen data from accumulated period of Jan-Jun/2016.

Market Share Pasta* - Brazil (in % of volume sold)



* AC Nielsen data from accumulated period of Jan-Jun/2016.

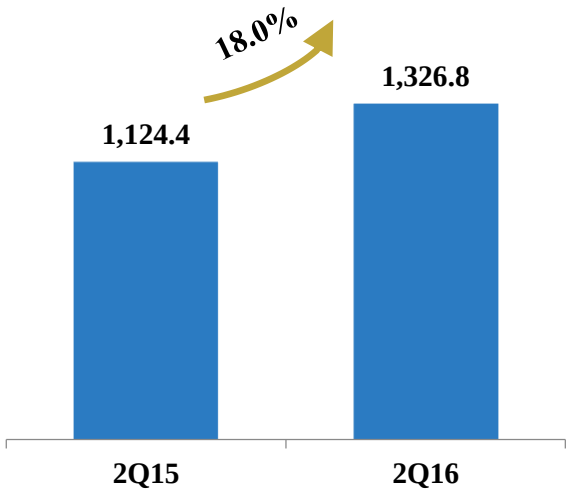
Market Share * - Brazil (as % of volumes sold)



*AC Nielsen data for accumulated period of Jan-Jun/2016.

Net Revenue & Net Average Prices

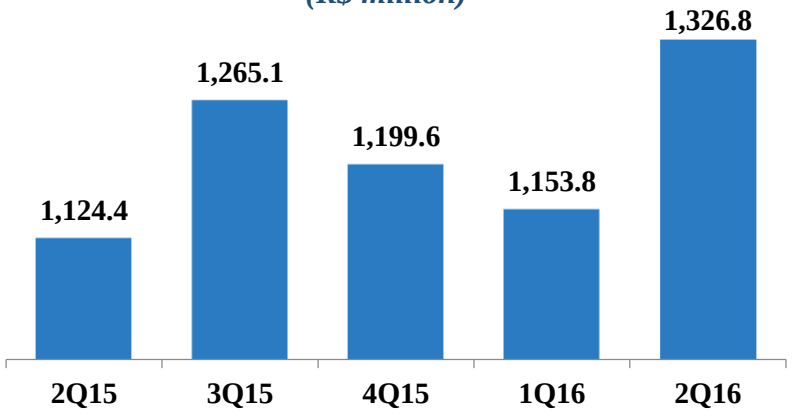
Net Revenue
(R$ million)



Net Revenue – Breakdown
(R$ million)

Item/Period	2Q15	2Q16	Δ
Cookies and Crackers	588.1	693.4	17.9%
Pasta	257.4	296.5	15.2%
Wheat Flour and Bran	205.7	249.2	21.1%
Margarine and Shortening	53.2	60.4	13.5%
Other Products	20.0	27.3	36.5%
Total	1.124.4	1.326.8	18.0%

Net Revenue
(R$ million)

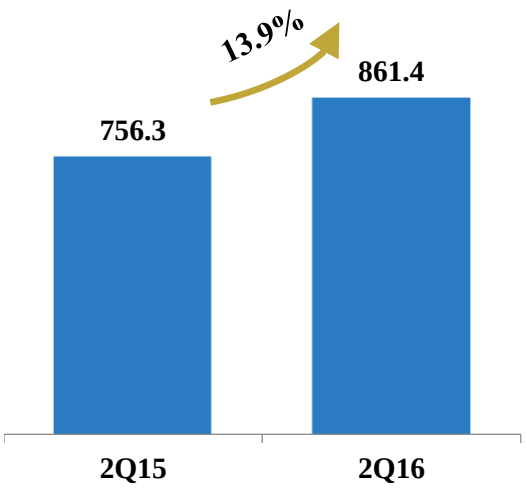


Net Average Prices
(in R$/Kg, net of returns)

Item/Period	2Q15	2Q16	Δ
Cookies and Crackers	4.76	5.33	12.0%
Pasta	3.11	3.41	9.6%
Wheat Flour and Bran	1.10	1.18	7.3%
Margarine and Shortening	3.41	3.57	4.7%
Other Products	10.53	9.75	-7.4%
Total	2.73	2.97	8.8%

COGS & Operational Expenses

COGS
(R$ million)



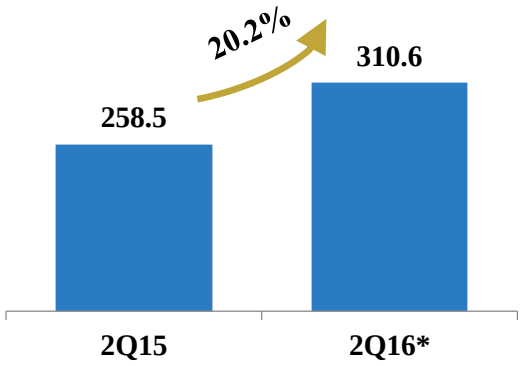
COGS *(R$ million)*

Item/Period	2Q15	2Q16	Δ	1Q16	Δ
Cogs	756.3	861.4	13.9%	819.7	5.1%
Raw Material	488.8	566.9	16.0%	540.3	4.9%
Other	267.5	294.5	10.1%	279.4	5.4%

COGS *(R$/kg)*

Item/Period	2Q15	2Q16	Δ	1Q16	Δ
Cogs/Kg	1.84	1.93	4.7%	2.05	-6.3%
Raw Material/Kg	1.19	1.27	6.6%	1.35	-6.4%
Other/Kg	0.65	0.66	1.2%	0.70	-6.0%

Operational Expenses
(R$ million)



Operational Expenses *(R$ million)*

Item/Period	2Q15	2Q16*	Δ	1Q16	Δ
Operational Expenses	258.5	310.6	20.2%	281.9	10.2%
Sales Expenses	224.3	240.5	7.2%	217.1	10.8%
Other	34.2	70.0	104.9%	52.8	32.7%

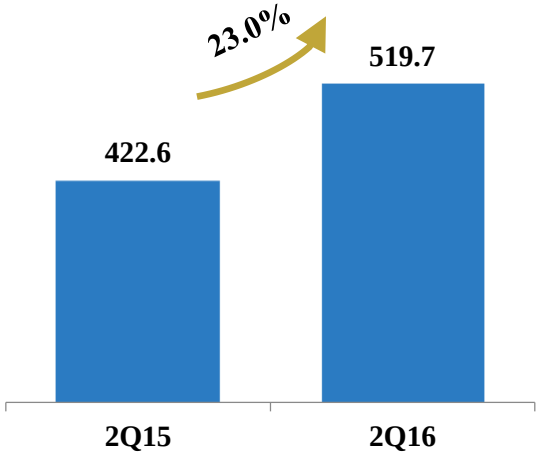
Operational Expenses *(R$/kg)*

Item/Period	2Q15	2Q16*	Δ	1Q16	Δ
Operational Expenses/Kg	0.63	0.69	10.5%	0.71	-1.7%
Sales Expenses/Kg	0.55	0.54	-1.4%	0.54	-1.2%
Other/Kg	0.08	0.16	88.2%	0.13	18.3%

* Values without non-recurring events.

Gross Profit & Gross Margin

Gross Profit* *(R$ million)*



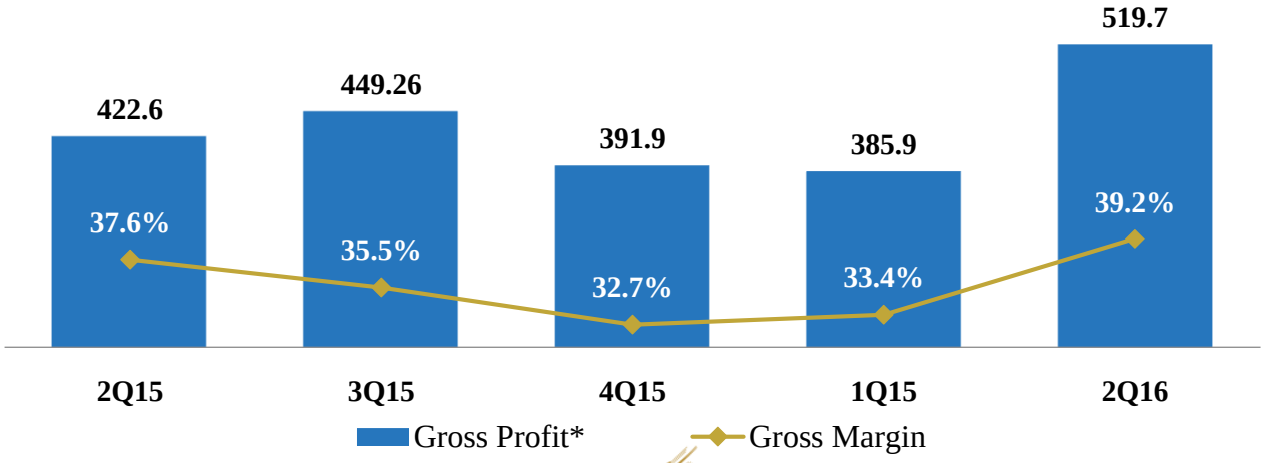
Gross Profit* *(R$ million)* & Gross Margin *(%)*

Item/Period	2Q15	2Q16	Δ
Gross Profit*	422.6	519.7	23.0%
Gross Margin	37.6%	39.2%	1.6 p.p%

Item/Period	1Q15	2Q16	Δ
Gross Profit*	385.9	519.7	34.7%
Gross Margin	33.4%	39.2%	5.8 p.p%

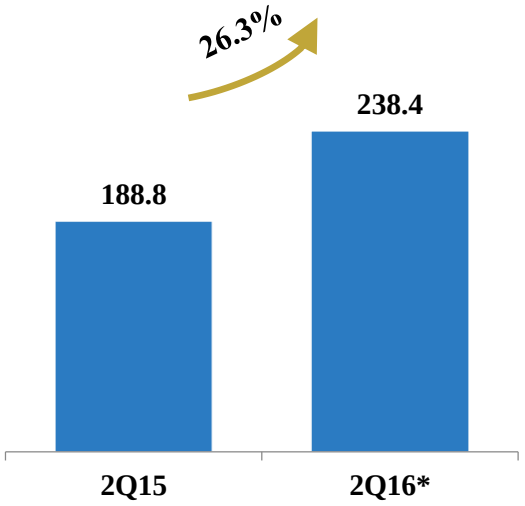
*Gross profit includes subsidies for state investments totaling R$ 54.3 million in 2Q16, R$ 54.5 million in 2Q15 and R$ 51.8 million in 1Q16.

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



EBITDA & EBITDA Margin

EBITDA (R$ million)



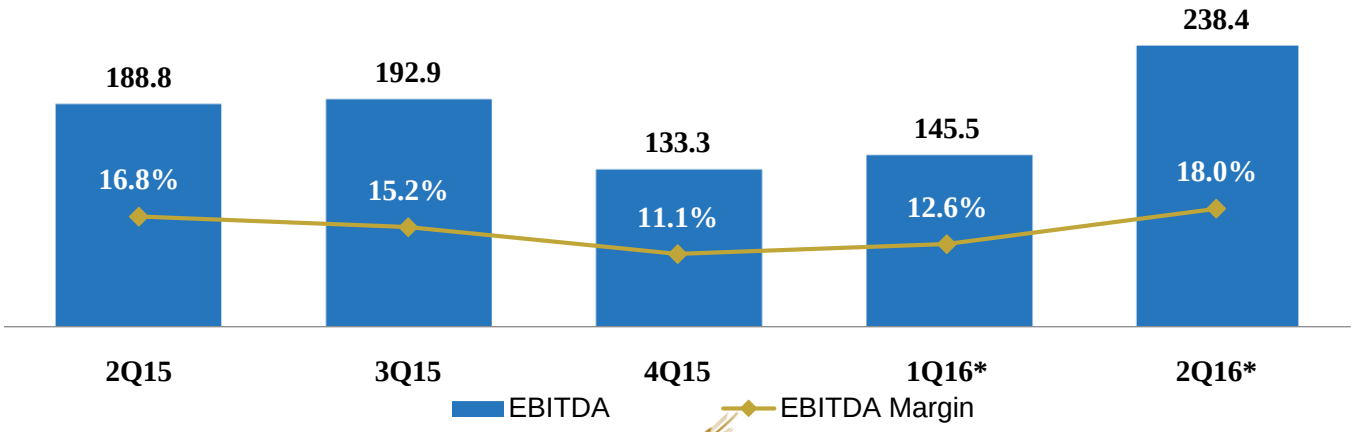
EBITDA (R$ million) & EBITDA Margin (%)

Item/Period	2Q15	2Q16	Δ
EBITDA	188.8	231.4	22.6%
EBITDA Margin	16.8%	17.4%	0.6 p.p.
Non-Recurring Expenses	-	7.0	100.0%
Adjusted EBITDA*	188.8	238.4	26.3%
Adjusted EBITDA Margin *	16.8%	18.0%	1.2 p.p.

Item/Period	1Q16	2Q16	Δ
EBITDA	133.9	231.4	72.8%
Margem EBITDA	11.6%	17.4%	5.8 p.p.
Non-Recurring Expenses	11.6	7.0	-39.7%
Adjusted EBITDA*	145.5	238.4	63.8%
Adjusted EBITDA Margin *	12.6%	18.0%	5.4 p.p.

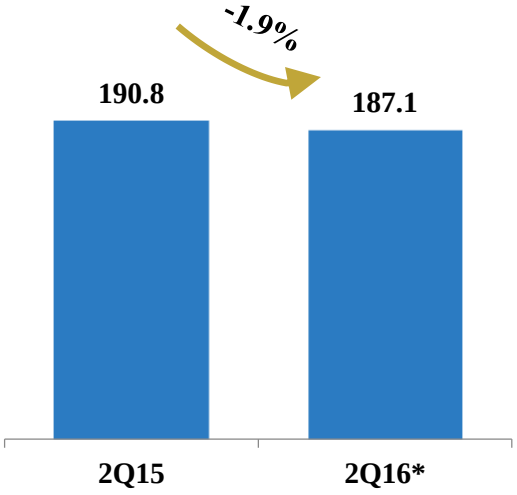
*EBITDA Value, , **without** the non-recurring expenses.

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



Net Profit & Net Margin

Net Profit *(R$ million)*



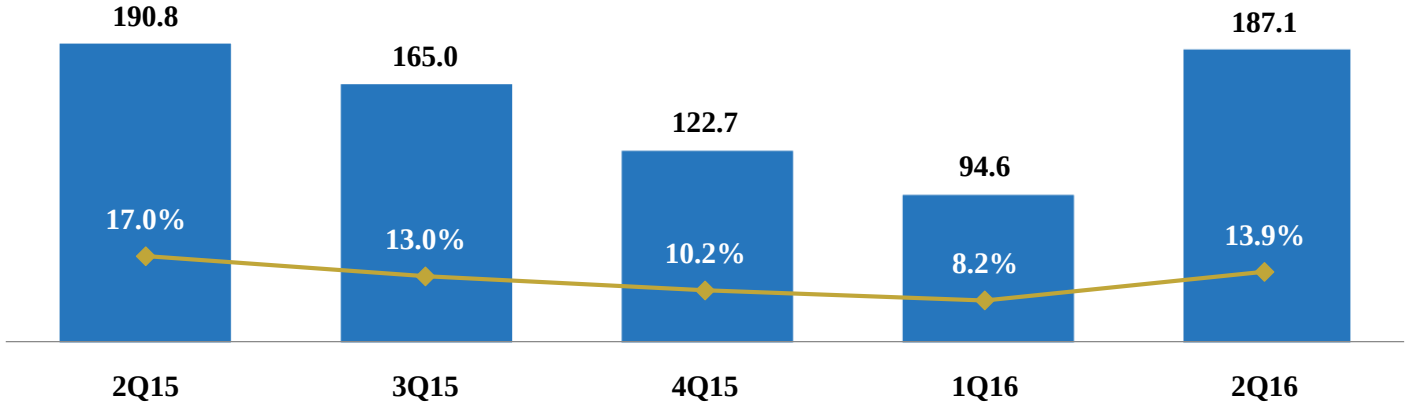
Net Profit *(R$ million)* & Net Margin *(%)*

Item/Period	2Q15**	2Q16	Δ
Net Profit	190.8	184.1	-3.5%
Net Margin	17.0%	13.9%	-3.1 p.p.
Non-Recurring Expenses	-	7.0	100.0%
Adjusted Net Profit*	190.8	187.1	-1.9%
Adjusted Net Margin*	17.0%	14.1%	-2.9 p.p.

Item/Period	1Q16	2Q16	Δ
Net Profit	94.6	184.1	94.6%
Net Margin	8.2%	13.9%	5.7 p.p.
Non-Recurring Expenses	11.6	7.0	-39.7%
Adjusted Net Profit*	106.2	187.1	76.2%
Adjusted Net Margin*	9.2%	14.1%	4.9 p.p.

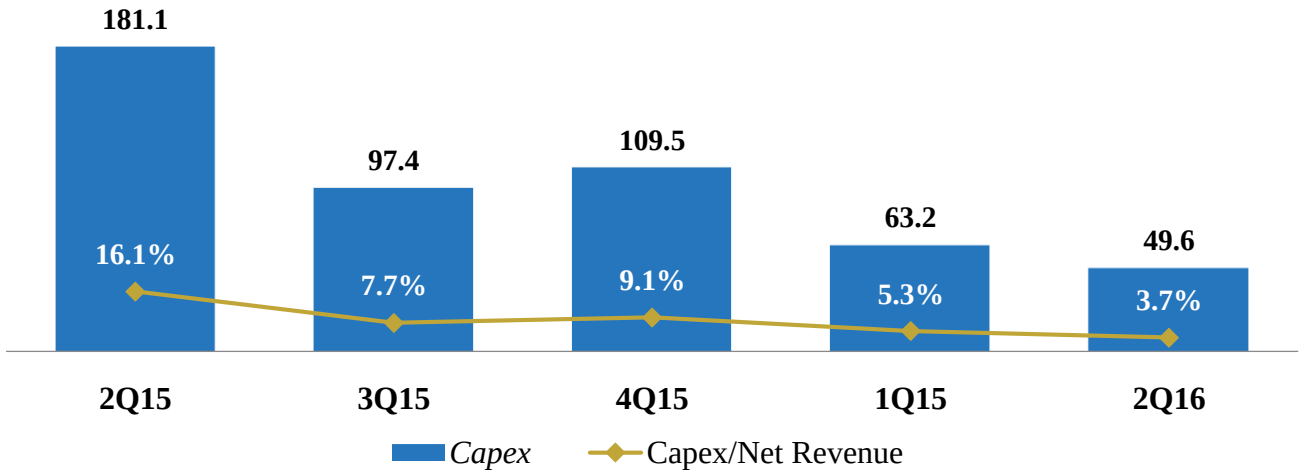
*Net Profit value, in 2Q16, **without** non-recurring expenses, **net of taxes.**
**Value influenced by non-recurring income of a tax decision (PIS/Cofins - Import).

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



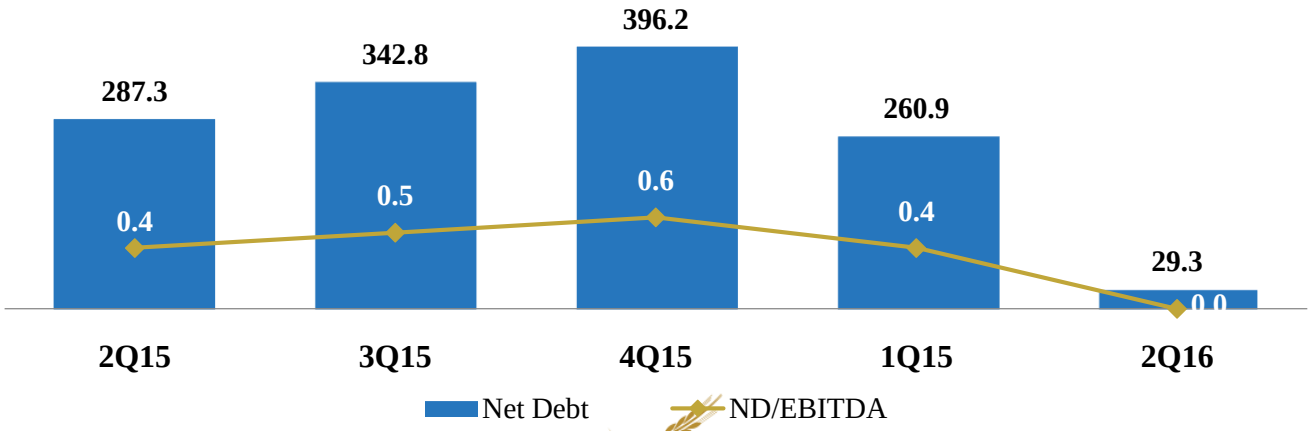
Capex & Net Debt

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



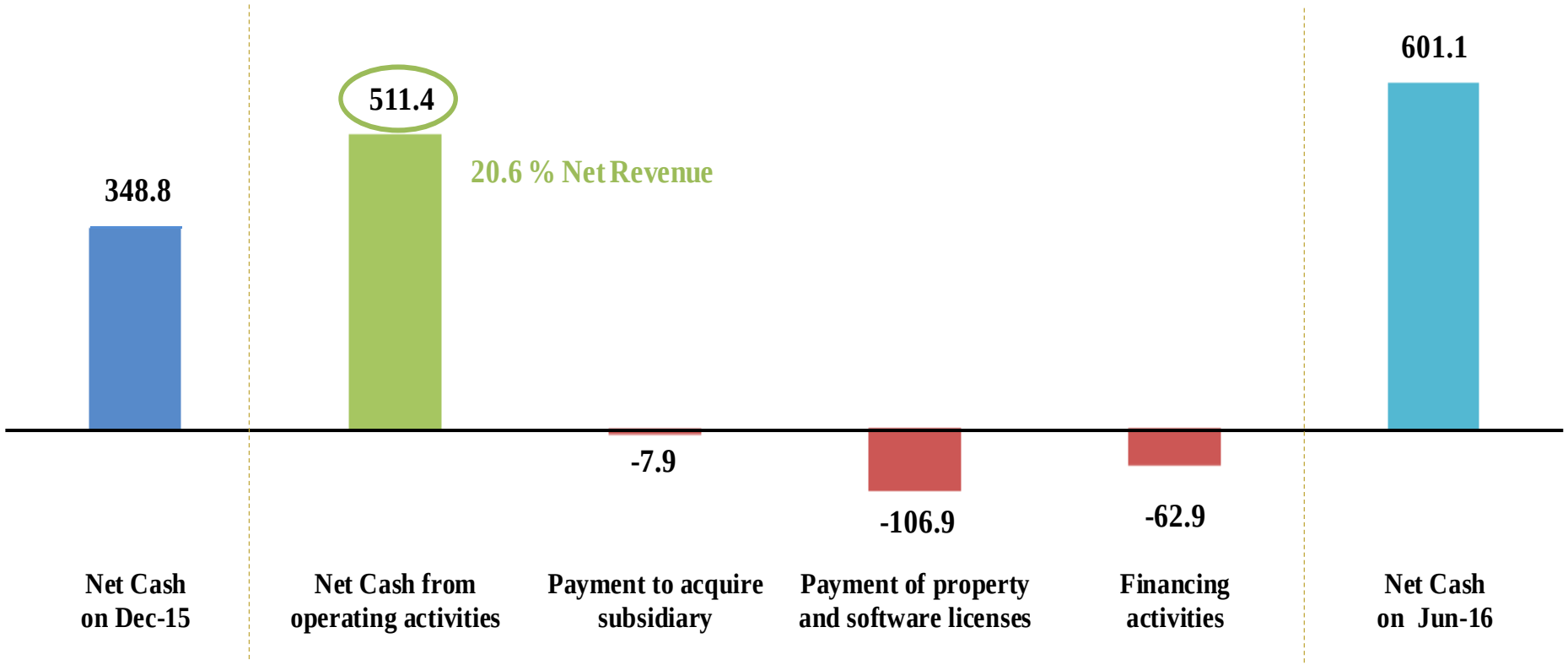
* Capex value does not include acquisitions.

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



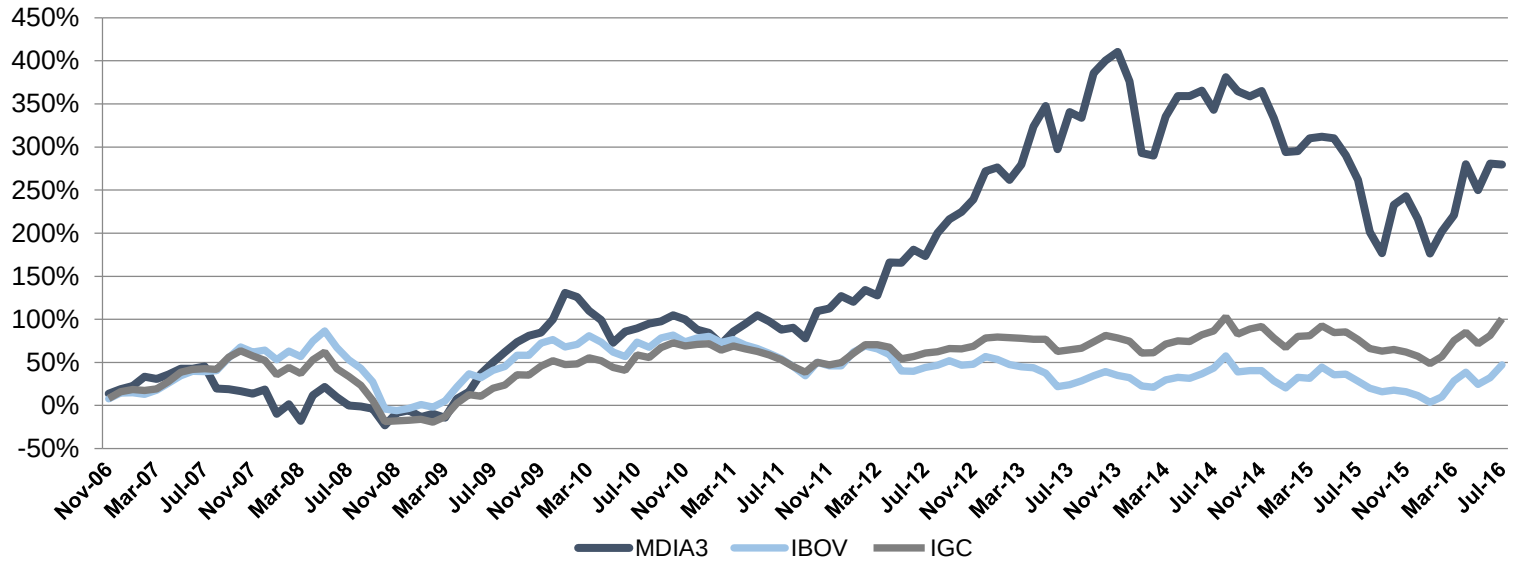
Cash Flow

Cash Flow Evolution – 1S16 *(R$ million)*



Capital Market

MDIA3 X IBOVESPA X IGC
(from 10/18/06 to 07/29/16)



Price Evolution, Liquidity and Stock Performance	2Q16	2Q15
MDIA3		
Stock price (R$)*	105.90	82.00
Average Daily Trading Volume (R$ Million)	14.7	11.0
Performance		
MDIA3	57.19%	-4.77%
Ibovespa	2.94%	3.77%
IGC	3.35%	2.46%

*Closing stock price at the end of the period

Average Daily Trading Volume:

2Q15 – R$ 11.0 MM

3Q15 – R$ 10.2 MM

4Q15 – R$ 10.8 MM

1Q16 – R$ 9.6 MM

2Q16 – R$ 14.7 MM

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