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

MINERVA S.A.

Independent auditors' report

Individual and consolidated financial statements
As of December 31, 2014 and 2013

MINERVA S.A.

Individual and consolidated financial statements
As of December 31, 2014 and 2013

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the individual and consolidated financial statements of **Minerva S.A.** ("Company"), identified as Company and Consolidated, respectively, which include the balance sheet as of December 31, 2014 and the related statements of operations, comprehensive income (loss), changes in shareholders' equity and cash flows for the year then ended, as well as a summary of the main accounting practices and other notes.

Management's responsibility for the financial statements

The Company's management is responsible for the fair presentation and preparation of the individual and consolidated financial statements in accordance with Brazilian accounting practices and of the consolidated financial statements according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as for the internal controls considered necessary to allow the preparation of financial statements free of material misstatement, whether due to fraud or error.

Independent auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit, conducted in accordance with Brazilian and International auditing standards. These auditing standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit includes performing procedures to obtain evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the preparation and fair presentation of the Company's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of **Minerva S.A.** as of December 31, 2014, the results of its individual and consolidated operations and its cash flows for the year then ended, in conformity with Brazilian accounting practices and with the IFRS, issued by IASB.

Other issues

Supplementary information – statements of value added

We have also examined the individual and consolidated statements of value added for the year ended December 31, 2014, whose reporting is required by Brazilian legislation for public companies and is considered supplementary information by the IFRS, which do not require the presentation of the statement of value added. These statements were subjected to the same auditing procedures previously described and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

São Paulo, February 26, 2015.

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

Francisco de Paula dos Reis Junior
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 December 31, 2014 and 2013
(In thousands of Brazilian Reais)

	Note	Company		Consolidated	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
Assets					
Current					
Cash and cash equivalents	5	1,420,352	1,116,188	2,474,380	1,563,849
Trade accounts receivable	6	243,772	100,662	435,099	184,221
Inventories	7	276,247	196,635	467,635	291,773
Biological assets	8	150,344	79,341	173,381	79,341
Recoverable taxes	9	468,642	475,939	560,317	522,030
Other receivables		109,079	162,057	147,052	196,898
Total current assets		**2,668,436**	**2,130,822**	**4,257,864**	**2,838,112**
Non-current					
Other receivables		23,314	22,315	37,391	26,394
Related-party transactions	11	641,638	635,443	445	9,278
Recoverable taxes	9	224,380	128,906	233,846	138,512
Deferred tax assets	10	244,639	217,060	248,929	222,313
Court deposits		10,724	10,598	12,419	11,902
Investments	12	1,373,218	553,238	-	-
Property, plant and equipment	13	1,157,874	963,234	1,796,755	1,305,769
Intangible assets	14	105,002	5,083	636,812	425,856
Total non-current assets		**3,780,789**	**2,535,877**	**2,966,597**	**2,140,024**
Total assets		**6,449,225**	**4,666,699**	**7,224,461**	**4,978,136**

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

MINERVA S.A.

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

		Company		Consolidated	
Liabilities	**Note**	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Current					
Loans and financing	15	499,618	361,019	723,956	515,533
Convertible debentures	19	91,497	504	91,497	504
Trade accounts payable	16	468,241	326,367	559,935	376,883
Labor and tax liabilities	17	51,402	52,678	89,964	69,907
Other accounts payable		450,533	333,459	483,187	374,361
Total current liabilities		**1,561,291**	**1,074,027**	**1,948,539**	**1,337,188**
Non-current					
Loans and financing	15	3,468,057	2,523,777	4,602,087	2,913,726
Convertible debentures	19	-	116,166	-	116,166
Labor and tax liabilities	17	22,967	26,351	22,967	26,351
Provisions for contingencies	21	23,486	36,497	25,784	36,607
Provisions for losses on investments	12	585,698	278,332	-	-
Related-party transactions	11	222,579	100,802	-	109
Accounts payable		-	-	53,071	36,503
Deferred tax liabilities	18	85,340	67,858	91,460	67,858
Total non-current liabilities		**4,408,127**	**3,149,783**	**4,795,369**	**3,197,320**
Shareholders' equity	22				
Capital stock		834,136	744,142	834,136	744,142
Capital reserves		294,851	253	294,851	253
Revaluation surplus		68,474	70,737	68,474	70,737
Income reserves		-	-	-	-
Accumulated losses		(771,394)	(356,596)	(771,394)	(356,596)
Treasury shares		-	-	-	-
Other comprehensive income (loss)		53,740	(15,647)	53,740	(15,647)
Total shareholders' equity attributed to controlling shareholders		**479,807**	**442,889**	**479,807**	**442,889**
Non-controlling interest		**-**	**-**	**746**	**739**
Total shareholders' equity		**479,807**	**442,889**	**480,553**	**443,628**
Total liabilities and shareholders' equity		**6,449,225**	**4,666,699**	**7,224,461**	**4,978,136**

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

MINERVA S.A.

Statements of operations
For the years ended December 31, 2014 and 2013
(In thousands of Brazilian Reais)

	Note	Company		Consolidated	
		Accumulated 2014	Accumulated 2013	Accumulated 2014	Accumulated 2013
Net revenue	25	5,424,894	4,298,903	6,987,230	5,456,566
Cost of goods sold		(4,347,517)	(3,297,392)	(5,633,655)	(4,330,710)
Gross profit		**1,077,377**	**1,001,511**	**1,353,575**	**1,125,856**
Operating revenues (expenses):					
Selling expenses		(362,412)	(373,534)	(512,082)	(480,421)
General and administrative expenses		(170,380)	(127,389)	(226,316)	(166,319)
Other operating revenues		(52,517)	6,981	(21,624)	14,576
Income before financial income (loss), net, equity in earnings (losses) of controlled companies and taxes		492,068	507,569	593,553	493,692
Financial expenses	26	(536,721)	(402,299)	(625,432)	(458,201)
Financial revenues	26	46,037	41,171	76,722	51,236
Exchange rate gains (losses), net	26	(361,214)	(282,229)	(464,438)	(368,557)
Financial revenues (expenses), net		**(851,898)**	**(643,357)**	**(1,013,148)**	**(775,522)**
Equity in earnings (losses) of controlled companies		(67,328)	(150,125)	-	-
Impairment loss		-	(34,175)	-	(34,175)
Income (loss) before taxes		**(427,158)**	**(320,088)**	**(419,595)**	**(316,005)**
Current income and social contribution taxes	18	-	-	(7,526)	(3,133)
Deferred income and social contribution taxes	18	8,930	6,119	8,903	4,853
Income (loss) before non-controlling shareholders		**(418,228)**	**(313,969)**	**(418,218)**	**(314,285)**
Income (loss) attributable to:					
Controlling shareholders		(418,228)	(313,969)	(418,228)	(313,969)
Non-controlling shareholders		-	-	10	(316)
Income (loss) for the period		**(418,228)**	**(313,969)**	**(418,218)**	**(314,285)**

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

MINERVA S.A.

Statements of comprehensive income (loss)
For the years ended December 31, 2014 and 2013
(In thousands of Brazilian Reais)

	Company		Consolidated	
	Accumulated 2014	Accumulated 2013	Accumulated 2014	Accumulated 2013
Income (loss) for the period	**(418,228)**	**(313,969)**	**(418,218)**	**(314,285)**
Other comprehensive income (loss)				
Asset and liability valuation adjustment	51,335	3,868	51,332	2,505
Net effect of fair value of assets	18,052	-	18,052	-
Other comprehensive income (loss), net of income and social contribution taxes	69,387	3,868	69,384	2,505
Total comprehensive income (loss)	**(348,841)**	**(310,101)**	**(348,834)**	**(311,780)**
Comprehensive income (loss) attributable to:				
Controlling shareholders	(348,841)	(310,101)	(348,841)	(310,101)
Non-controlling shareholders	-	-	7	(1,679)
Total comprehensive income (loss)	**(348,841)**	**(310,101)**	**(348,834)**	**(311,780)**

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 year ended December 31, 2014
(In thousands of Brazilian Reais)

	Capital stock	Capital reserve	Revaluation surplus	Accumulated losses	Other comprehensive income (loss)	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	89,994	-	-	-	-	89,994	-	89,994
Increase in capital reserve	-	120,320	-	-	-	120,320	-	120,320
Additional paid-in capital	-	174,278	-	-	-	174,278	-	174,278
Net effect of fair value of assets					18,052	18,052		18,052
Realization of revaluation surplus	-	-	(2,263)	3,430	-	1,167	-	1,167
Translation adjustment for the period	-	-	-	-	51,335	51,335	(3)	51,332
Net loss for the period	-	-	-	(418,228)	-	(418,228)	-	(418,228)
Non-controlling interest	-	-	-	-	-	-	10	10
Balances as of December 31, 2014	**834,136**	**294,851**	**68,474**	**(771,394)**	**53,740**	**479,807**	**746**	**480,553**
	-	-	-	-	-	-	-	-

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 year ended December 31, 2013
(In thousands of Brazilian Reais)

	Capital stock	Capital reserve	Revaluation surplus	Income reserve		Accumulated losses	Treasury shares	Other comprehensive income (loss)	Total shareholders' equity attributed to controlling shareholders	Non-controlling interest	Total shareholders' equity
				Statutory reserve	Appropriated retained earnings						
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	31,158	-	-	-	-	-	-	-	31,158	-	31,158
Treasury shares	-	(1,606)	-	-	-	-	(28,573)	-	(30,179)	-	(30,179)
(-) Cancellation of treasury shares	-	(11,955)	-	-	-	(46,311)	58,266	-	-	-	-
Realization of revaluation surplus	-	-	(2,431)	-	-	3,684	-	-	1,253	-	1,253
(-) Cost of share issuance transaction	-	(1,131)	-	-	-	-	-	-	(1,131)	-	(1,131)
Translation adjustment for the period	-	-	-	-	-	-	-	3,868	3,868	(1,363)	2,505
Absorption of losses with reserves	-	(141,857)	-	(3,413)	(44,953)	190,223	-	-	-	-	-
Net loss for the period	-	-	-	-	-	(313,969)	-	-	(313,969)	-	(313,969)
Non-controlling interest	-	-	-	-	-	-	-	-	-	(316)	(316)
Balances as of December 31, 2013	**744,142**	**253**	**70,737**	**-**	**-**	**(356,596)**	**-**	**(15,647)**	**442,889**	**739**	**443,628**
									-		-

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

MINERVA S.A.

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

	Company		Consolidated	
	Accumulated 2014	Accumulated 2013	Accumulated 2014	Accumulated 2013
Cash flows from operating activities				
Income (loss) for the period	(418,228)	(313,969)	(418,218)	(314,285)
Adjustments to reconcile net income/(loss) from operating activities:				
Depreciation and amortization	35,852	39,430	59,330	57,717
Net income (loss) attributed to non-controlling shareholders	-	-	(10)	316
Fair value of biological assets	(31,754)	(15,913)	(31,754)	(15,913)
Realization of deferred taxes - temporary differences	(8,930)	(6,119)	(8,903)	(4,853)
Equity in earnings (losses) of controlled companies	67,328	150,125	-	-
Finance charges	470,578	248,316	489,772	366,269
Unrealized exchange rate gains (losses)	315,936	223,275	457,728	353,356
Provision for contingencies	(13,011)	3,586	(10,823)	3,663
Trade accounts receivable and other receivables	(91,004)	(53,102)	(159,269)	(77,515)
Inventories	(79,612)	(59,826)	(153,568)	(73,289)
Biological assets	(39,249)	(22,665)	(62,286)	(22,665)
Recoverable taxes	(88,177)	(73,748)	(128,430)	(80,513)
Court deposits	(126)	(2,556)	(517)	(3,295)
Trade accounts payable	141,874	89,076	149,567	87,450
Labor and tax liabilities	(4,660)	(2,991)	6,632	(2,806)
Other accounts payable	116,947	153,493	152,164	166,976
	373,764	**390,587**	**341,415**	**474,788**
Cash flows provided by operating activities	**373,764**	**390,587**	**341,415**	**474,788**
Cash flows from investing activities				
Acquisition of controlled company less adjustment	-	-	(46,321)	-
Acquisition of investments	(155,957)	(15,095)	-	-
Acquisition of intangible assets	(100,649)	(1,089)	(37,644)	(12,429)
Acquisition of property, plant and equipment	(229,762)	(122,843)	(269,166)	(165,609)
Cash flows used in investing activities	**(486,368)**	**(139,027)**	**(353,131)**	**(178,038)**
Cash flows from financing activities				
Loans and financing taken	1,303,399	1,280,801	2,551,053	1,308,081
Loans and financing settled	(1,007,034)	(1,168,614)	(1,642,358)	(1,264,711)
Debentures convertible into shares	(25,173)	(23,357)	(25,173)	(23,357)
Related-party transactions	115,582	(448,629)	8,724	(41,552)
Changes in non-controlling interest	-	-	7	(1,679)
Capital contribution in cash	29,994	31,158	29,994	31,158
Treasury shares	-	28,671	-	28,671
Cancellation of treasury shares	-	(58,266)	-	(58,266)
Cash provided by (used in) financing activities	**416,768**	**(358,236)**	**922,247**	**(21,655)**
Increase/ decrease in cash and cash equivalents, net	**304,164**	**(106,676)**	**910,531**	**275,095**
Cash and cash equivalents				
At beginning of period	1,116,188	1,222,864	1,563,849	1,288,754
At end of period	1,420,352	1,116,188	2,474,380	1,563,849
Increase/ decrease in cash and cash equivalents, net	**304,164**	**(106,676)**	**910,531**	**275,095**

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

MINERVA S.A.

Statements of value added
For the years ended December 31, 2014 and 2013
(In thousands of Brazilian Reais)

	Company		Consolidated	
	2014	2013	2014	2013
Revenues	5,576,007	4,349,105	7,168,735	5,547,460
Sales of merchandise, products and services	5,566,780	4,278,962	7,142,632	5,461,786
Other revenues	9,227	70,143	26,103	85,674
Inputs acquired from third parties	(5,105,020)	(3,889,787)	(6,590,216)	(5,068,272)
(Includes tax amounts – ICMS - State VAT, IPI – Federal VAT, PIS and COFINS – sales taxes)				
Cost of goods, merchandise and services sold	(4,474,580)	(2,945,185)	(5,736,836)	(3,922,290)
Materials, energy, third-party services and others	(630,440)	(944,602)	(853,380)	(1,145,982)
Other (specify)	-	-	-	-
Gross value added	**470,987**	**459,318**	**578,519**	**479,188**
Depreciation, amortization and depletion	(35,852)	(39,430)	(59,330)	(57,717)
Net value added generated by the entity	**435,135**	**419,888**	**519,189**	**421,471**
Added value received in transfer	(21,291)	(108,954)	76,722	51,236
Equity in earnings (losses) of controlled companies	(67,328)	(150,125)	-	-
Financial revenues	46,037	41,171	76,722	51,236
Others	-	-	-	-
Total added value to be distributed (5+6)	**413,844**	**310,934**	**595,911**	**472,707**
Added value distribution	**413,844**	**310,934**	**595,911**	**472,707**
Personnel	296,737	262,750	360,765	356,097
Taxes, fees and contributions	(30,123)	(78,412)	(33,154)	(115,329)
Return on debt capital	**565,458**	**440,565**	**686,518**	**546,224**
Interest	549,989	425,245	645,284	499,453
Rents	15,469	15,320	41,234	46,771
	(418,228)	**(313,969)**	**(418,218)**	**(314,285)**
Return on equity capital				
Retained earnings/accumulated losses for the year	(418,228)	(313,969)	(418,228)	(313,969)
Non-controlling interest in retained earnings (only consolidation)	-	-	10	(316)

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 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), Campina Verde (MG), Janaúba (MG). The distribution centers for the internal market are located in the cities of Aparecida de Goiânia (GO), Brasília (DF), Viana (ES), Itajaí (SC), São Paulo, Araraquara (SP), Araguaína (TO), Belo Horizonte (MG) Fortaleza (CE) and Uberlândia (MG).

As of December 31, 2014, the Company's industrial facilities had a daily slaughtering capacity of 15,880 heads and a deboning capacity of 3,009 tonnes (taking the following controlled companies into account: Pul S/A (UY); Frimacar S/A (UY); Frigomerc S/A (PY); Minerva Alimentos (BR), and Mato Grosso Bovinos (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;
- **Mato Grosso Bovinos S.A.:** Acquired in October 2014 with 2 meat packing plants located in the state of Mato Grosso, one in the municipality of Várzea Grande and the other in Mirassol D'Oeste. It is engaged in the slaughtering of cattle and processing of meat, and also operates in the domestic and foreign markets.

- **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 93% 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 88% of its sales intended for the external market, primarily the American and the European markets;
- **Frimacar S.A**: Acquired in April 2014, it is located in Montevideo – Uruguay. Its operations include meat packing, slaughtering, deboning and processing of beef and sheep meat, with about 78% of its sales intended to foreign market;
- **Lytmer S.A:** is located in Montevideo – Uruguay, the company is engaged in exporting live cattle to the foreign market.
- **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 the 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. In the 3rd quarter of 2014, the company carried out a Retap operation of 2023 Notes in the amount of US$ 200,000;
- **Minerva Beef:** it is a controlled company set up for raising funds. During the 2nd quarter of 2014, the company was dissolved;
- **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;
- **Minerva Colombia S.A.S:** headquartered in Barranquilla – Colombia, the company's main purpose is exporting live cattle to the foreign market.

- **Minerva Foods Chile SpA:** is located in Santiago – Chile, engaged in selling the Company's products.
- **Minerva Live Cattle Export SpA:** Located in Santiago, Chile, the company has as main activity the export of live cattle to the foreign market.

All other controlled Companies, that is, Loin Investments, Minerva Log and Cia Sul Americana de Pecuária were instituted or acquired aiming at developing new markets for Minerva products and for fund raising and confinement of cattle. They were pre-operating as of December 31, 2014.

Consolidated information includes the following controlled companies:

	12.31.2014	12.31.2013
Minerva Industria e Comércio de Alimentos S/A	98.00%	98.00%
Minerva Dawn Farms S/A	100.00%	100.00%
Mato Grosso Bovinos S.A	100.00%	-
Friasa S/A	99.99%	99.99%
Minerva Overseas I	100.00%	100.00%
Minerva Overseas II	100.00%	100.00%
Eurominerva Comércio e Exportação Ltda	-	100.00%
Minerva Beef	-	100.00%
Minerva Middle East	100.00%	100.00%
Transminerva Ltda	100.00%	100.00%
Brascasing Comercial Ltda	-	100.00%
Minerva Itália	-	100.00%
Loin Investments	99.00%	99.00%
Minerva Log	100.00%	100.00%
Livestock	-	42.00%
Pulsa S.A.	100.00%	100.00%
Frimacar S.A.	100.00%	-
Minerva Colômbia S.A.S	100.00%	100.00%
Lytmer S.A	100.00%	-
Minerva Luxembourg	100.00%	100.00%
Frigomerc S/A	100.00%	100.00%
Minerva Live Cattle Export Spa	100.00%	-
Minerva Foods Chile Spa	100.00%	-
Cia Sul Americana de Pecuária	100.00%	-

Approval of the financial statements

The issue of the financial statements as of December 31, 2014 was authorized by the Executive Board and the Board of Directors on February 26, 2015.

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; and
- 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 slaughtering capacity of 1,400 head a day and deboning of 150 tonnes. 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:

	Balance – fair value
ASSETS	**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**

	Balance – fair value
LIABILITIES	**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 January 1st, 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.

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**

We highlight below identifiable acquired assets and assumed liabilities, measured at their "fair value" at an amount different from the amounts accounted for (cost value), as of October 1st, 2012:

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 amount transferred for acquiring control over the acquiree (business value) and the amount of identifiable acquired assets and assumed liabilities (fair value balance – 10/01/2012), which 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.

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 to be adjusted related to those acquired assets and assumed liabilities, originally considered at the acquisition date (10/01/2012).

Frigorifico Matadero Carrasco S.A.

On March 18, 2014, the Company entered into an agreement of Purchase and Sale Subject to Condition Precedent for the acquisition of 100% of the capital stock of Frigorifico Matadero Carrasco S.A.

On April 30, 2014, the Company entered into a Share Purchase and Sales Agreement for the acquisition of 100% of the capital stock of Frigorifico Matadero Carrasco S.A., holding its control from that date.

The transaction was put into effect at the amount of US$ 37,000 thousand (R$ 90,687 – converted on 09/30/2014), according to the following schedule:

- 1st installment – Cash – US$ 17,000 thousand (R$ 41,667 converted as of 09/30/14); settled upon the company's acquisition on April 30, 2014.

- 2nd installment – US$ 10,000 thousand (R$ 26,562 converted as of 12/31/14); maturing on 04/30/15.

- 3rd installment – Maturing on 04/30/15, the payment will be made through the transfer of 1,700 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. In case CVM does not authorize the payment with common (treasury) shares of the Company, the payment will be made with funds, amounting to US$ 10,000 thousand, respecting the following maturities:

  - ✓ The amount of US$ 3,333 thousand (R$ 8,853 converted as of 12/31/14); maturing on 04/30/15 (along with the settlement of the 2nd installment);

  - ✓ The amount of US$ 3,333 thousand (R$ 8,853 converted as of 12/31/14); maturing on 04/30/16; and

  - ✓ The amount of US$ 3,333 thousand (R$ 8,853 converted as of 12/31/14); maturing on 04/30/17.

Frigorifico Matadero Carrasco S.A. is located in Montevideo - UY and has a daily slaughtering capacity of 900 heads and deboning of 150 tonnes.

Below are the condensed financial statements as of April 30, 2014 (acquisition date), date of the actual acquisition of/control over Frigorifico Matadero Carrasco S.A. by the Company. For the purpose of compliance with CPC 15 (R1) – Business Combination, the condensed financial statements of April 30, 2014 were prepared based on the fair value of the identifiable acquired assets and assumed liabilities (fair value balance):

ASSETS	Fair value balance 04/30/2014
Current	
Cash and cash equivalents	1,711
Accounts receivable	33,855
Inventories	22,294
Other accounts receivable	21,563
Noncurrent	
Other accounts receivable	2,532
Property, plant and equipment	75,389
Total assets	**157,344**

LIABILITIES	Fair value balance 04/30/2014
Current liabilities	
Trade accounts payable	33,485
Loans and financing	40,589
Tax and social liabilities	10,041
Other accounts payable	2,999
Noncurrent liabilities	
Deferred taxes	3,855
Accounts payable	112
Provision for contingencies	18,231
Total liabilities	**109,312**
Shareholders' equity	**48,032**
Shareholders' equity and liabilities	**157,344**

We highlight below the identifiable acquired assets and assumed liabilities, measured at their "fair value" at an amount different from the amounts accounted for (cost value), as of April 30, 2014:

IDENTIFIABLE ASSETS
In thousands of Brazilian Reais

	04/30/2014
Inventories - book value	22,450
Adjustment - fair value	(156)
Inventories - Fair value	**22,294**
Property, plant and equipment - book value	77,743
Adjustment - fair value	(2,354)
Property, plant and equipment - Fair value	**75,389**

ASSUMED LIABILITIES
In thousands of Brazilian Reais

Labor and tax liabilities - book value	9,747
Adjustment - fair value	293
Labor and tax liabilities - Fair value	**10,040**
Provision for contingencies - book value	-
Adjustment - fair value	18,230
Provision for contingencies - Fair value	**18,230**

As provided for in CPC 15 (R1), the Company along with other specialized independent companies assessed the unidentifiable assets assumed and liabilities acquired for the calculation of their fair value, identifying the adjustment to fair value in the assets and liabilities referred to above, duly recognized in the financial statements as of April 30, 2014.

Determining goodwill resulting from expected future profitability

Below we show goodwill resulting from expected future profitability, which corresponds to the difference between the amount transferred for acquiring control over the acquiree (business value) and the amount of identifiable acquired assets and assumed liabilities (fair value balance – 04/30/2014), which is as follows:

In thousands of Brazilian Reais	
Shareholders' equity (fair value) - 04/30/2014	48,032
Goodwill from expected future profitability - (Note 14)	34,700
Consideration transferred	**82,732**

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.

As provided for in CVM Resolution 580/09 – CPC 15 (R1), the Company may review, within a period not higher than one (01) year, the amounts of acquired assets and assumed liabilities at the time of that acquisition (business combination).

Mato Grosso Bovinos S.A.

On November 01, 2013, the Company announced the acquisition of two plants for slaughtering and deboning, Mirassol D'Oeste and Várzea Grande, both located in the state of Mato Grosso, with total slaughtering capacity of 2.600 head/day. With the acquisition, the Company assumed the commitment of delivering 29 million new common shares issued by Minerva (BEEF3).

On August 20, 2014, the Administrative Council of Economic Defense (CADE) decided for the final approval of the operation through the execution of an Agreement on Concentration Control (ACC).

On October 01, 2014, the extraordinary general meetings of shareholders of the Company and Mato Grosso Bovinos S.A. approved without limitation the incorporation by the Company of the totality of shares issued by Mato Grosso Bovinos S.A.

Below are the condensed financial statements as of October 01, 2014 (acquisition date), date of the actual acquisition of/control over Mato Grosso Bovinos S.A. by the Company. For the purpose of compliance with CPC 15 (R1) – Business Combination, the condensed financial statements of October 31, 2014 were prepared based on the fair value of the identifiable acquired assets and assumed liabilities (fair value balance):

	Fair value balance 01/10/2014
ASSETS	
Current	
Other amounts receivable	6,187
Noncurrent	
Property, plant and equipment	204,796
Total assets	**210,983**

	Fair value balance 01/10/2014
LIABILITIES	
Current liabilities	
Other accounts payable	6,187
Noncurrent liabilities	
Deferred taxes	6,424
Total liabilities	**12,611**
Shareholders' equity	**198,372**
Liabilities and shareholders' equity	**210,983**

We highlight below the identifiable acquired assets and assumed liabilities, measured at their "fair value" at an amount different from the amounts accounted for (cost value), as of October 01, 2014:

IDENTIFIABLE ASSETS
In thousands of Brazilian Reais

	01/10/2014
Property, plant and equipment - book value	180,319
Adjustment - fair value	24,477
Property, plant and equipment - fair value	**204,796**

ASSUMED LIABILITIES
In thousands of Brazilian Reais

Provision for contingencies - book value	-
Adjustment - fair value	-
Provision for contingencies - fair value	**-**

As provided for in CPC 15 (R1), the Company along with other specialized independent companies assessed the unidentifiable assets assumed and liabilities acquired for the calculation of their fair value, identifying the adjustment to fair value in the assets and liabilities referred to above, duly recognized in the financial statements as of October 01, 2014.

Determining goodwill resulting from expected future profitability

Below we show goodwill resulting from expected future profitability, which corresponds to the difference between the amount transferred for acquiring control over the acquiree (business value) and the amount of identifiable acquired assets and assumed liabilities (fair value balance – 10/01/2014), which is as follows:

In thousands of Brazilian Reais

Shareholders' equity (fair value) - 10/01/2014	198,372
Goodwill from expected future profitability - (Note 14)	174,278
Consideration transferred	**372,650**

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

Pursuant to CVM Resolution 580/09 – CPC 15 (R1), the company may review, within no more than one (1) year, the amounts of acquired assets and assumed liabilities at the time of that acquisition (business combination).

3. Basis of preparation

Statement of compliance (with IFRS and CPC standards)

The consolidated financial statements were prepared and are being presented in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The Company's individual financial statements were prepared in accordance with Brazilian accounting practices and are disclosed along with the consolidated financial statements.

Brazilian accounting practices include those established by Brazilian corporate legislation and the Pronouncements, Guidelines and Interpretations issued by the Committee of Accounting Pronouncements – CPC and approved by the Brazilian Securities and Exchange Commission (CVM). Until December 31, 2013, these practices differ from IFRS, applicable to the separate financial statements, only insofar as it relates to the carrying values of investments in controlled companies, affiliated and jointly-controlled companies accounted for under the equity method, while for IFRS purposes it would be cost or fair value.

After the issue of pronouncement IAS 27 (Separate Financial Statements) revised by IASB in 2014, the separate financial statements in accordance with IFRS started to allow the use of the equity method for the valuation of investments in controlled companies, affiliated and jointly-controlled companies. In December 2014, CVM issued Decision No. 733/2014 which approved Technical Pronouncement Revision Document No. 07 referring to CPC Pronouncements 18, 35, and 37 issued by the Committee of Accounting Pronouncements, including the mentioned revision of IAS 27, and allowing its adoption as from years ended December 31, 2014. Accordingly, the individual financial statements of the controlling company are in compliance with the IFRS from this year on.

The presentation of the Statement of Value Added, individual and consolidated, is required by Brazilian corporate Law and Brazilian accounting practices adopted for public companies. IFRS do not require the presentation of this statement. Consequently, under IFRS, this statement is presented as supplementary information, without detriment to the set of the financial statements.

These Company and consolidated financial statements are presented in Brazilian Reais, which is the Company's functional currency.

4. Summary of significant accounting practices

a. Measurement basis

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

c. Foreign transactions

The financial statements as of December 31, 2014 of controlled companies abroad (Friasa S/A, whose functional currency is Guarani; Frigomerc S/A, whose functional currency is Guarani; Pulsa S/A, whose functional currency is the US Dollar; Frimacar S/A, whose functional currency is the US Dollar; Lytmer S/A, whose functional currency is US Dollar; Minerva Colombia, whose functional currency is the Colombian Peso, Minerva Foods Chile SpA, and Minerva Live Cattle Export Spa, whose functional currency is Peso/Chile), have been adapted to Brazilian accounting practices and have been translated into Brazilian Reais by applying the following procedures;

I. Monetary 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 financial statements 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 financial statements 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 not 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 financial statements. 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	2.68%	2.30%
Machinery and equipment	7.75%	7.43%
Furniture and fixtures	13.75%	12.59%
Vehicles	7.06%	7.76%
Hardware	18.86%	18.76%

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 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 financial statements 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 22.

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 following new standards, amendments and interpretation of standards were issued by the IASB and have initial adoption as from January 01, 2014:

- **IAS 32** – Offsetting of financial assets and liabilities: In December 2011, IASB issued a revision of IAS 32. This amendment addresses aspects related to the offset of financial assets and liabilities. This standard is effective as from January 01, 2014. The Company analyzed the revision of the pronouncement already converted and updated in CPC and has not identified impacts on the disclosure of these 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 as from January 01, 2014. The Company analyzed the review of the pronouncement already converted and updated in CPC and has not identified impacts for the disclosure of these financial statements;
- **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 as from January 01, 2014. The Company analyzed the review of the pronouncement already converted and updated in CPC and has not identified impacts for the disclosure of this financial statements.
- **IAS 36** – "Impairment", in May 2013, IASB issued a revision of IAS 36. The amendment to this standard requires the disclosure of discount rates used in the current and prior valuation of the recoverable value of assets, if the recoverable value of the impaired asset is measured using a valuation method at present value based on fair value less the cost of write-off. This standard is effective for annual periods beginning as from January 01, 2014. The Company analyzed the revision of the pronouncement already converted and updated in CPC and has not identified impacts for the disclosure of these financial statements.
- **IAS 39** – "Changes in derivatives and continuation of hedge accounting". In June 2013, IASB revised standard IAS 39. The amendment intends to clarify whether an entity is required to discontinue hedge accounting in a circumstance where the hedging instrument expires, is disposed of, terminated or exercised. This standard is effective for annual periods beginning as from January 01, 2014. The Company analyzed the revision of the pronouncement already converted and updated in CPC and has not identified impacts for the disclosure of these financial statements.
- **IAS 19** – "Employee benefits". In November 2013, IASB issued a revision of IAS 19. The amendment of this standard intends to establish aspects related to the recognition of contributions by the employees or third parties, and their impacts on the service cost and periods. This standard is effective for annual periods beginning as from July 01, 2014. The Company analyzed the revision of the pronouncement already converted and updated in CPC and has not identified impacts for the disclosure of these financial statements.

- **IAS 27** – "Separate financial statements". In August 12, 2014, IASB issued a revision of standard IAS 27, which will allow the equity method to account for investments in subsidiaries, joint ventures and associated companies in its separate financial statements. This standard is effective for annual periods beginning as from January 01, 2016 under IFRS. Under Brazilian accounting practices it is already accepted as from December 31, 2014, as approved by the Federal Association of Accountants (CFC) and by early adoption under IFRS. The Company does not expect impacts from the adoption of this standard on its financial statements.

Standards, amendments and interpretations of standards not yet in effect

The following new standards, amendments and interpretations of standards were issued by IASB, but not edited by CPC:

- **IAS 1** – "Presentation of the financial statements" - As of December 18, 2014, IASB published the "Disclosure Initiative" (Amendments to IAS 1). The amendments aim to clarify IAS 1 and direct the impediments noticed when exercising judgment for the preparation and presentation of the financial statements. This standard is in effect for annual periods beginning as from January 1, 2016, with early adoption permitted. The Company is evaluating the impacts of the adoption of this standard on its financial statements.
- **IFRS 9 -** Financial Instruments - in July 2014, IASB issued the last version of IFRS 9, which is intended to replace IAS 39 – Financial Instruments: Recognition and measurement. These amendments address some issues on the application of the standard and introduce the concept of "fair value through other comprehensive income" for measurement of certain debt instruments. Additionally, IASB has included in IFRS 9 requirements to recognize losses for non-recoverability of assets related to the record of expected losses from credit-impaired financial assets and from the renegotiation of those credits. This standard will be in effect for annual periods initiated as from January 01, 2018. The Company is evaluating the impacts of adopting this standard on its financial statements.
- **IFRS 14** – Regulatory deferral accounts. In January 2014, IASB issued standard IFRS 14, whose specific purpose is to regulate the recognition of regulatory assets and liabilities upon the initial adoption of IFRS standards. This standard will be in effect for fiscal years initiated on or after January 01, 2016. The Company does not expect impacts from the adoption of this standard on its financial statements.

- **IFRS 11** – Joint arrangements. In May 2011, IASB issued a review of IFRS 11. The amendment in IFRS 11 addresses criteria related to the accounting treatment of for acquisitions of interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3. This standard will be in effect for fiscal years initiated on or after January 01, 2016. The Company does not expect impacts from the adoption of this reviewed standard on its financial statements.
- **IAS 16 and IAS 38** – "Explanations on Acceptable methods of depreciation and amortization", in May 2014, IASB issued a revision of IAS 16 and IAS 38. This revision is intended to clarify the methods of depreciation and amortization, considering the concept of expected future economic benefits for the use of the asset during its economic useful life. This amendment to the standard will be in effect for annual periods initiated as from January 01, 2016. The Company is evaluating the impacts of the adoption of this standard on its financial statements.
- **IFRS 15** – Revenue from contracts with customers was issued in May 2014 by IASB. The standards replaces IAS 18 – Revenues and IAS 11 – Construction contracts, and a series of interpretations concerning revenues. This standard will be in effect for fiscal years initiated on or after January 01, 2017. The Company does not expect impacts from the adoption of this standard on its financial statements.
- **IAS 16 and IAS 41** - in July 2014, IASB issued a review of standards IAS 16 - Property, plant and equipment, and IAS 41 - Biological assets, to include biological assets that meet the definition of Bearer plants (defined as "living plants" used in agricultural production). This amendment requires that the "bearer plants" be " recorded as property , plant and equipment pursuant to IAS 16, recorded at historical cost instead of measured at fair value as required by IAS 41. This standard is in effect for years initiated on or after July 1, 2016. The Company does not expect impacts from the adoption of this standard on its financial statements.
- **IFRS 10 and IAS 28** – On September 11, 2014, IASB revised standards IFRS 10 - Consolidated financial statements and IAS 28 – Investments in associates and joint ventures. These amendments result from the inconsistency recognized in the requirements from IFRS 10 and IAS 28 to deal with the sale or acquisition of assets from an investor, associate or joint venture. The main consequence of these amendments is that the gain or loss is recognized when a transaction involves a business (whether installed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if those assets are allocated in a subsidiary. This standard will be in effect for annual periods initiated as from July 01, 2016. The Company is evaluating the impacts from the adoption of this standard on its financial statements.

- **Annual improvement of IFRS of September 2014** - IASB revised standards IFRS 5, IFRS 7, IAS 19 and IAS 34. These standards will be effective for annual periods initiated as from January 01, 2016. The Company is evaluating the impacts from the adoption of these amendments to its financial statements.

a.a. 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.

b.b. 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	
	12.31.14	12.31.13	12.31.14	12.31.13
Cash	353	258	2,941	853
Bank current accounts	6,551	6,175	648,988	67,179
Cash and cash equivalents in foreign currencies	940,874	636,673	956,170	644,644
	947,778	**643,106**	**1,608,099**	**712,676**
Financial investments				
In domestic currency:				
CDB –Bank Certificates of Deposit	389,902	266,804	392,433	289,923
Debentures	69,919	87,681	72,131	111,257
Brazilian prize-draw investment bonds	4,050	1,082	4,457	1,082
Investment funds	8,703	8,135	8,703	8,135
LCA	-	109,380	-	109,380
In foreign currency:				
Other financial assets	-	-	388,557	331,396
	472,574	**473,082**	**866,281**	**851,173**
	1,420,352	**1,116,188**	**2,474,380**	**1,563,849**

The financial investments 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	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Measured at fair value through income	468,524	472,000	861,824	850,091
Held-to-maturity	4,050	1,082	4,457	1,082
	472,574	**473,082**	**866,281**	**851,173**

6. Trade accounts receivable

	Company		Consolidated	
	12/31/2014	**12/31/2013**	**12/31/2014**	**12/31/2013**
Notes receivable - Domestic market	114,322	50,015	213,562	69,410
Notes receivable - Foreign market	74,959	40,862	232,699	123,586
Notes receivable - Related parties	63,597	16,646	-	-
	252,878	**107,523**	**446,261**	**192,996**
(-) Allowance for doubtful accounts	(9,106)	(6,861)	(11,162)	(8,775)
	243,772	**100,662**	**435,099**	**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	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Falling due:	213,100	84,126	404,397	150,700
Overdue:				
Up to 30 days	1,683	8,287	15,893	22,837
From 31 to 60 days	481	543	2,945	2,095
From 61 to 90 days	201	-	1,062	259
From 91 to 180 days	19,413	14,567	21,964	17,105
	252,878	**107,523**	**446,261**	**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)
Credits provided for	(2,305)	(2,975)	(670)
Credits recovered	58	58	-
Credits written off	950	1,478	528
Exchange rate losses	(948)	(948)	-
Balances as of December 31, 2014	**(9,106)**	**(11,162)**	**(2,056)**

During the year ended December 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$ 126,839, of which R$ 22,897 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	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Finished goods	247,718	179,414	414,314	250,391
Raw materials	-	-	3,094	12,077
Stockrooms and secondary materials	28,529	17,221	50,227	29,305
	276,247	**196,635**	**467,635**	**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	Consolidated
Balance as of December 31, 2013	79,341	79,341
Increase due to acquisitions	671,061	760,690
Decrease due to sales	(639,717)	(697,711)
Net increase due to births (deaths)	-	(1,601)
Change in fair value less estimated selling expenses	39,659	32,662
Balance as of December 31, 2014	**150,344**	**173,381**

As of December 31, 2014, cattle in the farm held for sale were 64,110 feeder cattle (as of December 31, 2013 – 36,853 feeder cattle).

The number of cattle held for sale had a significant increase as a result of the increase of this activity in Brazil, specifically in the state of Mato Grosso, but also in Paraguay, Uruguay and Chile.

As of December 31, 2014 and 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	
	12.31.14	12.31.13	12.31.14	12.31.13
PIS - Social Integration Program (tax on sales)	68,608	72,303	75,421	77,110
COFINS - Contribution for Social Security Funding (tax on sales)	288,899	301,236	315,852	321,894
Reintegra (Special Regime of Reintegration of Tax Amounts to Export Companies)	662	662	1,054	1,726
ICMS - State VAT	151,968	153,505	157,417	174,367
Income and Social Contribution Taxes (IR and CSLL)	85,102	71,555	91,953	77,389
Deemed credit of IPI - Federal VAT	92,198	-	92,198	-
Other recoverable taxes	5,585	5,584	60,268	8,056
	693,022	**604,845**	**794,163**	**660,542**
Current	468,642	475,939	560,317	522,030
Noncurrent	224,380	128,906	233,846	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 2015 and 2016 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$ 71,501 as of December 31, 2014 in company and R$ 77,424 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 2016 and 2017. Grounded on studies conducted by the Company's management, an amount deemed sufficient to cover slower lawsuit, totaling R$ 55,096 in company and R$ 58,489 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.

IPI deemed Credit

The credits of IPI Deemed Credit result from the reimbursement of the contributions to PIS/PASEP and COFINS, provided for in Laws No. 9.363/96 and 10.276/01, arising from the acquisition of bovine raw materials from individuals and/or cooperatives.

The Company is currently requesting to the Federal Tax Authority (RFB) the offsetting/reimbursement of the said credits. In the technical studies conducted by the Company's management, the balance of the mentioned credits are allocated in noncurrent assets, with estimated realization as from 2016.

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, ICMS, and IPI deemed credit are expected to be realized up to the end of year 2017.

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 December 31, 2014
Deferred IR/CS on tax losses	217,060	119,621	(92,042)	244,639
Total deferred tax assets	**217,060**	**119,621**	**(92,042)**	**244,639**

	Consolidated			
	Balance as of December 31, 2013	Recognized in income (loss)	Realization of deferred taxes	Balance as of December 31, 2014
Deferred IR/CS on tax losses	222,313	119,621	(93,005)	248,929
Total deferred tax assets	**222,313**	**119,621**	**(93,005)**	**248,929**

The deferred tax credits arising from Income and Social Contribution Tax losses were recognized at June 30, 2012, December 31, 2011, September 30, 2011, December 31, 2010, and December 31, 2014 for the Company. The accumulated amount as of December 31, 2014 is R$ 244,639 in Company and R$ 248,929 in consolidated. (As of December 31, 2013 the amount was R$ 217,060 in Company and R$ 222,313 in consolidated).

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.

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:

	12.31.14	12.31.14
	Company	Consolidated
2015	19,655	23,072
2016	37,688	38,561
2017	40,881	40,881
2018 onwards	146,415	146,415
	244,639	**248,929**

(*) The Company expects to realize income and social contribution tax temporary differences in no more than 6 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, August 7, 2012, and February 26, 2014 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	12.31.14	12.31.13	12.31.14	12.31.13
Brascasing (a)	-	35,135	-	-
Minerva Indústria e Comércio de Alimentos S.A. (b)	21,487	82,884	-	-
Minerva Dawn Farms S.A. (Minerva Fine Foods) - (c)	248,444	202,597	-	-
Transminerva Ltda (d)	22,459	19,680	-	-
Minerva Overseas Ltd (e)	291,931	272,074	-	-
Frigomerc S/A (f)	-	13,780	-	-
Mato Grosso Bovinos S.A (g)	46,434	-	-	-
Others (h)	10,883	9,293	445	9,278
	641,638	**635,443**	**445**	**9,278**

(a) Loan to Brascasing Ltda. to be reimbursed;
(b) Loan made to Minerva Indústria e Comércio de Alimentos Ltda., for working capital;
(c) Loan made to Minerva Dawn Farms S.A. (currently 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) Loan made to Mato Grosso Bovinos S.A. for working capital; and
(h) Other loans and payments to companies linked to the Company.

	Company		Consolidated	
Loans payable	12.31.14	12.31.13	12.31.14	12.31.13
Minerva Luxemburgo **(a)**	40,748	37,275	-	-
Eurominerva Comércio e exportação Ltda. **(b)**	-	635	-	-
Minerva Overseas II Ltd **(c)**	181,831	62,892	-	-
Other **(d)**	-	-	-	109
	222,579	**100,802**	**-**	**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 for companies linked to the Company.

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 payable	12.31.14	12.31.13	12.31.14	12.31.13
Brascasing Comercial Ltda.	-	74	-	-
Minerva Dawn Farms S.A.	10,033	8,547	-	-
Minerva Indústria e Comércio de Alimentos S.A.	9,797	20,148	-	-
Friasa	-	588	-	-
Transminerva	847	-	-	-
Frigomerc	6,614	976		
Pul	223	641	-	-
Mato Grosso Bovinos S.A.	78,264	-	-	-
Partners' acquisition	3,154	6,042	15,547	6,042
	108,932	**37,016**	**15,547**	**6,042**

	Company		Consolidated	
Trade accounts receivable	12.31.14	12.31.13	12.31.14	12.31.13
Brascasing Comercial Ltda.	-	959	-	-
Minerva Dawn Farms S.A.	498	14,942	-	-
Minerva Ind. e Com. de Alimentos S.A.	2,462	348		
Frigomerc	-	397	-	-
Mato Grosso Bovinos S.A.	60,637	-	-	-
	63,597	**16,646**	**-**	**-**

	Company		Consolidated	
	12.31.14	**12.31.13**	**12.31.14**	**12.31.13**
Sales revenue:				
Brascasing Comercial Ltda.	1,754	13,924	-	-
Minerva Dawn Farms S.A.	15,408	35,420	-	-
Minerva Indústria e Comércio de Alimentos S.A.	35,482	4,580	-	-
Mato Grosso Bovinos S.A.	103,198	-	-	
	155,842	**53,924**	**-**	-
Purchases of meat:				
Brascasing Comercial Ltda.	914	2,411	-	-
Minerva Dawn Farms S.A.	50,822	35,407	-	-
Minerva Indústria e Comércio de Alimentos S.A.	179,988	194,456	-	-
Friasa S.A.	809	25,107	-	-
Pul	3,722	5,570	-	-
Frigomerc	48,551	15,402	-	-
Carrasco	7,809	-	-	-
Mato Grosso Bovinos S.A.	168,818	-	-	-
	461,433	**278,353**	**-**	**-**
Purchases of cattle	66,376	40,607	102,604	40,607
Partners' acquisition	66,376	40,607	102,604	40,607

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 years ended December 31, 2014 and 2013.

Remuneration of key management personnel

Management's key personnel include the Executive Board, the Board of Directors and Audit Committee.

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 December 31, 2014 and 2013 is summarized below:

	Partners - 2014	12/31/14	12/31/13
Executive Management and Board of Directors	23	6,264	4,056
	23	**6,264**	**4,056**

Alternate members of the Board of Directors and Audit Committee 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 at 12.31.13	Dividends	Goodwill	Provision for impairment loss	Conversion adjustment	Acquisition/ Write-off of ownership interest	Paid-in capital	Equity in earnings (loss) of controlled companies	Balance at 12.31.14
Goodwill by expectation of future profitability		419,553	-	227,030	-	-	(98,094)	-	-	548,489
Minerva Indústria e Comércio de Alimentos Ltda.	98.00%	36,135	(330)	-	-	-	-	-	496	36,301
Eurominerva Indústria e Comércio de Alimentos Ltda.	100.00%	648	-	-	-	-	(648)	-	-	-
Minerva Overseas Ltd	100.00%	96,426	-	-	-	-	-	-	45,868	142,294
Minerva Overseas Ltd II	100.00%	26,008	-	-	-	-	-	-	100,080	126,088
Minerva Middle East	100.00%	37	-	-	-	-	-	-	-	37
Brascasing Comercial Ltda.	100.00%	(8,608)	-	-	-	-	7,991	-	617	-
Minerva Beef Ltd	100.00%	688	-	-	-	-	(619)	-	(69)	-
Friasa Ltd	99.99%	10,469	-	-	-	(3,295)	(6,220)	-	165	1,119
Minerva Log S.A	100.00%	206	-	-	-	-	-	-	(7)	199
Livestock	42.00%	2,828	-	-	-	-	(2,828)	-	-	-
Minerva Dawn Farms S.A. (*)	100.00%	(107,491)	-	-	-	-	-	-	(23,827)	(131,318)
Pulsa S.A	100.00%	29,333	-	-	-	19,143	-	44,908	59,796	153,180
Loin Investments	99.00%	170	-	-	-	-	-	-	87	257
Frigomerc	100.00%	45,892	-	-	-	12,335	-	73,600	24,734	156,561
Minerva Colombia	100.00%	944	-	-	-	(121)	-	-	455	1,278
Frimacar	100.00%	-	-	-	-	23,288	48,032	44,908	40,677	156,905
Cia. Sul Americana de Pecuária	100.00%	-	-	-	-	-	-	20	-	20
Mato Grosso Bovinos S/A	100.00%	-	-	-	-	-	187,319	-	(5,511)	181,808
Investments		553,238	(330)	227,030	-	51,350	134,933	163,436	243,561	1,373,218
Transminerva	100.00%	(14,359)	-	-	-	-	-	45	(4,413)	(18,727)
Minerva Luxemburgo	100.00%	(263,973)	-	-	-	-	-	-	(295,333)	(559,306)
Minerva Chile	100.00%	-	-	-	-	(36)	1,121	1,869	(7,291)	(4,337)
Lytmer	100.00%	-	-	-	-	38	12	-	(1,961)	(1,911)
Minerva Live Cattle	100.00%	-	-	-	-	(17)	491	-	(1,891)	(1,417)
Provision for losses on investments		(278,332)	-	-	-	(15)	1,624	1,914	(310,889)	-585,698
Net investments		274,906	(330)	227,030	-	51,335	136,557	165,350	(67,328)	787,520

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

On April 1, 2014, the Company merged its controlled company Brascasing, from which it held 100% of capital stock, with the controlled company becoming a business unit of the controlling company.

On April 30, 2014, the Company entered into a "Share Purchase and Sale Agreement", for the acquisition of 100% of the capital stock of Frigorífico Matadero Carrasco S.A., thereby assuming its control from that date.
The operation was concluded at the amount of US$ 37,000 thousand (R$ 90,687 – converted at the rate as of 09/30/2014).

On October 01, 2014, the Company completed the acquisition of its controlled company Mato Grosso Bovinos S.A., thereby holding 100% of the shares of that controlled company. The negotiation was concluded through the exchange of 29 million shares issued by the Company (BEEF3) for the book value of R$ 180,319.

Summary of the controlled companies' financial statements as of December 31, 2014:

	Ownership interest	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Shareholders' equity
Minerva Alimentos	98.00%	98,111	110,901	110,846	61,121	37,045
Frimacar	100.00%	105,022	93,287	36,259	5,143	156,907
Minerva Overseas	100.00%	396,632	133,917	-	388,255	142,294
Minerva Overseas II	100.00%	124	1,190,288	-	1,064,324	126,088
Minerva Middle East	100.00%	37	-	-	-	37
Minerva Dawn Farms	100.00%	44,124	106,362	13,200	268,604	(131,318)
Minerva Luxemburgo	100.00%	503,987	2,800,840	131,944	3,732,189	(559,306)
Friasa	99.99%	2,106	2,224	3,212	-	1,118
Transminerva	100.00%	2,174	2,367	809	22,459	(18,727)
Loin Investments	99.00%	264	-	7	-	257
Minerva Log	100.00%	199	-	-	-	199
Lytmer	100.00%	7,272	221	9,405	-	(1,912)
Pulsa S.A.	100.00%	142,490	88,026	39,147	38,189	153,180
Frigomerc	100.00%	221,722	56,640	121,800	-	156,562
Minerva Chile	100.00%	29,235	161	27,927	5,805	(4,336)
Minerva Colombia	100.00%	13,932	154	2,142	10,667	1,277
Cia. Sul Americana de Pec	100.00%	20	-	-	-	20
Mato Grosso Bovinos S/A	100.00%	160,579	190,411	122,748	46,434	181,808
Minerva Live Cattle	100.00%	41,580	-	34,148	8,848	(1,416)
Total		**1,769,610**	**4,775,799**	**653,594**	**5,652,038**	**239,777**

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

	12.31.14		12.31.13	
	Net sales	Income/ loss for the year	Net sales	Income/ loss for the year
Minerva Alimentos	407,266	496	378,023	8,963
Frimacar	227,409	40,678	-	-
Minerva Overseas	-	45,868	-	22,965
Minerva Overseas II	-	100,080	-	74,074
Brascasing	5,858	618	26,067	(5,770)
Minerva Dawn Farms	119,520	(23,826)	130,662	(23,251)
Minerva Beef	-	(72)	-	(88)
Minerva Luxemburgo	-	(295,333)	-	(204,118)
Friasa	-	165	274,151	(8,744)
Transminerva	5,480	(4,412)	2,571	(8,378)
Loin Investments	-	87	-	18
Minerva Log	-	(7)	-	(24)
Lytmer	40,184	(1,961)	-	-
Pulsa S.A.	405,788	59,795	351,770	(8,070)
Frigomerc	681,652	24,734	322,871	2,523
Minerva Chile	16,771	(7,291)	-	-
Minerva Colombia	12,901	455	3,825	(225)
Cia. Sulamericana de Pecuária	-	-	-	-
Mato Grosso Bovinos S/A	237,732	(5,511)	-	-
Minerva Live Cattle	36,969	(1,890)	-	-

(*) All amounts are 100% of the controlling companies' income (loss).

13. Property, plant and equipment

a. Breakdown of property, plant and equipment

Company

Description	% Depreciation rate	Historical cost	Accumulated depreciation	12.31.14 Net	12.31.13 Net
Buildings	2.68%	533,879	(96,128)	437,751	422,874
Machinery and equipment	7.75%	283,762	(92,149)	191,613	201,193
Furniture and fixtures	13.75%	3,482	(2,352)	1,130	983
Vehicles	7.06%	10,031	(3,701)	6,330	7,056
Hardware	18.86%	3,724	(3,378)	346	637
Plots of land		52,648	-	52,648	47,110
Construction in progress		489,574	-	489,574	304,899
Provision for impairment loss		(21,518)	-	(21,518)	(21,518)
		1,355,582	**(197,708)**	**1,157,874**	**963,234**

Consolidated

Description	% Depreciation rate	Historical cost	Accumulated depreciation	12.31.14 Net	12.31.13 Net
Buildings	2.30%	891,368	(120,999)	770,369	559,368
Machinery and equipment	7.43%	579,733	(157,975)	421,758	304,984
Furniture and fixtures	12.59%	8,565	(4,087)	4,478	2,801
Vehicles	7.76%	15,582	(6,013)	9,569	11,321
Hardware	18.76%	7,225	(5,804)	1,421	1,518
Plots of land		92,754	-	92,754	63,025
Reforesting		2,240	-	2,240	-
Construction in progress		515,684	-	515,684	384,270
Provision for impairment loss		(21,518)	-	(21,518)	(21,518)
		2,091,633	(294,878)	1,796,755	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 loss	Total
Balance at December 31, 2013	422,874	201,193	983	7,056	637	47,110	304,899	(21,518)	963,234
Additions	-	-	-	-	-	-	240,810	-	240,810
Incorporation/ Acquisition	1,989	577	100		7		206		2,879
Transfers	26,625	23,701	408	-	69	5,538	(56,341)	-	-
Disposals	(11)	(13,879)	-	(37)	-	-	-	-	(13,927)
Depreciation	(13,726)	(19,979)	(361)	(689)	(367)	-	-	-	(35,122)
Balance at December 31, 2014	**437,751**	**191,613**	**1,130**	**6,330**	**346**	**52,648**	**489,574**	**(21,518)**	**1,157,874**

Consolidated	Buildings	Machinery and equipment	Furniture and fixtures	Vehicles	Hardware	Plots of land	Reforesting	Construction in progress	Provision for impairment loss	Total
Balance at December 31, 2013	**559,368**	**304,984**	**2,801**	**11,321**	**1,518**	**63,025**	**-**	**384,270**	**(21,518)**	**1,305,769**
Additions	1,507	9,423	580	199	238	177	-	247,331	-	259,455
Incorporation/ Acquisition	148,941	105,558	1,298	853	314	20,435	2,240	545	-	280,184
Transfers	67,668	42,678	428	45	82	5,538	-	(116,439)	-	-
Disposals	(5,382)	(13,879)	-	(1,301)	-	-	-	(182)	-	(20,744)
Depreciation	(18,964)	(36,130)	(774)	(1,732)	(764)	-	-	-	-	(58,364)
Conversion adjustment	17,231	9,124	145	184	33	3,579	-	159	-	30,455
Balance at December 31, 2014	**770,369**	**421,758**	**4,478**	**9,569**	**1,421**	**92,754**	**2,240**	**515,684**	**(21,518)**	**1,796,755**

c. Construction and facilities in progress

As of December 31, 2014, 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 plant of Janaúba (MG); Expansion of the plant of José Bonifácio (SP); Expansion of the slaughtering area from Araguaína (TO); and Structuring and expansion of the Distribution Centers.

d. Purchase of assets

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.

On October 01, 2014, the Company acquired two plants in the state of Mato Grosso, located in the cities of Mirassol D'Oeste and Várzea Grande, through the issue of 29 million common shares of the Company (BEEF3). The fair value of the property, plant and equipment was R$ 204,796.

e. Provision for impairment

As required by the Brazilian accounting practices and International standards (IFRS), the Company annually tests its assets for impairment. Accordingly, during 2013, the Industrial plant of Goinésia (GO) was 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.

f. Amounts offered as collateral

Total property, plant and equipment offered as collateral for loans and financing amounted to R$ 246,531 as of December 31, 2014 (R$ 256,276 as of December 31, 2013).

g. 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	
	12/31/14	12/31/13	12/31/14	12/31/13
Goodwill on acquisitions	98,094	-	628,530	419,552
Aircraft usage rights	1,793	-	1,793	-
Assignment of easement strips	250	250	250	250
Software	4,865	4,833	6,239	6,054
	105,002	**5,083**	**636,812**	**425,856**

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

	Company				
	Goodwill on acquisition	Aircraft usage rights	Assignment of easement strips	Sofware acquired	Total
Balance as of December 31, 2013	**-**	**-**	**250**	**4,833**	**5,083**
Acquisition	-	1,793	-	762	2,555
Amortization	-	-	-	(730)	(730)
Transfer from investment to intangible assets	98,094	-	-	-	98,094
Balance as of December 31, 2014	**98,094**	**1,793**	**250**	**4,865**	**105,002**

	Consolidated				
	Goodwill on Acquisition	Aircraft usage rights	Assignment of easement strips	Software acquired	Total
Balance as of December 31, 2013	**419,552**	**-**	**250**	**6,054**	**425,856**
Acquisition	208,978	1,793	-	1,123	211,894
Amortization	-	-	-	(966)	(966)
Conversion adjustment	-	-	-	28	28
Balance as of December 31, 2014	**628,530**	**1,793**	**250**	**6,239**	**636,812**

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 December 31, 2014 and 2013, the average amortization rates were 19.8% and 22%, respectively, with expected final amortization of those intangible assets in 2017.

Goodwill by expectation of future profitability

	Consolidated	
	12.31.14	**12.31.13**
Minerva Dawn Farms (MDF) - (i) e (Note 2)	188,391	188,391
Brascasing Industria e Comércio Ltda - (ii) e (Note 2)	98,094	98,094
Pulsa S/A - (iii) e (Note 2)	61,643	61,643
Frigomerc (iv)	62,126	62,126
Frimacar (v)	34,700	-
Mato Grosso Bovinos S/A (vi)	174,278	
Other (vii)	9,298	9,298
	628,530	**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 identifiable acquired assets and assumed 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$ 188,391 (R$ 188,391 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$ 3,746 (USD 1,830 thousand), totaling on December 31, 2012 R$62,126;

(v) During the period ended June 30, 2014, the Company purchased 100% shares with voting rights of Frigorifico Matadero Carrasco S.A (FRIMACAR), on April 30, 2014, which caused the recording of goodwill by expectation of future profitability amounting to R$ 34,700.

(vi) During the year ended December 31, 2014, the Company incorporated 100% of the shares with voting rights of Mato Grosso Bovinos S.A. through the exchange of 29 million common shares issued by the Company (BEEF3), which occurred on October 01, 2014, after the realization of an Extraordinary General Meeting (EGM) of the two companies, and resulted in the record of goodwill from expected future profitability amounting to R$ 174,278.

(vii) 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.

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 underused, according to Note nº 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	
Type	**Finance charges**	**12.31.14**	**12.31.13**	**12.31.14**	**12.31.13**
Debentures 4th issue (1)	CDI + 1.75% p.a.	299,442	299,269	299,442	299,269
Debentures (1)	Fixed rate	482,841	483,476	-	-
BNDES (2)	TJLP + Spread	70,879	75,636	70,879	75,636
FINEP (3)	TJLP + Spread	-	-	27,950	35,854
Lease (1)	TJLP + 3.5% p.a.	4,286	2,956	4,442	3,165
Bank Credit Note (1)	Rate 8.5% p.a.	13,606	20,137	61,203	71,462
Bank Credit Note (1)	CDI + spread	-	596	-	596
NCE (1)	8% p.a.	390,587	260,431	396,636	260,431
Progeren	3.9% p.a. + TJLP	14,220	20,949	14,220	20,949
IFC (1)	CDI + spread	141,807	140,684	141,807	140,684
Other types (1)	TJLP + Spread	-	64	1,453	4,630
		1,417,668	**1,304,198**	**1,018,032**	**912,676**
Foreign currency (US dollar)					
ACCs (1)	Interest from 1.0% to 2.0% p.a.+ Exchange rate gains (losses)	343,382	271,988	399,740	271,988
NCE (1)	Interest of 3.25% p.a.+ Libor	95,300	107,020	95,300	107,020
Senior Unsecured Notes - I e II (3)	Exchange rate gains (losses) + Interest	1,522,731	1,342,954	3,061,026	2,151,346
Perpetual bonds	Exchange rate gains (losses) + Interest of 8.75% p.a.	736,247	-	801,769	-
PPE (1)	Interest of 2.7% p.a. + Libor	79,696	70,278	79,696	70,278
Other types (1)	Libor + Spread	-	-	96,491	126,616
				-	-
Hedging instruments - derivatives		(227,349)	(211,642)	(226,011)	(210,665)
		2,550,007	**1,580,598**	**4,308,011**	**2,516,583**
Total loans		**3,967,675**	**2,884,796**	**5,326,043**	**3,429,259**
Current		499,618	361,019	723,956	515,533
Noncurrent		3,468,057	2,523,777	4,602,087	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., Minerva Overseas II Ltd., and Minerva Luxembourg Ltd.

Long-term portions of Company's loans and financing mature as follows as of December 31, 2014:

	Company								
	2016	2017	2018	2019	2020	2021	2022	2023	Total
Lease	902	766	799	18	-	-	-	-	2,485
BNDES	20,370	12,403	8,367	8,367	697	-	-	-	50,204
CCB	6,498	542	-	-	-	-	-	-	7,040
Debentures	-	-	297,775	-	-	-	450,000	-	747,775
IFC	17,215	17,215	17,215	17,215	17,215	17,215	17,215	8,607	129,112
NCE	279,646	45,000	-	-	-	-	-	-	324,646
Pre-shipment	26,562	90,008	-	1,714,561	-	-	401,086	-	2,232,217
Progerem	4,167	-	-	-	-	-	-	-	4,167
Hedging instruments - derivatives	(13,655)	(15,934)	-	-	-	-	-	-	(29,589)
	341,705	**150,000**	**324,156**	**1,740,161**	**17,912**	**17,215**	**868,301**	**8,607**	**3,468,057**

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

	Consolidated									
	2016	2017	2018	2019	2020	2021	2022	2023	Perpetual	Total
Lease	943	808	830	18	-	-	-	-	-	2,599
BNDES	20,370	12,403	8,367	8,367	697	-	-	-	-	50,204
CCB	11,812	5,855	5,313	5,313	5,313	5,313	5,918	-	-	44,837
Debentures	-	-	297,775	-	-	-	-	-	-	297,775
FINEP	7,788	7,788	4,008	-	-	-	-	-	-	19,584
IFC	17,215	17,214	17,216	17,215	17,215	17,215	17,215	8,607	-	129,112
NCE	279,646	45,000	-	-	-	-	-	-	-	324,646
Pre-shipment	26,562	-	-	-	-	-	-	-	-	26,562
Progerem	4,167	-	-	-	-	-	-	-	-	4,167
Senior Unsecured Notes	-	65,024	-	146,052	-	-	329,923	2,406,659	-	2,947,658
Perpetual bonds	-	-	-	-	-	-	-	-	784,532	784,532
Hedging instruments - derivatives	(13,655)	(15,934)	-	-	-	-	-	-	-	(29,589)
	354,848	**138,158**	**333,509**	**176,965**	**23,225**	**22,528**	**353,056**	**2,415,266**	**784,532**	**4,602,087**

Below are the Company's and its controlled companies' main loans and financing as of December 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 the Company 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 December 31, 2014 is R$ 141,807 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 2022. In August 2014, the Company concluded the Retap of these notes transaction with maturity in January 2023 in the amount of US$ 200,000, with the same maturity in January 2023.

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) pay six-month coupons at a rate of 12.25% per year and (Bonds 2023 and Re-Tap) 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 and Re-Tap) were not recorded according to the U.S. Securities Act of 1933, as amended ("Securities Act"), and shall not be offered or sold in the United States, except in transactions recorded under the Securities Act or 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, 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 Re-tap), the Company incurred transaction costs in the amount of R$ 25,735 to that date, 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 to that date) of the principal of amount of 2017 Notes, equivalent to approximately 32% of the outstanding 2017 Notes, US$ 317,976 thousand (R$ 625,459 to that date) 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 to that date) 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 December 31, 2014 were R$ 3.061.026 (R$ 2,151,346 as of December 31, 2013) in the consolidated financial statements.

Perpetual bonds

On March 27, 2014, the Company concluded the issue of perpetual bonds in the international market amounting to US$ 300,000 thousand, with half-yearly payments at annual rate of 8.75%, by means of its wholly subsidiary Minerva Luxembourg S.A. The issue of the notes had the purpose of postponing the average maturity of the Company's debt and improving its capital structure through the use of a different fund raising instrument, diversifying even more the investors' basis. The transaction was settled on April 3, 2014. The Company shall guarantee all the obligations of the Issuer, in regard to the issue referred to above. As of December 31, 2014, the liabilities related to the perpetual bonds presented in the consolidated financial information are R$ 801,769.

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 December 31, 2014 the consolidated debt balance was R$ 27,950 (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$53,793, whose balance as of December 31, 2014 was R$ 47,597 (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 December 31, 2014, 4.63% 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. As of December 31, 2014, the amount is R$ 299,442.

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

16. Trade accounts payable

	Company		Consolidated	
	12/31/14	12/31/13	12/31/14	12/31/13
Domestic	429,086	298,943	522,885	348,449
Foreign	39,155	27,424	37,050	28,434
	468,241	**326,367**	**559,935**	**376,883**

17. Salaries, social charges and tax liabilities

	Company		Consolidated	
	12.31.14	12.31.13	12.31.14	12.31.13
Labor				
Salaries and management compensation	6,511	4,828	10,752	6,393
Social charges – FGTS and INSS (employees and third parties)	7,269	7,673	13,471	10,179
Provision for vacation pay/ year-end bonus and charges	21,385	18,105	39,337	26,171
Other proceeds and charges	2,220	3,128	3,971	4,051
Total labor	**37,385**	**33,734**	**67,531**	**46,794**
Tax				
INSS payment in installments	1,114	29,262	1,114	29,262
ICMS payable	32,616	4,896	33,005	5,102
IRPJ (Corporate Income Tax)	-	-	3,240	1,877
Social Contribution Tax	-	-	3	437
Other taxes and fees	3,254	11,137	8,038	12,786
Total taxes	**36,984**	**45,295**	**45,400**	**49,464**
Grand total	**74,369**	**79,029**	**112,931**	**96,258**
Current	51,402	52,678	89,964	69,907
Noncurrent	22,967	26,351	22,967	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	
	12.31.14	12.31.13	12.31.14	12.31.13
Temporary add-backs				
Sundry provisions	6,816	55,752	9,568	55,752
Fair value of biological assets	455,891	108,247	455,891	108,247
Temporary deductions				
Sundry provisions	(29,913)	(21,813)	(29,910)	(21,813)
Fair value of biological assets	(487,645)	(124,190)	(487,645)	(124,190)
Calculation basis of deferred taxes	(54,851)	17,996	(52,096)	17,996
Deferred IR/CS - temporary difference	(18,649)	6,119	(17,713)	6,119
Deferred IR/CS on tax losses	27,579	-	26,616	(1,266)
Total deferred IR/CS	8,930	6,119	8,903	4,853

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 at January 1, 2014	Recognized in income (loss)	Realization of deferred taxes	Balance at December 31, 2014
Taxes on revaluation surplus	34,618	-	(1,167)	33,451
Taxes on adjustment to biological assets	6,365	165,799	(155,003)	17,161
Taxes on appreciation in controlled company	48,532	-	-	48,532
Other deferred taxes	(21,657)	10,170	(2,317)	(13,804)
Total deferred tax liabilities	**67,858**	**175,969**	**(158,487)**	**85,340**

	Consolidated					
	Balance at January 1, 2014	Recognized in income (loss)	Realization of deferred taxes	Acquisition of investment	Conversion adjustment	Balance at December 31, 2014
Taxes on revaluation surplus	34,618	-	(1,167)	-	-	33,451
Taxes on adjustment to biological assets	6,365	165,799	(155,003)	-	-	17,161
Taxes on appreciation in controlled company	48,532	-	-	-	-	48,532
Other deferred taxes	(21,657)	10,170	(3,253)	1,303	5,753	(7,684)
Total deferred tax liabilities	**67,858**	**175,969**	**(159,423)**	**1,303**	**5,753**	**91,460**

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	
	12.31.14	**12.31.13**	**12.31.14**	**12.31.13**
Income (loss) before taxes	(427,158)	(320,088)	(419,595)	(316,005)
Add-backs				
Temporary differences	6,816	37,290	10,033	37,290
Permanent differences	135,722	164,319	135,838	164,856
Realization of temporary differences	(8,743)	(9,232)	(9,061)	(9,453)
Realization of revaluation surplus	3,430	3,683	3,430	3,683
Effects of initial adoption of IFRS	1,569,649	829,874	1,585,586	842,065
Deductions				
Temporary differences	(15,285)	-	(21,417)	-
Permanent differences	(66,094)	-	(66,094)	
Effects of initial adoption of IFRS	(1,648,204)	(918,873)	(1,665,572)	(934,690)
Tax basis	**(449,867)**	**(213,027)**	**(446,852)**	**(212,254)**
Offsets	-	-	(767)	-
Calculation basis after offsetting	**(449,867)**	**(213,027)**	**(447,619)**	**(212,254)**
Income taxes				
Income tax payable	-	-	(7,355)	(2,349)
Social contribution tax payable	-	-	(171)	(784)
Current IRPJ and CSLL expenses	**-**	**-**	**(7,526)**	**(3,133)**

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 Law 12.973 (MP 627 and IN 1397)

The Company analyzed the effects that could result from the application of the provisions of Law No. 12.973/14 (conversion of Executive Act No. 627/13) and concluded that there are no significant effects on its financial statements as of 12.31.2014 and 12.31.2013. Accordingly, the Company's management decided for not adopting the new tax regime in 2014.

19. Convertible debentures

	Company and consolidated	
	12/31/14	12/31/13
Debentures mandatorily convertible into shares	93,956	124,005
(-) Transaction cost	(2,459)	(7,335)
	91,497	**116,670**
Current	91,497	504
Non-current	-	116,166

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 Book building 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 12/31/2014	Expense amount 12/31/2013
Farms and industrial plants	IPCA + 11% @ cattle / IGPM	Dec-15	1,500	1,500
			1,500	**1,500**

21. Contingencies

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	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Tax contingencies	11,290	26,290	11,290	26,400
Labor contingencies	10,700	8,711	12,998	8,711
Civil contingencies	1,496	1,496	1,496	1,496
	23,486	**36,497**	**25,784**	**36,607**

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

a. Tax contingencies

- **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 unappeasable.

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 December 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$ 10,700 for Company and R$ 12,998 consolidated were accrued for labor lawsuits, whose loss is considered probable as of December 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)

- **Tax and civil proceedings**

As of December 31, 2014, the Company and its controlled companies had other on-going tax and civil lawsuits amounting to approximately R$ 26,629 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 December 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$ 1,743, 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.

- **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$ 77,332.

- **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.

PIS/COFINS

The Company was assessed for tax deficiency by the RFB for alleged import of assets with the benefit of PIS and COFINS suspension, later sold to one of its controlled companies not respecting the minimum permanence of these products by the importer. The total amount involved in this dispute, whose likelihood of unfavorable outcome is considered possible, is R$ 7,255.

22. Shareholders' equity

a. Share capital

The Company's subscribed and paid-in capital as of December 31, 2014 is R$ 834,136 (R$ 744,142 as of December 31, 2013), represented by 178,000,090 (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.
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.

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.

Later, the Company adjusted/reduced the amount of R$ 6, in capital stock value, due to recalculations referring to conversion of debentures mandatorily convertible, changing the capital stock to R$ 774,136.

On October 01, 2014, the Company held an Extraordinary General Meeting authorizing the issue of 29 million common shares amounting to R$ 60,000. After the Company's board of directors approved the increase in authorized capital changing the limit for up to more 24,351,428 common shares, authorized capital stock increased to 202,351,518 common shares.

Until the year ended December 31, 2014 and according to the issue instrument of "debentures mandatorily convertible into shares", 14,000,504 common shares were converted into Company's shares, representing an increase in capital stock of R$ 106,499.

b. Revaluation surplus

In 2003 and 2006 the Company revalued the assets of its property, plant and equipment and the amount reported on December 31, 2014 was R$ 68,474 (R$ 70,737 as of December 31, 2013), net of tax effects.

As explained earlier and in compliance with Law No. 11.638 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.

e. Share and option plans

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.

e. 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 December 31, 2014 the Company recorded expenses on key management personnel remuneration (Company's Board of Directors, Audit Committee and officers) in the amount of R$ 6,264 (R$ 4,056 as of December 31, 2014). The entire remuneration is short-term.

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

24. Segment reporting

	Business segment					
	Live cattle		Meat		Consolidated	
	12.31.14	12.31.13	12.31.14	12.31.13	12.31.14	12.31.13
Net revenue	816,960	545,893	6,170,270	4,910,673	6,987,230	5,456,566
COGS	(654,665)	(435,579)	(4,978,990)	(3,895,131)	(5,633,655)	(4,330,710)
Operating expenses	(82,021)	(63,530)	(678,001)	(568,634)	(760,022)	(632,164)
Impairment loss	-	-	-	(34,175)	-	(34,175)
Net financial income (loss)	(24,743)	3,521	(988,405)	(779,043)	(1,013,148)	(775,522)
Net income before taxes	**55,531**	**50,305**	**(475,126)**	**(366,310)**	**(419,595)**	**(316,005)**

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	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Revenue from the sale of goods – Domestic Market	2,315,855	1,617,105	2,602,171	1,892,172
Revenue from the sale of goods – Foreign Market	3,498,536	2,961,292	4,852,234	3,900,682
Deductions from revenue – taxes levied and others	(389,497)	(279,494)	(467,175)	(336,288)
Net revenue	**5,424,894**	**4,298,903**	**6,987,230**	**5,456,566**

26. Financial income (loss), net

	Company		Consolidated	
	12.31.14	12.31.13	12.31.14	12.31.13
Financial revenues				
Return on financial investments	46,037	41,171	76,722	51,236
Other financial revenues	-	-	-	-
	46,037	**41,171**	**76,722**	**51,236**
Financial expenses				
Interest from financing	(423,114)	(317,802)	(493,353)	(372,228)
Other financial expenses	(113,607)	(84,497)	(132,079)	(85,973)
	(536,721)	**(402,299)**	**(625,432)**	**(458,201)**
Exchange rate gains (losses), net	(361,214)	(282,229)	(464,438)	(368,557)
Net financial loss, without Interest on Equity Capital	(851,898)	(643,357)	(1,013,148)	(775,522)
Recognition of Interest on Equity Capital	-	-	-	-
Net financial income (loss)	**(851,898)**	**(643,357)**	**(1,013,148)**	**(775,522)**

27. Earnings (losses) 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	12/31/2014	12/31/2013
Net income attributable to the Company's shareholders	(418,228)	(313,969)
Weighted average number of common shares issued - thousands	178,000	145,056
Weighted average of shares in treasury	-	-
Weighted average number of outstanding common shares - thousands	178,000	145,056
Basic earnings per share - R$	**(2.34960)**	**(2.16447)**

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: debentures mandatorily convertible.

Diluted	12/31/2014	12/31/2013
Net income attributable to the Company's shareholders	(418,228)	(313,969)
Weighted average number of outstanding common shares - thousands	178,000	145,056
Adjustment from conversion of debentures mandatorily convertible	12,293	16,273
Adjustment from Share Purchase Option - thousands	-	-
Weighted average number of common shares for diluted earnings per share - thousands	190,293	161,329
Diluted earnings (losses) per share - R$	**(2.19781)**	**(1.94614)**

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 December 31, 2014 and 2013, according to their purpose (asset protection and other purposes):

	Equity hedging					
	/ thousands		Fair value in R$ thousands		Accumulated effect in R$ thousands	
Description	12/31/14	12/31/13	12/31/14	12/31/13	Amount receivable/ (received)	Amount payable/ (paid)
Future contracts	-	-	-	-	-	-
Purchase agreements	-	-	-	-	-	-
DOL (US$)	-	-	-	-	-	14,736
EUR	-	-	-	-	-	-
Other	-	-	-	-	-	-
BGI (arrobas)	-	-	-	-	-	-
Corn (sacks)	41	-	1,187	-	217	61
Soy (sacks)	-	-	-	-	-	-
DI 1 Day (R$)	-	-	-	-	-	-
Sale agreements	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
DOL (US$)	-	43,000	-	102,516	-	-
EUR	-	20,000	-	65,725	-	-
BGI (arrobas)	1,783	445	253,537	49,310	-	19,393
Corn (sacks)	-	-	-	-	-	-
Soy (sacks)	81	100	4,955	6,561	-	8
Option contracts	-	-	-	-	-	-
Call holder	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
DOL (US$)	-	-	-	-	-	-
Other	-	-	-	-	-	-
BGI (arrobas)	-	-	-	-	-	-
Put holder	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
DOL (US$)	-	-	-	-	-	1,025
Outros	-	-	-	-	-	-
BGI (arrobas)	415	165	486	243	-	1,532
Corn (sacks)	-	-	-	-	-	-
Call seller	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
DOL (US$)	-	-	-	-	-	-
Other	-	-	-	-	-	-
BGI (arrobas)	-	-	-	-	-	-
Put seller	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
DOL (US$)	-	-	-	-	400	-
Other	-	-	-	-	-	-
BGI (arrobas)	415	181	45	183	618	-
Corn (sacks)	-	-	-	-	-	-
Forward contracts	-	-	-	-	-	-
Long position	-	-	-	-	-	-
NDF (US dollar)	-	379,504	-	373,734	-	-
Short position	-	-	-	-	-	-
NDF (cattle)	-	-	-	-	-	652
NDF (euro)	330,482	131,665	13,231	128,737	-	1,026
NDF (Us dollar)	1,044,685	-	1,039,314	-	-	27,578

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 amount to US$ 50,000 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 330 arrobas. The fair value is calculated by multiplying the notional amount in Brazilian Reais by the reference value for the contract disclosed by the BM&F;
- **Short Position Forward Contracts: NDF (Euro):** The contracts are 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 financial statements, 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 December 31, 2014 and 2013 as "Treasury advances". The breakdown of the balances payable/receivable recorded in the financial statements is as follows:

	12/31/2014	12/31/2014
Derivative financial instruments	**Receivable (payable)**	**Receivable (payable)**
Futures contracts (D+1)	(49)	(997)
Option contracts	-	-
Swap	-	-
NDF	-	-
Shares	-	-
	(49)	**(997)**

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

	12/31/2014	12/31/2014
Financial instruments	Mark to market	Mark to market
Options	84	(790)
Swap	244,257	207,038
NDF (EUR+DOL)	(18,246)	(12,112)
Grand Total	**226,095**	**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		
	12.31.2014		
	Currencies		
	Domestic	Foreign	Total
Assets			
Cash	2,941	-	2,941
Bank current accounts	112,331	1,492,827	1,605,158
Financial investments	477,724	388,557	866,281
Accounts receivable	213,562	221,537	435,099
Total current	**806,558**	**2,102,921**	**2,909,479**
Total assets	**806,558**	**2,102,921**	**2,909,479**
Liabilities			
Short-term financing	145,106	775,272	920,378
Total current	**145,106**	**775,272**	**920,378**
Long-term financing	872,925	3,758,751	4,631,676
Total noncurrent	**872,925**	**3,758,751**	**4,631,676**
Total liabilities	**1,018,031**	**4,534,023**	**5,552,054**
Net financial debt	**211,473**	**2,431,102**	**2,642,575**
Currency hedging derivatives - net position		**(226,011)**	**(226,011)**
Net currency position	**-**	**2,205,091**	**2,416,564**

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

Financial instruments (net)	Asset (liability) position, net at 12/31/2014	Asset (liability) position, net at 12/31/2013
Futures contracts – US dollar	-	(43,000)
Futures contracts - EUR	-	(20,000)
Option contracts (US dollar, cattle, corn and IDI)	-	(16)
Swap contracts	244,257	207,038
NDF (US dollar + EURO)	(1,375,167)	247,839
Total Net	**(1,130,910)**	**391,862**

Financial assets and liabilities are presented in the financial statements for December 31, 2014 and 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 December 31, 2014:

Type	Status	Currency	Maturity	Notional	Institution
NDF	SALES	DOL	1/2/2015	(30,000.00)	Banco Barclays S.A.
NDF	SALES	DOL	1/2/2015	(25,000.00)	Br Partners Banco de Investimentos S.A.
NDF	SALES	DOL	1/2/2015	(50,000.00)	Banco Bradesco S.A.
NDF	SALES	DOL	1/2/2015	(90,000.00)	HSBC Bank Brasil SA - Banco Múltiplo
NDF	SALES	DOL	1/2/2015	(10,000.00)	Banco Barclays S.A.
NDF	SALES	DOL	2/2/2015	(21,000.00)	HSBC Bank Brasil SA - Banco Múltiplo
NDF	SALES	DOL	3/2/2015	(41,000.00)	HSBC Bank Brasil SA - Banco Múltiplo
NDF	SALES	DOL	3/2/2015	(41,000.00)	Banco Barclays S.A.
NDF	SALES	DOL	3/2/2015	(41,000.00)	Banco Santander S.A.
NDF	SALES	DOL	3/2/2015	(41,000.00)	HSBC Bank Brasil SA - Banco Múltiplo
NDF	SALES	DOL	4/29/2015	(300.00)	Banco Barclays S.A.
NDF	SALES	DOL	5/4/2015	(663.52)	Banco Barclays S.A.
NDF	SALES	DOL	5/4/2015	(315.00)	Br Partners Banco de Investimentos S.A.
NDF	SALES	EUR	2/9/2015	(2,600.00)	Banco Barclays S.A.
NDF	SALES	EUR	2/13/2015	(1,500.00)	Banco Bradesco 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 12/31/2014**
Purchased forward contract	
Notional amount (@)	604,658
Future Contract Price (R$/@)	110
Total R$/1000	**66,283**

Market BM&F	**Fair value 12/31/2014**
Sold future contract	
Notional amount (@)	486,750
Future Contract Price (R$/@)	139
Total R$/1000	**67,578**

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 December 31, 2014;
- A downward movement typifies an increase in prices or risk factors as of December 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
(Amounts in R$ thousands)

Operation	Movement	Risk	Probable scenario 6% fluctuation	Possible scenario 25% fluctuation	Remote scenario 50% fluctuation
Hedge derivatives	Upward	Cattle	(15,124)	(63,296)	(126,681)
Cattle	Upward	Cattle	3,977	16,571	33,141
Net			**(11,147)**	**(46,725)**	**(93,540)**
Hedge derivatives	Upward	US dollar	(62,359)	(259,829)	(519,657)
Invoices + Caixa - in US$	Upward	US dollar	29,982	124,924	249,848
Net			**(32,377)**	**(134,905)**	**(269,809)**
Hedge derivatives	Upward	Euro	(794)	(3,308)	(6,615)
Invoices - in EUR	Upward	Euro	1,582	6,592	13,184
Net			**788**	**3,284**	**6,569**
Hedge derivatives	Upward	US dollar	52,115	217,144	434,289
Funds raised in US$	Upward	US dollar	(249,771)	(1,040,712)	(2,081,425)
Net			**(197,656)**	**(823,568)**	**(1,647,136)**
Shares swap	Downward	Shares	(4,776)	(19,899)	(39,797)
Net			**(4,776)**	**(19,899)**	**(39,797)**

Exchange rate USD 2.6562 - Sale Ptax (Source Central Bank)
Exchange rate EUR 3.2270- 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$ 11,147; in a scenario with 25% fluctuation losses would amount to R$ 46,725, and with 50% fluctuation R$ 93,540;

- **Hedging derivatives x Invoices + Cash in US$:** In the probable scenario where market fluctuation is 6%, the Company may have gains of R$ 32,377; in a scenario with 25% fluctuation losses would amount to R$ 134,905, and with 50% fluctuation R$ 269,809;
- **Hedging derivatives x Invoices + Cash in EUR:** In the probable scenario where market fluctuation is 6%, the Company may have loss of R$ 788; in a scenario with 25% fluctuation losses would amount to R$ 3,284, and with 50% fluctuation R$ 6,569;
- **Hedging derivatives x Funds raised in US$:** In the probable scenario where market fluctuation is 6%, the Company may have losses of R$ 197,656; in a scenario with 25% fluctuation losses would amount to R$ 823,568, and with 50% fluctuation R$ 1,647,137.
- **Swap of shares:** In the probable scenario where market fluctuation is 6%, the Company may have losses of R$ 4,776; in a scenario with 25% fluctuation losses would amount to R$ 19,899, and with 50% fluctuation R$ 39,797.

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 December 31, 2014, amounts deposited for margin amount to R$ 28,273.

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	Reference value
03/20/14	03/20/15	5,115,000
03/25/14	06/22/15	5,498,339
03/26/14	09/23/15	1,489,500
04/01/14	09/23/15	3,201,166
04/02/14	11/27/15	4,014,714
04/07/14	03/03/16	3,714,679
04/08/14	05/05/15	4,799,125
04/09/14	08/14/15	5,925,846
04/10/14	01/15/16	3,058,921
04/10/14	02/15/16	3,058,921
04/11/14	04/08/15	2,328,537
04/14/14	07/14/15	1,009,996
05/08/14	11/04/15	6,372,907
05/09/14	10/06/15	1,974,000
05/12/14	07/07/15	5,045,009
05/20/14	04/12/16	4,914,509
05/21/14	10/16/15	974,478
05/22/14	10/16/15	775,239
05/26/14	10/16/15	497,466
05/27/14	01/15/16	3,993,395
05/27/14	02/15/16	3,993,395
05/30/14	04/08/15	2,613,154
05/30/14	11/27/15	2,613,154
05/30/14	02/29/16	2,613,144
Total		**79,594,595**

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 December 31, 2014 and 2013:

	Company		Consolidated	
	12.31.14	12.31.13	12.31.14	12.31.13
Income for the year	(418,228)	(313,969)	(418,218)	(314,285)
Asset and liability valuation adjustment	51,335	3,868	51,332	2,505
Net effect at Fair Value of Assets	18,052		18,052	
Total comprehensive income (loss)	**(348,841)**	**(310,101)**	**(348,834)**	**(311,780)**
Comprehensive income (loss) attributable to:				
Controlling shareholders	(348,841)	(310,101)	(348,841)	(310,101)
Non-controlling shareholders	-	-	7	(1,679)
Total comprehensive income (loss)	**(348,841)**	**(310,101)**	**(348,834)**	**(311,780)**

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 December 31, 2014 is as follows:

	Type of coverage	Amount insured
Buildings	Fire and miscellaneous risks	454,793
Facilities, equipment and products in stock	Fire and miscellaneous risks	518,101
Vehicles and aircrafts	Fire and miscellaneous risks	14,151
Civil liability	Operating risks	10,000
		997,045

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 all plants and distribution centers.

31. Subsequent events

On February 20, 2015, the Company entered into a Memorandum of Understanding for the acquisition of 100% of the shares of Frigorífico Red Carnica S.A.S. and 100% of the shares of Frigorífico Red Industrial Colombiana S.A.S. (along with Frigorífico Red Carnica), located in Ciénaga de Oro, Cordoba, in Colombia.

Frigorífico Red Carnica owns a slaughtering and processing plant of bovines with slaughtering and deboning capacity of 850 heads/day and strategically located in privileged area of Colombia.

The investment will be of approximately US$ 30 million (including acquisition of assets, working capital and investments) and the effective conclusion of the acquisition is subject to the performance of a Due Diligence.

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4Q14 and 2014 Earnings Release

Barretos, March 4, 2015 – Minerva S.A. (BOVESPA: 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 fourth quarter (4Q14) and full year of 2014. The financial and operating information herein is presented in BRGAAP and Brazilian reais (R$), in accordance with International Financial Reporting Standards (IFRS).

4Q14 Highlights

Minerva (BEEF3)

Price on March 3, 2015:
R$8.94

Market cap:
R$ 1.591 million

178,002,062 Shares

Free Float – 55.0%

Conference Calls
March 5, 2015

Portuguese
10:00 a.m. (Brasília)
8:00 a.m. (US EST)
Phone: +55 (11) 2188-0155
Code: Minerva

English
12:00 p.m.(Brasília)
10:00 a.m. (US EST)
Phone: +1 (412) 317-6776
Code: Minerva

IR Contacts:

Eduardo Puzziello
Fernanda Naveiro
Kelly Barna

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

ri@minervafoods.com

- ✓ In 4Q14, Minerva recorded positive free cash flow of R$158.6 million. In 2014, operating cash flow was R$341.4 million. ROIC remained stable at 21.0% in 2014, once again underlining Management's strong commitment to profitability.
- ✓ Working capital improved substantially in 4Q14, contributing R$164.6 million to operating cash flow in the quarter. We closed 2014 with a reduction of cash conversion cycle from 29 days in 3Q14 to 23 days.
- ✓ Financial leverage, measured by the net debt/LTM EBITDA ratio, stood at 3.7x at the close of the quarter. Note that, despite the appreciation of 8.4% of the dollar against the real in 3Q14, free cash flow was enough to offset the non-cash foreign exchange effect on our dollar-denominated debt. The cash position on December 31, 2014 was R$2.5 billion 3.4x higher than short-term debt.
- ✓ Net revenue climbed by a significant 47.3% over 4Q14, totaling R$2,127.3 million. In 2014, net revenue, excluding the pro-forma effects of the recent acquisitions, totaled R$7.0 billion, 28.1% up on 2013. Including the pro-forma figures, net revenue came to approximately R$8.0 billion in 2014. The Beef division accounted for 77% of gross revenue in 2014, led by strong domestic sales, 39.3% up on 2013, as a result of the Company' strategy to focus on small and medium retailers, food service and distribution channels optimization.
- ✓ In 2014, exports accounted for approximately 65% of the Company's total revenue, reflecting growing demand and reduced beef supply in the international market. The result of our focus on risk management and efficient sales channels was reflected in our export performance. Minerva was among the largest beef exporters in South America in 2014, its sales grew by 19.4% over 2013.
- ✓ Adjusted EBITDA amounted to R$196.3 million in 4Q14, 28% up on 4Q13, with an EBITDA margin of 9.2%. In 2014, adjusted EBITDA totaled R$760.3 million, with a 9.5% margin.
- ✓ In 2014, we made progress in important fronts of our growth plan. We acquired a slaughter and deboning plant in Janaúba, Minas Gerais state, and one in Montevideo, in Uruguay. We also concluded, in October 2014, the acquisition of two plants in Mato Grosso.
- ✓ In February 2015, also as part of Company's investment plan, we announced a signing of a Memorandum of Understanding for the acquisition of Frigorifico Red Cárnica in Colombia.

Key Indicators

R$ Million	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Slaughtering ('000 heads)	611.0	456.8	33.8%	560.3	9.0%	2,128.0	2,006.5	6.1%
Sales Volume ('000 tonnes)	154.7	108.2	42.9%	133.5	15.8%	514.7	470.5	9.4%
Gross Revenues	2,286.9	1,534.8	49.0%	1,925.2	18.8%	7,454.4	5,792.9	28.7%
Domestic Market	862.5	500.5	72.3%	701.7	22.9%	2,602.2	1,892.2	37.5%
Export Market	1,424.4	1,034.3	37.7%	1,223.5	16.4%	4,852.2	3,900.7	24.4%
Net Revenues(1)	2,127.3	1,443.8	47.3%	1,805.8	17.8%	7,997.2	5,456.6	46.6%
Adjusted EBITDA(1) (2)	196.3	153.3	28.0%	177.8	10.3%	760.3	551.4	37.9%
Adjusted EBITDA margin(1) (2)	9.2%	10.6%	-1.4 p.p.	9.8%	-0.6 p.p.	9.5%	10.1%	0.6 p.p.
Net Debt/Adjusted EBITDA(x)	3.7	3.3	0.4	3.6	0.2	3.7	3.3	0.4
Net (Loss) Income	-312.0	-124.6	-	-193.8	-	-418.2	-314.3	-

(1) 2014 includes pro-forma net revenue and EBITDA figures for the Mato Grosso and Carrasco plants.

(2) 4Q14 and 2014 EBITDA adjusted for non-recurring items.

Message from the Management

The good result reached in 2014 is the main indicator of the consistency and assertiveness of the Company's growth plan in recent years. We closed the year having reached our growth, integration and profitability targets in a very volatile environment. Gross revenue totaled R$7.5 billion in 2014, 29% higher than in 2013, with stable operating margins and a return on invested capital (ROIC) of 21.0%, a benchmark for the sector. In 2014, operating cash flow was R$341.4 million. We closed 2014 with a cash position of R$2.5 billion, leaving the Company prepared for a more adverse macroeconomic scenario, especially in a domestic scenario of credit restriction.

2014 was challenging for the Brazilian beef industry from both the climate and the competitive standpoints, increasing cattle prices. However, buoyant demand for beef in the domestic market, associated with new export records in Brazil, Paraguay and Uruguay, allowed us to maintain good profitability in our operations.

The Company concluded its growth plan in Brazil, with the expansion of its operations to Mato Grosso and northern Minas Gerais, thereby ensuring access to more than 60% of the Brazilian cattle herd. As part of the plan, we increased our presence in Uruguay in an extremely favorable moment for the industry, with the acquisition of Frigorífico Carrasco. As a result, we expanded our capacity by around 40% and now have a more complete and diversified industrial complex, with fifteen slaughter and deboning plants strategically located in seven Brazilian states, Uruguay and Paraguay. In February 2015, we signed a Memorandum of Understanding for the acquisition of Frigorífico Red Cárnica, in Colombia. The increased geographic diversification in South America is essential for the efficiency of our operations and improved risk management. We also prioritized our sales strategy, with the opening of a distribution center in Paraguay, the expansion of sales channels in Brazil, focusing on the food service segment besides a new commercial office in China. As a result, we aligned capacity expansion with logistics optimization and distribution channels, ensuring increased speed and flexibility in all the markets where we operate.

In the domestic market, Beef Division revenues was up 39.3%, supported by our distribution expansion plan with focus on small and medium retailers and food service.

We understand 2015 will be as challenging as 2014, but we believe we are prepared for it. The integration of the newly acquired plants is in the final stages and we expect all the Company's plants to be operating under the same standards as of the second quarter. Financial deleveraging remains a priority and will be supported by the maturation of investments and the Company's fundamental competitiveness pillars, based on operational efficiency, efficient logistics, distribution channels, internal and external, and risk management excellence.

International demand for beef has continued to grow, fueled by developing countries, in a scenario of limited global supply. According to the USDA, the export volume of the main South American producers will grow by approximately 10% in 2015 over 2014, while the export volume of Australia and the United States is expected to decline by 10.4% and 2.9%, respectively, in the same period. We believe this international scenario will remain unchanged in the coming years, so South American producers' prospects for export volume growth and pricing power gains will probably continue to be extremely favorable. It is also worth bearing in mind the recently announced reopening of markets for Brazil, such as Mainland China and Saudi Arabia. In addition, the potential opening of new destinations will further strengthen beef exporters based on South America.

We took important steps regarding corporate governance in 2014. Two new independent members appointed by BRF joined our Board of Directors. In the executive sphere, we adopted a new model with the creation of four business units, Beef Brazil, Beef South America, Distribution/Logistics and Others, led by Chief Operating Officers. This reorganization was designed to make internal processes more dynamic and the decision-making process quicker.

Finally, we would like to thank our team for the excellent results we achieved this year. We remain confident that the combination of well-designed meritocracy tools with a clear growth strategy and commitment to sustainable practices will create value for all Minerva's stakeholders.

Fernando Galletti de Queiroz, CEO

Industry Overview

Brazil

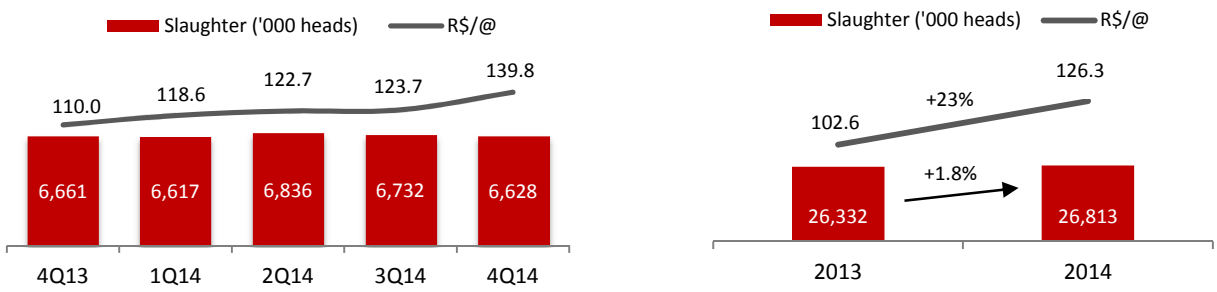
Cattle Supply

In 2014, the average arroba price increased by 23% year on year, due to the industry's accelerated slaughter pace (which had already been observed in 2013), the atypical drought in the harvest season (speciatlly between February and April) and the rain shortage in the offseason. The high slaughter volume, in turn, was due to consistent beef consumption in the domestic market and another record year in terms of exports.

In 4Q14, the arroba price moved up over the previous quarter due to period seasonality (offseason period), the below-average rain volume and the decline in grain prices, which encouraged feedlot operators to maintain the cattle in the feedlot for longer periods. The combination of these factors explains the upturn in the arroba price between October and November.

Finally, in the closing months of the year, there was a trend towards the increased retention of females, indicating inflection in the cycle. However, we believe this should be offset by the record number of calf births in recent years, as a result of the progress in genetics and artificial insemination, in addition to important technological advances in the industry with increasing productivity, which result in the slaughtering of younger and heavier animals.

Figures 1 and 2 – Cattle Slaughter in Brazil (in 1,000 head) and Average Arroba Price (R$)



Source: Ministry of Agriculture, Livestock and Supply, CEPEA/ESALQ | 4Q14 and 2014 preliminary slaughter data

Export Market

The good performance of Brazilian fresh beef exports in 2014 translated into record revenue of US$5.8 billion, 8% up on 2013. Export volume reached a new record, totaling 1.2 million tonnes, 4% higher than in 2013, which had already been marked by a substantial increase (25% up on 2012). The main highlight this year was the 4% upturn in the average dollar price of Brazilian beef compared to 2013. This performance demonstrates the importance and increased pricing power of Brazilian producers in the international market, due to a more restricted supply environment and Brazil's competitiveness in regard to the main exporters. This, combined with the 9% annual depreciation of the real against the dollar, pushed up export revenue in reais by 17% between 2013 and 2014.

Figure 3 - Brazilian fresh beef exports ('000 tonnes)

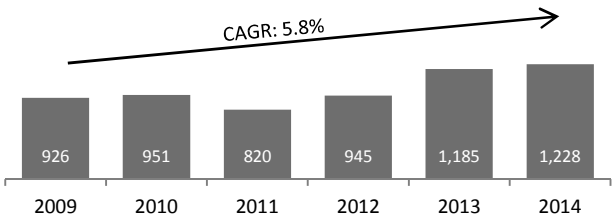


Figure 4 - Brazilian fresh beef exports (US$ million)

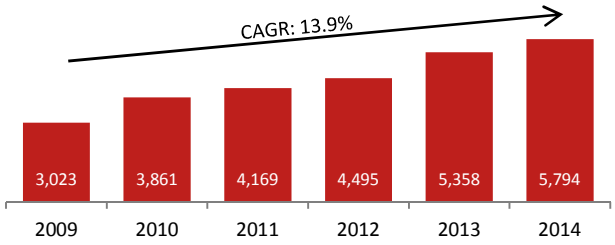
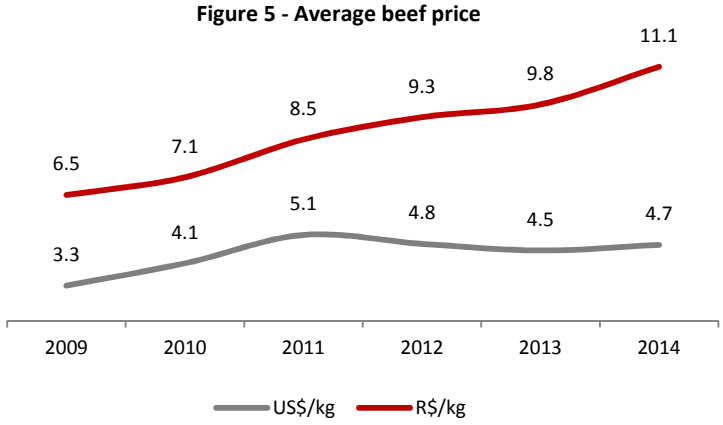


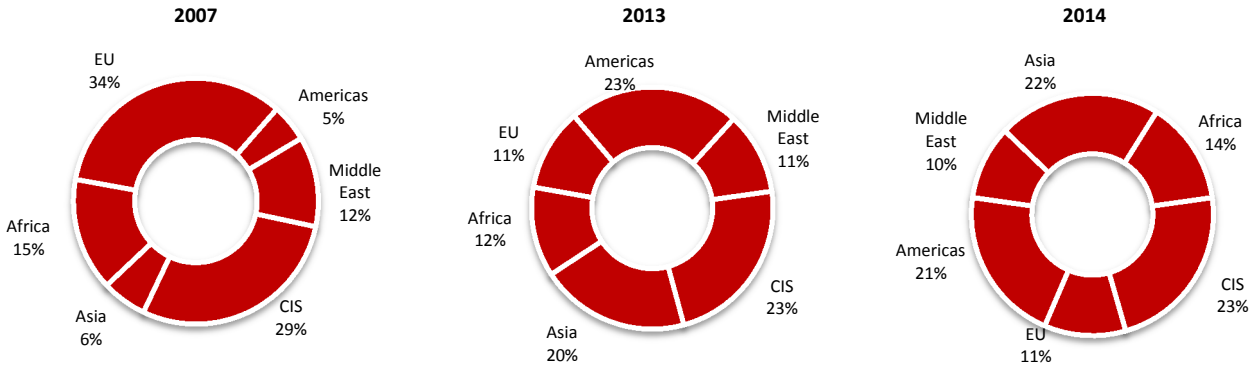
Figure 5 - Average beef price



Source: Ministry of Development, Industry and Foreign Trade

It is worth noting the evolution of Brazil's export mix in recent years. If we take the pre-crisis period as a basis, in 2007, there was a very relevant concentration of countries of the Commonwealth of Independent States – CIS (with Russia as the main market) and the European Union, which together accounted for more than 60% of Brazilian exports. In 2014, in addition to the fact that sales were more balanced, revenue between the two periods grew by approximately 66%. The share of Asia grew from 6% in 2007 to 22% in 2014, while the share of CIS countries fell to 23%. The Americas region, particularly Chile, was another highlight, increasing its share from 5% in 2007 to 21% in 2014, while the share of the Middle East and Africa remained flat. The decline in sales to Europe in the period was due to the economic crisis as of 2008.

Figures 6 to 8 – Brazilian Export Destinations (% of Revenue)

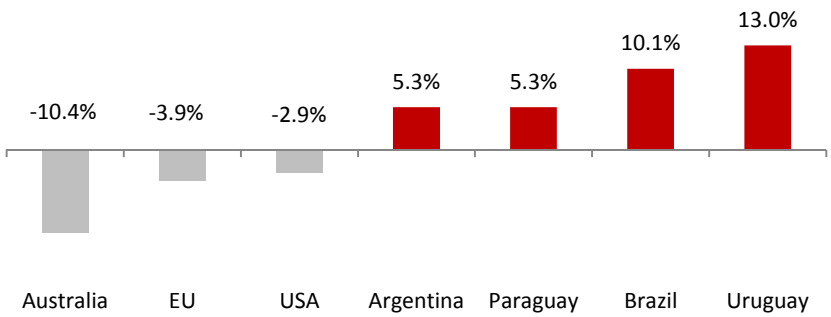


Source: Ministry of Development, Industry and Foreign Trade

The positive result of Brazilian exports has been due to the global imbalance between fresh beef supply and demand. Important players, such as Australia and the United States, have reduced their share of global beef supply, as a result of weather events and rising production costs that affected their herds in recent years. In this context, South America countries, led by Brazil, have consolidated their position as important beef export platforms.

Prospects for 2015 remain very positive for South American producers. On the beef supply side, the USDA estimates a reduction of 2.9% in export volume from the U.S. and 10.4% from Australia, which has begun a female retention cycle to recover its herd. Regarding demand, Brazil is expected to begin exporting to mainland China and Saudi Arabia (the reopening of these markets has already been announced), while it is possible that new markets will open to Brazilian beef. This should more than offset the weak performance expected of volumes imported from Russia, impacted by the depreciation of the ruble and the decline in oil prices.

Figure 9 - Beef Export Volume
(2015E x 2014E)



Source: USDA

Domestic Market

In 2014, we noted good domestic sales in Brazil. Despite low economic growth, there was favorable resilience in beef consumption, which was reflected in a price increase on par with the upturn in arroba prices, as shown below, through the variation between the carcass weight equivalent (indicator measured through hindquarter, forequarter and flank prices) and the arroba price.

4Q14 sales were fueled by seasonality, with increased demand for nobler cuts thanks to the holiday season. As a result, prices remained high, leading to good industry profitability.

Figure 10 - Average Prices - Forequarter
(R$/kg)

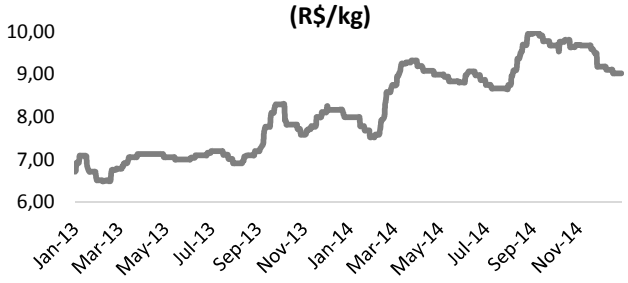
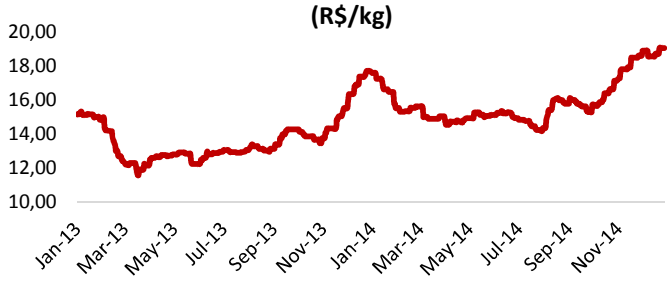


Figure 11 - Average Prices - Noble Cuts
(R$/kg)



Source: Intercarnes

It is also worth noting the performance of the food service segment in the domestic market that has been increasing significantly its beef consumption. This segment has been consistently growing at the average annual rate of 14.7% in the last five years, according to the Brazilian Association of Food Industries (ABIA). This growth is higher than the one recorded by the retail food channel (+10.8%) and three times higher than Brazil's GDP growth in the same

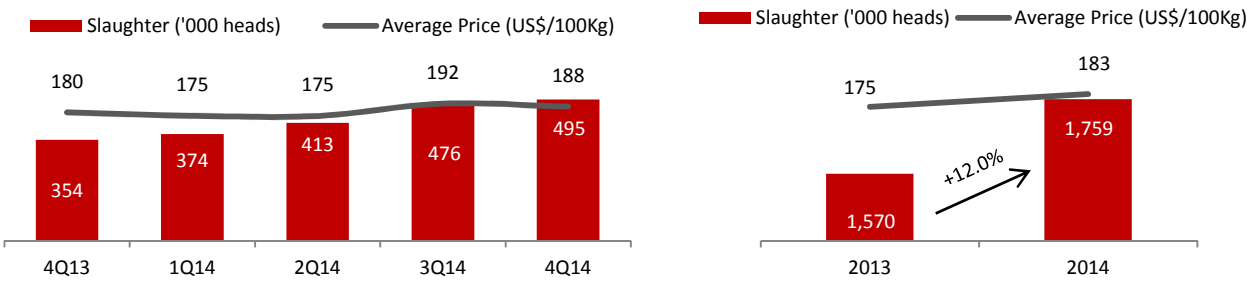
period. Also, according to the Brazilian Institute of Public Opinion and Statistics (IBOPE), Brazilian food consumption outside the home, which stood at 19.0% in 1995, reached 32.9% in 2013. This indicator is expected to have reached 38% in 2014, according to the same institute. Other highlight of food service is that its demand has the characteritcs to being more inelastic that of other sectors in relation to the macroeconomic variations.

In addition, Brazil has experienced high growth in its urbanization process, from 75.6% in 1991 to 84.4% of urban population compared to the total in 2010, according to Brazilian Institute of Geography and Statistics (IBGE). According to the United Nations Human Settlements Programme (ONU-Habitat), that number will reach 90% of urban population by the year 2020, creating more pressure on urban centers to offer convenience in access to food through channels such as the food service.

Paraguay

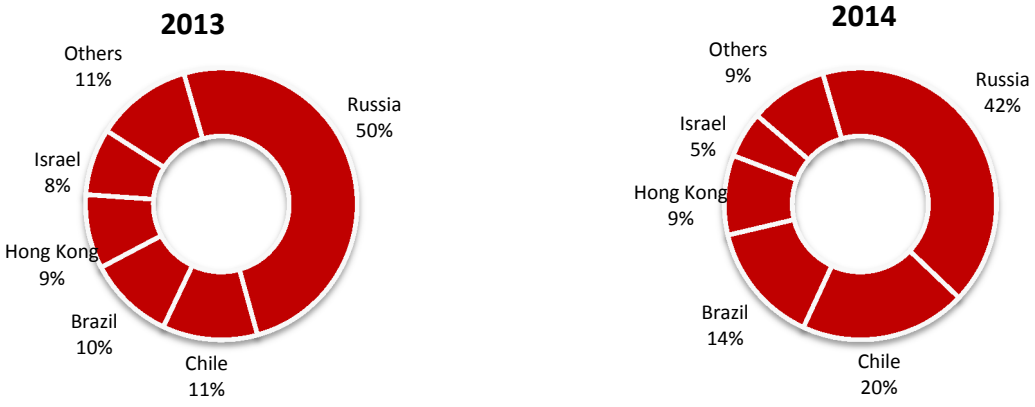
The industry's performance in Paraguay was positive throughout 2014, with 1.8 million head of cattle being slaughtered, a historical record, 12% up on 2013. This increase was mainly fueled by exports. Despite strong slaughter volume, herd expansion and increased market rationality led to an upturn in the average cattle price in relation to 2013. The rise in global demand for beef benefitted the Paraguayan industry, which obtained better prices for its products in the international market. It is worth noting the increase in exports to Brazil and Chile, reducing the dependence on the Russian market. Paraguay is becoming an important global supplier of beef and, consequently, the possibility of new markets arising has expanded, such as Europe market.

Figures 12 and 13 – Cattle Slaughter and Average Cattle Prices - Paraguay



Source: SENACSA

Figures 14 and 15 – Paraguayan Export Destinations (% of Revenue)

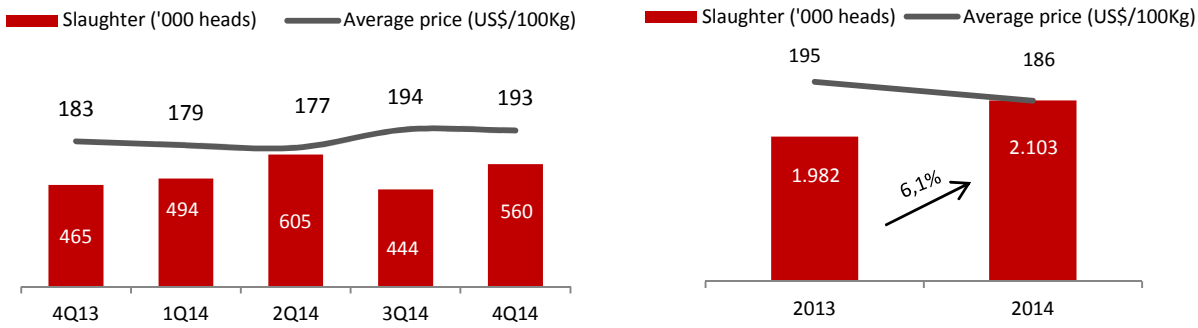


Source: SENACSA

Uruguay

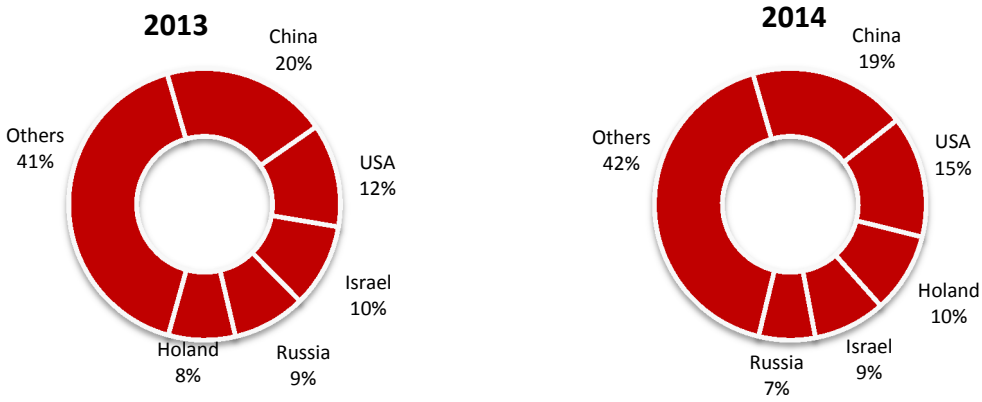
Uruguayan industry had a great performance last year. Margins remained high throughout the production chain. This fact was due both to growing international demand for beef and also high cattle availability. In 2014, 2.1 million head of cattle was slaughtered, the highest volume in the last four years, thanks to the positive cattle cycle in the country. This was reflected in cattle prices, which declined by 5% when compared to the same period in the previous year. The country's export revenue moved up by 10% over 2013, led by the sales to the United States, whose share of total exports increased from 12% to 15% in 2014, as shown below. Uruguay has an important differential in being able to access niche markets in the United States and Europe, as well as other important destinations, such as Canada and South Korea.

Figures 16 and 17 – Cattle Slaughter and Average Cattle Prices - Uruguay



Source: INAC

Figures 18 and 19 – Uruguayan Export Destinations (% of Revenue)



Source: INAC

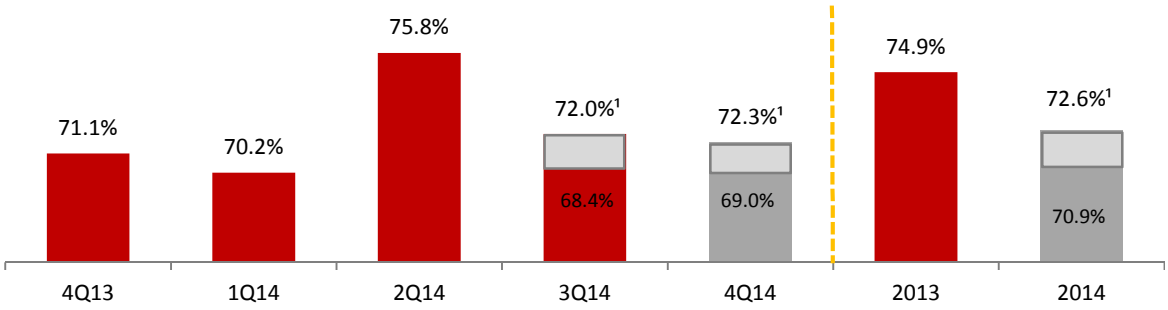
Minerva – Results Analysis

Slaughter

In 2014, the Company's slaughter volume totaled more than 2.1 million head and the utilization rate stood at 70.9%. Excluding the operation of the plants acquired in 2014 (Janaúba, Mirassol D'Oeste and Várzea Grande), which are still in the ramp-up stage, the utilization rate was 72.6%.

In 4Q14, 611,000 heads were slaughtered, 33.7% more than in 4Q13, considering all the acquired plants. The utilization rate came to 72.3%.

Figure 20 - Slaughter Capacity Utilization



Source: Minerva | ¹ Excluding the Várzea Grande and Mirassol D'Oeste plants in Mato Grosso in 2H14 and the Janaúba plant in 4Q14

Consolidated Gross Revenue

R$ Million	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Gross Revenues	**2,286.9**	**1,534.8**	**49.0%**	**1,925.2**	**18.8%**	**7,454.4**	**5,792.9**	**28.7%**
Beef Division	1,807.1	1,128.5	60.1%	1,490.7	21.2%	5,737.1	4,562.2	25.8%
Others	479.7	406.3	18.1%	434.4	10,4%	1,717.3	1,230.6	39.5%

R$ Million	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Domestic Market	**862.5**	**500.5**	**72.3%**	**701.7**	**22.9%**	**2,602.2**	**1,892.2**	**37.5%**
% Gross Revenues	37.7%	32.6%	5.1 p.p.	36.4%	1.3 p.p.	34.9%	32.7%	2.2 p.p.
Beef Division	693.9	369.0	88.1%	545.1	27.3%	2,035.6	1,460.9	39.3%
Others	168.5	131.5	28.1%	156.5	7.7%	566.6	431.3	31.4%

R$ Million	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Export Market	**1,424.4**	**1,034.3**	**37.7%**	**1,223.5**	**16.4%**	**4,852.2**	**3,900.7**	**24.4%**
% Gross Revenues	62.3%	67.4%	-5.1 p.p.	63.6%	-1.3 p.p.	65.1%	67.3%	-2.2 p.p.
Beef Division	1,113.2	759.6	46.6%	945.6	17.7%	3,701.5	3,101.3	19.4%
Others	311.2	274.8	13.3%	277.9	12.0%	1,150.8	799.4	44.0%

In 2014, gross revenue amounted to R$7,454.4 million, resulting from a substantial 28.7% increase over 2013, thanks to the upturn of 25.8% in revenue from the Beef division, which was fueled by the capacity added throughout 2014 (Carrasco as of May and the plants in Mato Grosso and Janaúba as of October), the strong export performance, the

excellent domestic market performance and the 39.5% increase in revenue from the Others division, led by Leather, Live Cattle and Minerva Fine Foods.

In 4Q14, gross revenue totaled R$2,286.9 million, 49% higher than in 4Q13. This result was also partially explained by the consolidation of the recent acquisitions in 2014, reflected in the excellent performance of the Beef division (+60%), and the strong performance of the Company's other business segments, led by the sub-divisions of the Others division: Leather (+83%) and Minerva Fine Foods (+21%).

Figure 21 - Breakdown of Consolidated Gross Revenue 4Q13

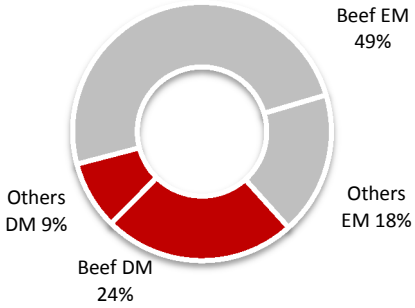
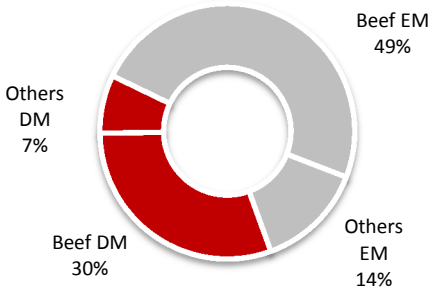


Figure 22 - Breakdown of Consolidated Gross Revenue 4Q14



Fonte: Minerva

In 2014, the Company remained one of the top beef exporters in the countries where it operates. In Brazil, we maintained our position as the second largest exporter, with 16% of the country's exports, while in Paraguay and Uruguay, we accounted for 15% and 16%, respectively.

Figure 23 - Market Share of Exports - Brazil (% of Revenues)

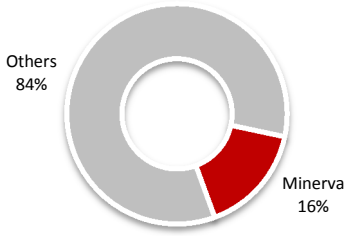


Figure 24 - Market Share of Exports - Uruguay (% of Revenues)

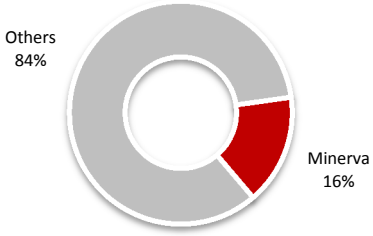
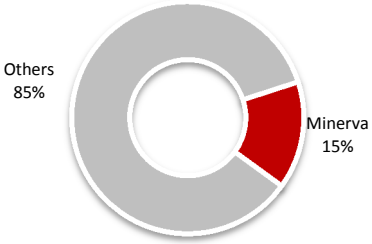


Figure 25 - Market Share of Exports - Paraguay (% of Revenues)



Source: Minerva, Secex, INAC and SENACSA

The graphs below show the Company's exports by region in 2013 and 2014 and the strategy adopted in each region:

Americas: The share of this region in the mix of the Company's exports remained stable at 16% in 2014. A large share of this region's exports goes to Chile, Brazil and Venezuela. It is worth mentioning that exports to Venezuela are made through letters of credit confirmed by ALADI, with guaranteed payment by the Brazilian Central Bank, or 100% prepaid. In 2014, Venezuela accounted for 5% of the Company's total export revenue.

Asia: increased its share from 12% in 2013 to 15% in 2014. This shows growing consumption in the main destinations of this region: Hong Kong/China, Malaysia, Singapore and the Philippines. China, which is currently supplied by Uruguay, announced the reopening of its market for Brazilian beef at the end of 2014. Taking advantage of this region's strong performance, Minerva opened an office in China (Shanghai) in August 2014.

CIS (Commonwealth of Independent States): Russia, which accounts for more than 90% of this region's remand, has historically been the main destination of Brazil's and Minerva's exports. In 2014, this market had a 21% share of exports (26% in 2013). We highlight that the Company directed part of the volumes that used to be exported to Russia to others destinations, especially Chile and Egypt.

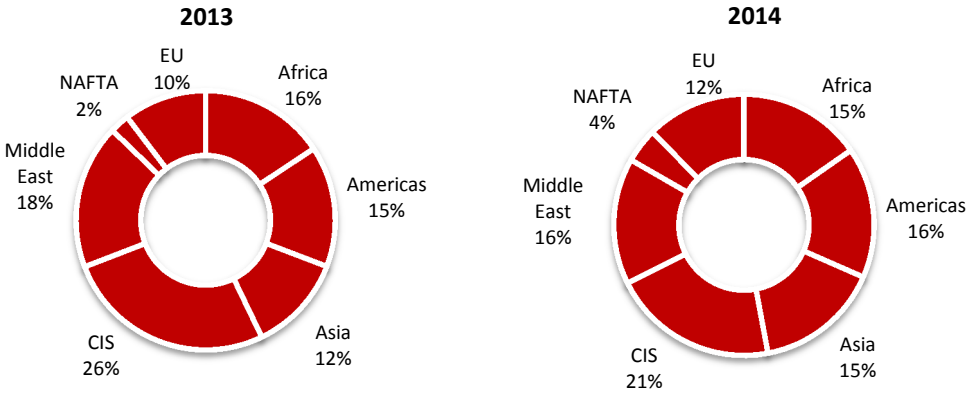
Europe: In 2014, the Company took advantage of strong demand from this region, which is known to require nobler cuts (chilled hindquarter cuts), and increased exports to Europe to 12%, from 10% in 2013.

Africa: the share of Africa in the Company's exports remained stable at 15% in 2014, besides with higher volume, demonstrating that this region remais as an important destiny on Minerva's sales mix. We highlight Egypt, Algeria and Libya, North Africa, which require high profitability cuts, and in the sub-saharian area, we emphasize the recent reopening of the South African market.

Middle East: the share of the Middle East dropped by two percentage points, from 18% in 2013 to 16%. This slight decline was due to the increase in the share of exports to other regions, such as Asia, thanks to the strategy adopted by the Company of taking advantage of strong consumption in markets that have higher profitability.

NAFTA: the share of exports to the NAFTA region (United States, Canada and Mexico) increased from 2% to 4% in 2014. It is worth highlighting our operations in Uruguay focusing on the U.S. niche market of USDA-approved organic products, with higher profitability.

Figures 26 and 27 - Consolidated Sales Breakdown by Region



Source: Minerva

Beef Division

Gross revenue from this division increased by 25.8% over 2013, totaling R$5,737.1 million in 2014. Export revenue moved up by 20%, while domestic revenue climbed by approximately 40%. The main highlight in 2014 was the performance of beef prices both in the domestic and export markets. In the domestic market, average fresh beef prices increased by a substantial 24% in 2014, due to healthy demand, which remained consistent throughout the year, and higher cattle prices. Furthermore, the Company has been conducting several adjustments in its local distribution, with the simplification of its strategic positioning, training and qualification of sales team, increased focus on the food service segment and execution discipline. The results have already been seen in 4Q14, with revenues 40% higher than in 4Q13.

In the export market, average beef prices in dollars climbed 5%, attesting to the improved competitiveness and better pricing power that the South American producers have been acquiring in the international market.

It is worth highlighting that the 2014 result was positively influenced by the consolidation of Frigorífico Carrasco's operations, in Uruguay, and the plants in Várzea Grande and Mirassol D'Oeste, as well as the Janaúba plant as of the fourth quarter. Below is a complete breakdown of the Beef division:

Gross Revenue (R$ Million)	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Fresh Beef – EM	1,027.8	720.1	42.7%	879.0	16.9%	3,443.7	2,914.3	18.2%
Processed Beef – EM	1.1	0.0	n.a.	0.0	n.a.	1.1	15.9	-93.2%
Others – EM	84.3	39.5	113.7%	66.6	26.6%	256.6	171.1	50.0%
Subtotal – EM	**1,113.2**	**759.6**	**46.6%**	**945.6**	**17.7%**	**3,701.5**	**3,101.3**	**19.4%**
Fresh Beef – DM	600.7	312.3	92.3%	464.8	29.2%	1,723.9	1,191.7	44.7%
Processed Beef – DM	1.1	6.9	-83.5%	3.6	-67.7%	10.2	24.7	-58.7%
Others – DM	92.1	49.7	85.2%	76.8	19.9%	301.5	244.5	23.3%
Subtotal – DM	**693.9**	**369.0**	**88.1%**	**545.1**	**27.3%**	**2,035.6**	**1,460.9**	**39.3%**
Total	**1,807.1**	**1,128.5**	**60.1%**	**1,490.7**	**21.2%**	**5,737.1**	**4,562.2**	**25.8%**

Volume ('000 tonnes)	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Fresh Beef - EM	76.7	61.5	24.8%	69.5	10.4%	277.0	267.5	3.6%
Processed Beef - EM	0.1	0.0	n.a.	0.0	n.a.	0.1	1.1	-94.8%
Others - EM	8.8	5.2	69.2%	6.6	33.0%	27.4	22.6	21.1%
Subtotal – EM	**85.6**	**66.7**	**28.4%**	**76.1**	**12.4%**	**304.5**	**291.2**	**4.6%**
Fresh Beef - DM	52.7	33.1	59.5%	47.5	10.9%	168.8	144.7	16.7%
Processed Beef - DM	0.1	0.7	-85.9%	0.3	-63.5%	0.9	2.6	-65.9%
Others – DM	16.3	7.8	109.0%	9.6	69.7%	40.5	32.0	26.4%
Subtotal – DM	**69.1**	**41.5**	**66.3%**	**57.4**	**20.4%**	**210.2**	**179.3**	**17.2%**
Total	**154.7**	**108.2**	**42.9%**	**133.5**	**15.8%**	**514.7**	**470.5**	**9.4%**

Average Price – EM (US$/Kg)	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Fresh Beef - EM	5.3	5.1	2.3%	5.5	-5.2%	5.3	5.0	4.6%
Processed Beef - EM	7.8	n.a.	n.a.	n.a.	n.a.	8.3	6.9	20.6%
Others - EM	3.8	3.3	12.9%	4.4	-14.8%	4.0	3.5	13.6%
Total	**5.1**	**5.0**	**2.1%**	**5.4**	**-6.2%**	**5.2**	**4.9**	**4.7%**
Average Dollar price (source: BACEN)	2.55	2.28	11.8%	2.28	11.7%	2.35	2.16	9.0%

Average Price – EM (R$/Kg)	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Fresh Beef - EM	13.4	11.7	14.4%	12.6	5.9%	12.4	10.9	14.1%
Processed Beef - EM	19.9	n.a.	n.a.	n.a.	n.a.	19.5	14.8	31.5%
Others - EM	9.6	7.6	26.3%	10.1	-4.8%	9.4	7.6	23.9%
Total	**13.0**	**11.4**	**14.2%**	**12.4**	**4.7%**	**12.2**	**10.7**	**14.1%**

Average Price – DM (R$/Kg)	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Fresh Beef - DM	11.4	9.4	20.6%	9.8	16.5%	10.2	8.2	24.0%
Processed Beef - DM	11.5	9.8	17.2%	13.0	-11.5%	11.4	9.4	21.1%
Others – DM	5.7	6.4	-11.4%	8.0	-29.3%	7.4	7.6	-2.4%
Total	**10.0**	**8.9**	**13.1%**	**9.5**	**5.7%**	**9.7**	**8.1**	**18.9%**

EM- Export Market, DM – Domestic Market

Others Division

In 2014, revenue from the Others division totaled R$1,717.3 million, a substantial increase of 39.5% over 2013. All the business units made a positive contribution to this performance.

Revenue from live cattle exports grew by 56% over 2013. In addition to the Brazilian-based operation, whose market was thriving in 2014, we began new live cattle operations from Chile and intensified our operations in Uruguay, focusing on dairy cattle exports to Asia, branching out from the conventional live beef cattle exports.

As in the other quarters, the performance of the Leather remained solid in 4Q14, with a substantial 83% increase over 4Q13 and a focus on specific niches in the domestic and export markets. In 2014, revenue from this segment was 47% higher than in 2013.

In 2014, gross revenue from Minerva Fine Foods moved up by 44% over 2013, in line with the Company's strategy of focusing on the B2B segment in the domestic market.

Net Revenue

Net revenue came to R$2,127.3 million in 4Q14, 47.3% more than in 4Q13, partially due to the consolidation of the new acquisitions. In 2014, revenue moved up by 28.1% to R$6,987.2 million. If we take in consideration proforma numbers from Mato Grosso and Carrasco plants, the net revenue accounted for approximately R$8.0 billion in 2014.

R$ Million	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Gross Revenues	2,286.9	1,534.8	49.0%	1,925.2	18.8%	7,454.4	5,792.9	28.7%
Sales Taxes and Deductions	-159.6	-91.0	75.3%	-119.4	33.7%	-467.2	-336.3	38.9%
Net Revenues(1)	2,127.3	1,443.8	47.3%	1,805.8	17.8%	6,987.2	5,456.6	28.1%
% Gross Revenues	93.0%	94.1%	-1.0 p.p.	93.8%	-0.8 p.p.	93.7%	94.2%	-0.46 p.p.

(1) 2014 excludes pro-forma revenue figures for the Mato Grosso and Carrasco plants.

Cost of Goods Sold (COGS) and Gross Margin

COGS stood at R$1,744.1 million in 4Q14, equivalent to a gross margin of 18.0%. The decline in relation to 4Q13 (21.4%) was due to the 23% increase in the average cattle price, our main raw material, and the consolidation of the new operations in Mato Grosso and Janaúba (in Minas Gerais), which are in the ramp-up stage and, therefore, still have lower operating margins than the Company's average. In 2014, the gross margin came to 19.4%.

R$ Million	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Net Revenues	2,127.3	1,443.8	47.3%	1,805.8	17.8%	6,987.2	5,456.6	28.1%
COGS	-1,744.1	-1,135.3	53.6%	-1,449.3	20.3%	-5,633.7	-4,330.7	30.1%
% Net Revenues	82.0%	78.6%	3.4 p.p.	80.3%	1.7 p.p.	80.6%	79.4%	1.3 p.p.
Gross Profit	383.2	308.5	24.2%	356.5	7.5%	1,353.6	1,125.9	20.2%
Gross Margin	18.0%	21.4%	-3.4 p.p.	19.7%	-1.7 p.p.	19.4%	20.6%	-1.3 p.p.

Selling, General and Administrative Expenses

Selling expenses represented 6.6% of net revenue in 4Q14, 1.8 p.p. down from 4Q13, due to the Company's increased exposure to the domestic market in the quarter. In 2014, selling expenses were 1.5 p.p. lower than in 2013, as a result of higher exposure to the domestic market and the renegotiation of export freight agreements throughout the year. General and administrative expenses (as a percentage of net revenue) fell by 0.3 p.p. in relation to 4Q13, due to the increased dilution of expenses as a result of the consolidation of the plants in Mato Grosso and

the start-up in the Janaúba plant. Selling, general and administrative expenses (as percentage of net revenue) remained unchanged in 2014 compared with 2013.

R$ Million	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Sales Expenses	-141.1	-121.6	16.0%	-127.4	10.8%	-512.1	-480.4	6.6%
% Net Revenue	6.6%	8.4%	-1.8 p.p.	7.1%	-0.4 p.p.	7.3%	8.8%	-1.5 p.p.
G&A Expenses	-63.1	-46.6	35.6%	-62.8	0.6%	-226.3	-166.3	36.1%
% Net Revenues	3.0%	3.2%	-0.2 p.p.	3.5%	-0.5 p.p.	3.2%	3.0%	0.2 p.p.

EBITDA

EBITDA adjusted for the non-recurring items totaled R$196.3 million in 4Q14, with a margin of 9.2%. These items totaled R$36.2 million and refer to the Company's adherence to the REFIS program (Brazilian tax recovery program). The decision to adhere to the program was intended to accelerate the ratification of tax credits as of 2015. It is worth noting that quarterly EBITDA was also impacted by the consolidation of the operations of the Mato Grosso (Várzea Grande and Mirassol D'Oeste) plants, whose margins are still lower than Minerva's consolidated margins, and the start-up at Janaúba, which was in the initial ramp-up stage, partially explaining the margin decline in the comparison with 4Q13 and 3Q14. Annual EBITDA, considering the pro-forma figures from the Carrasco, Várzea Grande and Mirassol D'Oeste plants, totaled R$760.3 million, a 37.9% year-on-year upturn, with a 9.5% margin.

R$ Million	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Net Incomes/Loss	-312.0	-124.6	150.4%	-193.8	61.0%	-418.2	-314.3	33.1%
(+/-) Deferred Income and Social Contribution Taxes	-23.2	-4.9	376.4%	11.8	n.d.	-1.4	-1.7	-19.9%
(+/-) Reduction to recoverable asset value	0.0	34.2	n.d.	0.0	n.d.	0.0	34.2	n.d.
(+/-) Financial Result	478.0	233.4	104.8%	345.7	38.3%	1,013.1	775.5	30.6%
(+/-) Depreciation and Amortization	17.3	15.2	13.9%	14.2	21.9%	59.3	57.7	2.8%
(+/-) Proforma Carrasco EBITDA	0.0	0.0	-	0.0	-	21.0	0.0	-
(+/-) Proforma Mato Grosso Bovinos EBITDA	0.0	0.0	-	0.0	-	65.3	0.0	-
EBITDA	160.1	153.3	4.4%	177.8	-10.0%	739.1	551.4	34.0%
(+/-) Non-recurring Items	36.2	0.0	-	0.0	-	21.2	0.0	-
Adjusted EBITDA	**196.3**	**153.3**	**28.0%**	**177.8**	**10.3%**	**760.3**	**551.4**	**37.9%**
Adjusted EBITDA Margin	**9.2%**	**10.6%**	**-1.4 p.p.**	**9.8%**	**-0.6 p.p.**	**9.5%**	**10.1%**	**-0.6 p.p.**

Financial Result

The financial result was a negative R$478.0 million in 4Q14. Financial expenses totaled R$139.9 million in the quarter, impacted by the 173 bps increase in the CDI rate over 4Q13, the impact of the exchange rate depreciation on the debt balance and the corresponding interest. Financial income was R$21.7 million, 17.7% higher than in 3Q14.

The foreign exchange variation represented a non-cash expense of R$250.9 million in 4Q14, due to the 8.4% appreciation of the dollar on the foreign-denominated debt (approximately 77% of the total) in the quarter.

The main impact on the financial result of this quarter was the "other financial revenue/expense" line, which totaled an expense of R$108.9 million, R$75.0 million of which refers to fines and interest related to the REFIS program (non-cash effect), which the Company decided to join in order to accelerate the tax credit ratification process as of 2015.

R$ Million	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Financial Expenses	-139.9	-100.1	39.8%	-134.1	4.4%	-493.4	-373.3	32.2%
Financial Income	21.7	14.2	52.5%	18.5	17.7%	76.7	51.2	49.7%
FX Variation	-250.9	-132.5	89.4%	-289.9	-13.5%	-464.4	-368.6	26.0%
Other Expenses (*)	-108.9	-15.1	622.3%	59.9	-281.8%	-132.1	-84.9	55.6%
Financial Result	**-478.0**	**-233.4**	**104.8%**	**-345.7**	**38.3%**	**-1,013.1**	**-775.5**	**30.6%**
Average Dollar (R$/US$) (Source: Bacen)	2.55	2.28	11.8%	2.28	11.7%	2.35	2.16	9.0%
Closing Dollar (R$/US$) (Source: Bacen)	2.66	2.34	13.4%	2.45	8.4%	2.66	2.34	13.4%

(*) Other Expenses (R$ Million)	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
FX Hedge	-4.8	3.1	-254.6%	92.8	-105.2%	44.6	-10.2	n.a.
Commodities Hedge	-2.9	0.0	-	-12.3	-76.4%	-28.3	-11.7	142.4%
Financial Discounts, Rates, Commissions, Commercial Discount and Other Financial Expenses	-26.2	-18.2	44.1%	-20.6	27.2%	-73.4	-63.0	16.4%
Fine and Interest - REFIS	-75.0	0.0	-	0.0	-	-75.0	0.0	-
Total	-108.9	-15.1	622.3%	59.9	-281.8%	-132.1	-84.9	55.6%

Net Result

In 4Q14, the Company recorded a net loss of R$312.0 million, mainly due to the impact of the foreign exchange variation on its debt, which totaled R$250.9 million.

R$ Million	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Income (Loss) before taxes	-335.2	-129.5	158.9%	-182.0	84.2%	-419.6	-316.0	32.8%
Income and Social Contribution Taxes	23.2	4.9	376.4%	-11.8	-296.8%	1.4	1.7	-19.9%
Net (Loss) Income	**-312.0**	**-124.6**	**-**	**-193.8**	**-**	**-418.2**	**-314.3**	**-**
% Net Margin	**-14.7%**	**-8.6%**	**-6.0 p.p.**	**-10.7%**	**-3.9 p.p.**	**-6.0%**	**-5.8%**	**-0.2 p.p.**

If we adjust the net result for the effects of the foreign exchange variation, the payment of income tax and social contribution and the reversal of the non-recurring item related to the REFIS program, the result would be a positive R$26.8 million in the quarter. In 2014, the Company would have generated R$156.0 million in net income.

R$ Million	4Q14	4Q13	Var.%	3Q14	Var.%	2014	2013	Var.%
Net (Loss) Income	-312.0	-124.6	-	-193.8	-	-418.2	-314.3	-
Reduction to recoverable asset value	0.0	34.2	n.d.	0.0	n.d.	0.0	34.2	n.d.
FX Variation	250.9	132.5	89.4%	289.9	-13.5%	464.4	368.6	26.0%
Income and Social Contribution Taxes	-23.2	-4.9	376.4%	11.8	-296.8%	-1.4	-1.7	-19.9%
Non-recurring items (Refis)	111.2	0.0	n.d.	0.0	n.d.	111.2	0.0	n.d.
Adjusted (Loss) Income	**26.8**	**37.1**	**-27.8%**	**107.9**	**-75.1%**	**156.0**	**86.7**	**79.9%**

Cash Flow

In 4Q14, the operating cash flow was a positive R$256.4 million and reached R$341.4 million in 2014. In the quarter, working capital released R$164.6 million. In addition to "Other Accounts Payable", inventories made a significant contribution to this result, falling from 39 to 33 days, thanks to the Company's assertive strategy of maintaining higher inventories at the of 3Q14 and benefitting from higher prices in 4Q14. In addition, the biological assets line fell, as a result of the slaughter of mostly animals acquired from BRF in 2Q14.

R$ Million	4Q14	4Q13	3Q14	2014
Adjusted (Loss) Income	-312.0	-124.6	-193.8	-418.2
(+) Net income adjustments	403.8	268.6	414.3	955.3
(+) Variation in working capital needs	164.6	135.2	-57.6	-195.7
Operating Cash Flow	**256.4**	**279.2**	**162.9**	**341.4**

Free cash flow after capex, financial expenses and working capital was a positive R$158.6 million in 4Q14, as shown below.

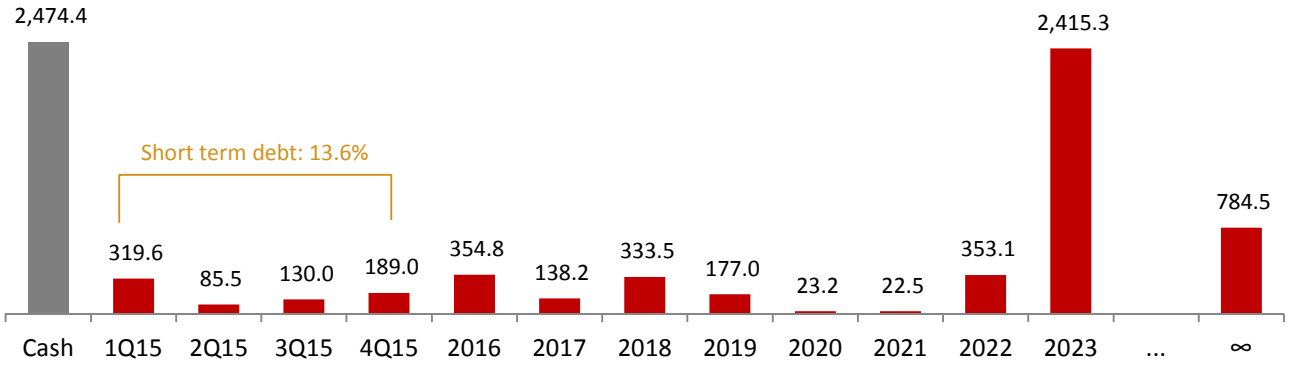
R$ Million	4Q14
EBITDA	196.3
(+) Capex (on a cash basis)	-63.8
(+) Financial expenses (on a cash basis)	-138.5
(+) Working capital variation	164.6
Free cash flow	**158.6**

Capital Structure

Minerva closed 4Q14 with cash and cash equivalents of R$2.5 billion, which is sufficient to amortize its debt through 2022. Excluding the repurchased bonds (as detailed on the following page), the cash position would be R$2.1 billion. Short-term debt corresponded to 13.6% of the total. At the close of 2014, approximately 77% of total debt was exposed to foreign exchange variation in accordance with our financial policy. The net debt/Adjusted EBITDA ratio was 3.7x at the close of 4Q14.

It is worth mentioning that the Company's financial management is based on three pillars: (i) the short-term debt must be lower than 20% of the total debt; (ii) the percentage of foreign-currency denominated debt should be close to the share of exports in the total revenue, and (iii) the cash position has to be at least equivalent to 2 months of inputs purchase.

Figure 29 - Debt Amortization Schedule on December 31, 2014
(R$ Million)



R$ Million	4Q14	4Q13	Var.%	3Q14	Var.%
Short Term Debt	724.0	515.5	40.4%	444.7	62.8%
% Short Term Debt	13.6%	15.0%	-1.4 p.p.	9.5%	4.1 p.p.
Local Currency	145.1	83.5	73.8%	110.8	30.9%
Foreign Currency	578.9	432.0	34.0%	333.9	73.4%
Long Term Debt	4,602.1	2,913.7	57.9%	4,227.7	8.9%
% Long Term Debt	86.4%	85.0%	1.4 p.p.	90.5%	-4.1 p.p.
Local Currency	872.9	829.2	5.3%	806.2	8.3%
Foreign Currency	3,729.2	2,084.5	78.9%	3,421.6	9.0%
Total Debt (1)	5,326.0	3,429.3	55.3%	4,672.4	14.0%
Local Currency	1,018.0	912.7	11.5%	917.0	11.0%
Foreign Currency	4,308.0	2,516.5	71.2%	3,755.4	14.7%
(Cash and Cash Equivalents)	-2,474.4	-1,563.8	58.2%	-2,040.2	21.3%
Net Debt (2)	2,828.8	1,846.2	53,2%	2,569.7	10.1%
Net Debt/EBITDA(x)	3.8	3.3	0.5	3.5	0.4
Net Debt/Adjusted EBITDA(x)	**3.7**	**3.3**	**0.4**	**3.6**	**0.2**

(1) Total debt excluding convertible debentures
(2) Includes subordinate FIDC quotas in the amount of R$22.9 million

The Company repurchased some of its international bonds. In the table below, we show the balance of gross debt and the cash position in 12/31/2014, excluding these repurchases, considering that we do not plan to resell the bonds acquired.

R$ Million	12/31/2014
Gross Debt	5,326.0
Bond buyback	
2019	1.3
2022	40.4
2023	346.9
Gross Debt ex Bond Buyback	4,937.4
Cash ex Bond Buyback	2,085.8

Below, we show the calculation of the Company's leverage, considering that the perpetual bonds will never need to be redeemed. In this scenario, the net debt/LTM EBITDA ratio reached 2.7x at the close of 4Q14.

R$ Million	4Q14
Net Debt(1)	2,828.8
Adjusted EBITDA LTM	760.3
Net Debt/Adjusted EBITDA LTM (x)	3.7
Net Debt excluding Perpetual Bond	2,027.0
Net Debt excluding Perpetual Bond/EBITDA LTM (x)	2.7

(1) Includes subordinate FIDC quotas

Domestic Currency (R$ '000)	Dec/14	Sept/14
4Q14	0	43,530
1Q15	27,848	13,907
2Q15	19,239	12,411
3Q15	41,605	40,967
4Q15	56,414	20,045
2016	341,941	301,269
2017	89,069	194,246
2018	333,509	182,965
2019	30,913	30,766
2020	23,225	23,213
2021	22,528	22,528
2022	23,133	22,537
2023	8,607	8,607
∞	0	0
TOTAL	**1,018,032**	**916,993**

Foreign Currency (R$ '000)	Dec/14	Sept/14
4Q14	0	106,023
1Q15	291,703	127,549
2Q15	66,212	26,432
3Q15	88,398	73,848
4Q15	132,538	5,860
2016	12,907	5,860
2017	49,090	38,238
2018	0	0
2019	146,052	134,490
2020	0	0
2021	0	0
2022	329,923	304,026
2023	2,406,658	2,209,824
∞	784,532	723,255
TOTAL	**4,308,012**	**3,755,406**

Investments

Investments in 4Q14 totaled R$83.1 million. From this amount, R$63.8 million had a cash impact, and which was allocated to maintenance and the modernization of the current operations, and the necessary investment to start-up the operations in our Janaúba plant. The remaining balance, equivalent to R$19.3 million, refers to the foreign exchange variation of the fixed assets of foreign subsidiaries, with no cash effect.

Below we show the evolution of investments (cash effect), by quarter during 2014:

CAPEX (R$ million)	1Q14	2Q14	3Q14	4Q14	2014
Maintenance	29.8	27.3	32.4	38.8	**128.3**
Expasion	11.8	12.3	11.5	25.0	**60.6**
Acquisition of Janaúba	42.0	-	-	-	**42.0**
Acquisition of Carrasco	-	38.0	-	-	**38.0**
Total	**83.6**	**77.6**	**43.9**	**63.8**	**268.9**

Subsequent Events

Capital Increase due to the Voluntary Debenture Conversion

On February 3, 2015, the Board of Directors approved a capital increase arising from the voluntary conversion of 15 debentures at the conversion price of R$7.6064.

The updated number of shares issued by Minerva is provided below:

Shares issued	
Total of shares issued on 12/31/2014	178,000,090
Share issue due to debenture conversion (Feb/2015)	1,972
Total of open convertible debentures	93,492
Approximate number of shares to be converted (maximum price R$ 7.6064)	12,291,293
Total Shares (fully diluted)	190,293,355

Acquisition of Frigorifico Red Cárnica in Colombia

On February 20th 2015, the Company announced through a Material Fact, the signing of a Memorandum of Understanding for the acquisition of 100% of the shares of the meatpacking company Red Cárnica S.A.S. and 100% of the shares of Red Industrial Colombiana S.A.S. (jointly "Frigorífico Red Cárnica"), located in the city of Ciénaga de Oro, in the region of Cordoba, Colombia.

Frigorífico Red Cárnica owns a processing and slaughtering unit with slaughtering and deboning capacity of 850 heads/day and is strategically located in a privileged region in Colombia. Cordoba is the largest beef producing region in the country, with various export permits (the Middle East, Russia, Egypt, Hong Kong, Venezuela, Peru, and Angola, among others) and access to the ports of Tolu, Cartagena and Barranquilla.

The investment will total approximately US$30 million (including the acquisition of assets; working capital and investments) and the effective implementation of the acquisition is still pending compliance with various preliminary authorizations and conditions precedent common to this type of transaction.

If the conditions precedents are complied with and the operation is implemented, the acquisition of Frigorífico Red Cárnica will represent an important step in Minerva's growth plan in South America, announced in 2012, and will reinforce its strategy of geographic diversification and participation in new markets. The operational internationalization offers competitive advantages, mitigates risks and allows increased arbitrage between the markets.

Revenues estimate for 2015

On March 4th, 2015, Minerva informed to its shareholders and the market in general that its current Net Revenue estimate for 2015 is between R$9.5 billion and R$10.5 billion. The estimate is based on a US$/R$ exchange rate of 2.80, organic growth of the Company's operations and the consolidation of the recent acquisitions in the last 12 months.

Minerva Foods is one of the leading producers and sellers of beef, leather, live cattle exports and cattle byproducts in South America, and Brazil's second largest exporter in the industry in terms of gross sales revenue, exporting to over 100 countries, with operations also in the beef, pork and poultry processing segments. On December 31, 2014, the Company had a daily slaughtering capacity of 15,880 head of cattle and daily beef deboning capacity equivalent to 18,866 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 15 slaughter and deboning plants, one unit to process proteins and 13 distribution centers. In 2014, the Company recorded gross sales revenue of R$7.5 billion, up 29% on 2013.

Relationship with Auditors

In accordance with CVM Instruction 381/03, we declare that our auditors did not provide services other than those related to the external audit in fiscal years 2011, 2012, 2013 and 2014.

Statement from Management

In compliance with CVM Instructions, Management declares that it has discussed, reviewed and agreed with the individual and consolidated accounting information related to the fiscal year ended December 31, 2014, and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.

APPENDIX 1 – INCOME STATEMENT (CONSOLIDATED)

(R$ mil)	4Q14	4Q13	3Q14	2014	2013
Revenue from Domestic Sales	862,488	500,498	701,698	2,602,171	1,892,172
Revenue from Exports	1,424,374	1,034,329	1,223,491	4,852,234	3,900,682
Gross Sales Revenue	**2,286,862**	**1,534,827**	**1,925,189**	**7,454,405**	**5,792,854**
Deductions from revenue – taxes and other	-159,576	-91,047	-119,385	-467,175	-336,288
Net Operating Revenue	**2,127,286**	**1,443,780**	**1,805,804**	**6,987,230**	**5,456,566**
Cost of Goods Sold	-1,744,117	-1,135,272	-1,449,346	-5,633,655	-4,330,710
Gross Profit	**383,169**	**308,508**	**356,458**	**1,353,575**	**1,125,856**
Selling Expenses	-141,112	-121,628	-127,374	-512,082	-480,421
General and Administrative Expenses	-63,149	-46,587	-62,760	-226,316	-166,319
Other operating Revenues (Expenses)	-36,160	-2,226	-2,705	-21,624	14,576
Result before financial expenses	**142,748**	**138,067**	**163,619**	**593,553**	**493,692**
Financial Expenses	-139,905	-100,089	-134,061	-493,362	-373,329
Financial Revenues	21,727	14,248	18,455	76,722	51,236
FX Variation	-250,905	-132,460	-289,946	-464,438	-368,557
Other Expenses	-108,900	-15,078	59,900	-132,070	-84,872
Financial Result	**-477,983**	**-233,379**	**-345,652**	**-1,013,148**	**-775,522**
Reduction to recoverable asset value	0	-34,175	0	0	-34,175
Results Before Taxes	**-335,235**	**-129,487**	**-182,033**	**-419,595**	**-316,005**
Income and Social Contribution Taxes - Current	-3,204	-2,791	-2,077	-7,526	-3,133
Income and Social Contribution Taxes - Deferred	26,403	7,661	-9,710	8,903	4,853
Net Income before Non-Controlling Interest	**-312,036**	**-124,617**	**-193,820**	**-418,218**	**-314,285**
Net Income Attributed to Controlling Shareholders	-311,996	-124,755	-193,735	-418,228	-313,969
Net Income Attributed to Non-Controlling Shareholders	-40	138	-85	10	-316
Net (Loss) Income	**-312,036**	**-124,617**	**-193,820**	**-418,218**	**-314,285**

APPENDIX 2 – BALANCE SHEET (CONSOLIDATED)

(R$ mil)	4Q14	4Q13
ASSETS		
Cash and Cash Equivalents	2,474,380	1,563,849
Accounts Receivable from Clients	435,099	184,221
Inventories	467,635	291,773
Biological Assets	173,381	79,341
Taxes Recoverable	560,317	522,030
Other Assets	147,052	196,898
Total Current Assets	**4,257,864**	**2,838,112**
Related Parties	445	9,278
Taxes Recoverable	233,846	138,512
Deferred fiscal assets	248,929	222,313
Other Receivables	37,391	26,394
Judicial Deposits	12,419	11,902
Investments	0	0
Fixed Assets	1,796,755	1,305,769
Intangible	636,812	425,856
Total Non-Current Assets	**2,966,597**	**2,140,024**
Total Assets	**7,224,461**	**4,978,136**
LIABILITIES		
Loans and Financing	723,956	515,533
Convertible Debentures	91,497	504
Suppliers	559,935	376,883
Labor and tax liabilities	89,964	69,907
Other Accounts Payable	483,187	374,361
Total Current Liabilities	**1,948,539**	**1,337,188**
Loans and Financing	4,602,087	2,913,726
Convertible Debentures	0	116,166
Labor and tax liabilities	22,967	26,351
Provision for Contingencies	25,784	36,607
Related Parties	0	109
Accounts Payable	53,071	36,503
Deferred Tax Liabilities	91,460	67,858
Total Non-Current Liabilities	**4,795,369**	**3,197,320**
Shareholders' equity		
Capital Stock	834,136	744,142
Capital Reserves	294,851	253
Revaluation Reserves	68,474	70,737
Accumulated Profit (Loss)	-771,394	-356,596
Equity evaluation adjustments	53,740	-15,647
Total Shareholders' Equity Attributed to Controlling Shareholders	**479,807**	**442,889**
Non-Controlling Interest	746	739
Total Shareholders' Equity	**480,553**	**443,628**
Total Liabilities and Shareholders' Equity	**7,224,461**	**4,978,136**

APPENDIX 3 – CASH FLOW (CONSOLIDATED)

(R$ '000)	4Q14	4Q13	3Q14	2014	2013
Cash Flow from Operating Activities					
Net (Loss) Income	-312,036	-124,617	-193,820	-418,218	-314,285
Reconciliation of Net Income to Net Cash provided by Operating Activities :					
Depreciation and Amortization	17,345	15,234	14,230	59,330	57,717
Net Income Attributed to Non-Controlling Shareholders	40	-138	85	-10	316
Fair Value of Biological Assets	19,412	-1,158	-34,089	-31,754	-15,913
Realization of Deferred Taxes – Temporary Differences	-26,403	-7,661	9,710	-8,903	-4,853
Reduction to recoverable asset value	0	34,175	0	0	34,175
Financial Charges	139,223	96,671	133,128	489,772	366,269
FX Variation – Not Realized	252,148	128,875	291,274	457,728	353,356
Contingency Allowances	2,012	2,614	0	-10,823	3,663
Accounts Receivable from Clients and Other Receivables	-45,056	64,912	-127,453	-159,269	-77,515
Inventories	-67,213	-19,401	-83,914	-153,568	-73,289
Biological Assets	32,279	30	-3,019	-62,286	-22,665
Taxes Recoverable	-28,397	-15,169	-28,629	-128,430	-80,513
Judicial Deposits	44	-993	558	-517	-3,295
Suppliers	116,639	41,518	91,815	149,567	87,450
Labor and Tax Obligations	-6,741	-4,996	6,594	6,632	-2,806
Other Accounts Payable	163,071	69,338	86,474	152,164	166,976
Net Cash Flow from Operating Activities	**256,367**	**279,234**	**162,944**	**341,415**	**474,788**
Net Cash Flow from Investments					
Acquisition of subsidiary less cash and cash equivalents on the acquisition date	0	0	0	-46,321	0
Acquisition of Intangible Assets	-173	-696	-435	-37,644	-12,429
Acquisition of Fixed Assets	-83,013	-52,598	-62,930	-269,166	-165,609
Net Cash Flow from Investments	**-83,186**	**-53,294**	**-63,365**	**-353,131**	**-178,038**
Cash Flow from Financing Activities					
Loans and Financings	494,230	241,362	468,154	2,551,053	1,308,081
Loans and Financings Settled	-231,956	-149,549	-438,481	-1,642,358	-1,264,711
Convertible Debentures	-1,250	-30,171	3,782	-25,173	-23,357
Related Parties	0	7,792	-1	8,724	-41,552
Variation in Minority Interest	-40	153	-89	7	-1,679
Capital Payment in Cash	0	28,231	-6	29,994	31,158
Treasury Stock	0	0	0	0	28,671
Cancellation of Treasury Stock	0	0	0	0	-58,266
Net Cash from Financing Activities	**260,984**	**97,818**	**33,359**	**922,247**	**-21,655**
Net Cash - Cash Equivalent Decrease/Increase	**434,165**	**323,758**	**132,938**	**910,531**	**275,095**
Cash and Cash Equivalents					
Beginning of Period	2,040,215	1,240,091	1,907,277	1,563,849	1,288,754
End of Period	2,474,380	1,563,849	2,040,215	2,474,380	1,563,849
Net Cash - Cash Equivalent Decrease/Increase	**434,165**	**323,758**	**132,938**	**910,531**	**275,095**