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

MINERVA S.A.

Report on Individual (Company) and consolidated Quarterly Information for the quarter ended June 30, 2015

MINERVA S.A.

Individual (Company) and consolidated Quarterly Information for the quarter ended June 30, 2015

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

INDEPENDENT AUDITORS' REPORT ON THE INTERIM FINANCIAL STATEMENTS

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

Introduction

We have reviewed the individual and consolidated interim financial statements of **Minerva S.A.** ("Company"), included in the Quarterly Information for the quarter ended June 30, 2015, which comprises the balance sheet as of June 30, 2015 and the respective statements of operations, comprehensive income (loss), changes in shareholders' equity, and cash flows for the quarter and six-month period then ended, including the notes to the financial statements.

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

Scope of the review

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

Conclusion on the interim financial statements

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

Other issues

Statements of value added

We have also reviewed the individual and consolidated statements of value added for the six-month period ended June 30, 2015, prepared under the responsibility of the Company's management, whose disclosure in the interim financial statements is required in accordance with the standards issued by CVM applicable to the preparation of the Quarterly Information and considered as supplemental information by the IFRS – International Financial Reporting Standards, which do not require the disclosure of the statement of value added. This statement was submitted to the same review procedures previously described and based on our review, we are not aware of any fact that would lead us to believe that they have not been fairly stated, in all material respects, in relation to the interim financial statements, Company and Consolidated, taken as a whole.

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

São Paulo, August 04, 2015.

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

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

MINERVA S.A.

Balance sheets
As of June 30, 2015 and December 31, 2014
(In thousands of Brazilian Reais)

	Note	Company		Consolidated	
		06/30/2015	12/31/2014	06/30/2015	12/31/2014
Assets					
Current					
Cash and cash equivalents	5	1,559,373	1,420,352	2,667,763	2,474,380
Trade accounts receivable	6	195,806	243,772	495,446	435,099
Inventories	7	331,475	276,247	525,599	467,635
Biological assets	8	138,533	150,344	147,788	173,381
Recoverable taxes	9	522,630	468,642	644,777	560,317
Other receivables		107,418	109,079	162,940	147,052
Total current assets		**2,855,235**	**2,668,436**	**4,644,313**	**4,257,864**
Non-current					
Other receivables		29,315	23,314	46,750	37,391
Related-party transactions	11	788,771	641,638	445	445
Recoverable taxes	9	224,380	224,380	233,926	233,846
Deferred tax assets	10	244,639	244,639	248,929	248,929
Court deposits		10,147	10,724	12,031	12,419
Investments	12	1,641,728	1,373,218	-	-
Fixed assets	13	1,235,764	1,157,874	1,898,292	1,796,755
Intangible assets	14	104,665	105,002	650,216	636,812
Total non-current assets		**4,279,409**	**3,780,789**	**3,090,589**	**2,966,597**
Total assets		**7,134,644**	**6,449,225**	**7,734,902**	**7,224,461**

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

MINERVA S.A.

Balance sheets
As of June 30, 2015 and December 31, 2014
(In thousands of Brazilian Reais)

		Company		Consolidated	
Liabilities	**Note**	**06/30/2015**	**12/31/2014**	**06/30/2015**	**12/31/2014**
Current					
Loans and financing	15	917,543	499,618	1,130,708	723,956
Convertible debentures		-	91,497	-	91,497
Trade accounts payable	16	277,830	468,241	419,069	559,935
Labor and tax liabilities	17	55,675	51,402	100,216	89,964
Other accounts payable		427,501	450,533	512,943	483,187
Total current liabilities		**1,678,549**	**1,561,291**	**2,162,936**	**1,948,539**
Non-current					
Loans and financing	15	3,738,669	3,468,057	5,152,462	4,602,087
Labor and tax liabilities	17	21,469	22,967	21,827	22,967
Provisions for contingencies	20	10,846	23,486	13,532	25,784
Provisions for losses on investments	12	885,392	585,698	-	-
Related-party transactions	11	492,949	222,579	-	-
Accounts payable		-	-	70,503	53,071
Deferred tax liabilities	18	79,279	85,340	85,347	91,460
Total non-current liabilities		**5,228,604**	**4,408,127**	**5,343,671**	**4,795,369**
Shareholders' equity	21				
Capital stock		950,598	834,136	950,598	834,136
Capital reserves		294,851	294,851	294,851	294,851
Revaluation surplus		67,342	68,474	67,342	68,474
Accumulated losses		(1,190,082)	(771,394)	(1,190,082)	(771,394)
Other comprehensive income (loss)		104,782	53,740	104,782	53,740
Total shareholders' equity attributed to controlling shareholders		**227,491**	**479,807**	**227,491**	**479,807**
Non-controlling interest		**-**	**-**	**804**	**746**
Total shareholders' equity		**227,491**	**479,807**	**228,295**	**480,553**
Total liabilities and shareholders' equity		**7,134,644**	**6,449,225**	**7,734,902**	**7,224,461**

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

MINERVA S.A.

Statements of operations
For the periods ended June 30, 2015 and 2014
(In thousands of Brazilian Reais)

	Note	Company				Consolidated			
		2nd Quarter 2015	2015 Accumulated	2nd Quarter 2014	2014 Accumulated	2nd Quarter 2015	2015 Accumulated	2nd Quarter 2014	2014 Accumulated
Net revenue	24	1,491,409	2,921,378	1,304,830	2,395,849	2,226,773	4,382,934	1,656,236	3,054,140
Cost of goods sold		(1,148,498)	(2,306,012)	(1,037,110)	(1,902,107)	(1,825,657)	(3,579,649)	(1,325,074)	(2,440,291)
Gross profit		**342,911**	**615,366**	**267,720**	**493,742**	**401,116**	**803,285**	**331,162**	**613,849**
Operating revenues (expenses):									
Selling expenses		(98,691)	(184,490)	(103,145)	(184,829)	(137,294)	(313,744)	(128,573)	(243,596)
General and administrative expenses		(48,618)	(89,571)	(40,799)	(77,250)	(68,901)	(130,377)	(54,741)	(100,407)
Other operating revenues		1,473	7,995	(4,443)	(4,776)	3,992	10,426	16,955	17,241
Income before net financial revenues (expenses), equity in earnings (losses) of controlled companies, and taxes		197,075	349,300	119,333	226,887	198,913	369,590	164,803	287,087
Financial expenses	25	(161,575)	(273,552)	(150,659)	(266,801)	(173,280)	(315,388)	(179,230)	(302,466)
Financial revenues	25	25,047	43,765	9,808	24,339	27,674	53,909	18,474	36,540
Exchange rate gains (losses), net	25	106,416	(402,740)	19,477	43,811	113,323	(526,554)	13,924	76,413
Financial revenues (expenses), net		**(30,112)**	**(632,527)**	**(121,374)**	**(198,651)**	**(32,283)**	**(788,033)**	**(146,832)**	**(189,513)**
Equity in earnings (losses) of controlled companies	12	(2,109)	(142,655)	19,617	66,094	-	-	-	-
Income (loss) before taxes		**164,854**	**(425,882)**	**17,576**	**94,330**	**166,630**	**(418,443)**	**17,971**	**97,574**
Current income and social contribution taxes	18	-	-	4,585	-	(1,846)	(7,380)	5,016	(2,245)
Deferred income and social contribution taxes	18	2,076	5,478	(3,572)	(6,827)	2,076	5,478	(4,535)	(7,790)
Income (loss) before non-controlling interest		**166,930**	**(420,404)**	**18,589**	**87,503**	**166,860**	**(420,345)**	**18,452**	**87,539**
Income (loss) attributable to:									
Controlling shareholders		166,930	(420,404)	18,589	87,503	166,930	(420,404)	18,589	87,503
Non-controlling interest		-	-	-	-	(70)	59	(47)	135
Income (loss) for the period		**166,930**	**(420,404)**	**18,589**	**87,503**	**166,860**	**(420,345)**	**18,542**	**87,638**

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

MINERVA S.A.

Statements of comprehensive income (loss)
For the periods ended June 30, 2015 and 2014
(In thousands of Brazilian Reais)

	Company				Consolidated			
	2nd Quarter 2015	2015 Accumulated	2nd Quarter 2014	2014 Accumulated	2nd Quarter 2015	2015 Accumulated	2nd Quarter 2014	2014 Accumulated
Income (loss) for the period	166,930	(420,404)	18,589	87,503	166,860	(420,345)	18,542	87,638
Other comprehensive income (loss)								
Asset and liability valuation adjustment	(26,394)	51,042	(1,277)	(6,735)	(26,393)	51,041	(1,278)	(6,735)
Other comprehensive income (loss), net of income and social contribution taxes	(26,394)	51,042	(1,277)	(6,735)	(26,393)	51,041	(1,278)	(6,735)
Total comprehensive income (loss)	**140,536**	**(369,362)**	**17,312**	**80,768**	**140,467**	**(369,304)**	**17,264**	**80,903**
Comprehensive income (loss) attributable to:								
Controlling shareholders	140,536	(369,362)	17,312	80,768	140,536	(369,362)	17,312	80,768
Non-controlling interest	-	-	-	-	(69)	58	(48)	135
Total comprehensive income (loss)	**140,536**	**(369,362)**	**17,312**	**80,768**	**140,467**	**(369,304)**	**17,264**	**80,903**

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

MINERVA S.A.

Statements of changes in shareholders' equity - Company and consolidated
For the periods ended June 30, 2015
(In thousands of Brazilian Reais)

	Capital stock	Capital Reserve	Revaluation surplus	Accumulated losses	Asset and liability valuation adjustments	Total shareholders' equity attributed to controlling shareholders	Non-controlling interest	Total shareholders' equity
Balances as of December 31, 2014	**834,136**	**294,851**	**68,474**	**(771,394)**	**53,740**	**479,807**	**746**	**480,553**
Increase in capital stock	116,462	-	-	-	-	116,462	-	116,462
Realization of revaluation surplus	-	-	(1,132)	1,716	-	584	-	584
Translation adjustment for the period	-	-	-	-	51,042	51,042	(1)	51,041
Net loss for the period	-	-	-	(420,404)	-	(420,404)	-	(420,404)
Non-controlling interest	-	-	-	-	-	-	59	59
Balances as of June 30, 2015	**950,598**	**294,851**	**67,342**	**(1,190,082)**	**104,782**	**227,491**	**804**	**228,295**

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

MINERVA S.A.

Statements of changes in shareholders' equity - Company and consolidated
For the periods ended June 30, 2014
(In thousands of Brazilian Reais)

	Capital stock	Capital Reserve	Revaluation surplus	Accumulated losses	Asset and liability valuation adjustments	Total shareholders' equity attributed to controlling shareholders	Non-controlling interest	Total shareholders' equity
Balances as of December 31, 2013	**744,142**	**253**	**70,737**	**(356,596)**	**(15,647)**	**442,889**	**739**	**443,628**
Increase in capital stock	30,000	-	-	-	-	30,000	-	30,000
Realization of revaluation surplus	-	-	(1,131)	1,714	-	583	-	583
Translation adjustment for the period	-	-	-	-	(6,735)	(6,735)	-	(6,735)
Net income for the period	-	-	-	87,503	-	87,503	-	87,503
Non-controlling interest	-	-	-	-	-	-	136	136
Balances as of June 30, 2014	**774,142**	**253**	**69,606**	**(267,379)**	**(22,382)**	**554,240**	**875**	**555,115**

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

MINERVA S.A.

Statements of cash flows for the periods ended as of June 30, 2015 and 2014 (In thousands of Brazilian Reais)

	Company				Consolidated			
	2nd Quarter 2015	2015 Accumulated	2nd Quarter 2014	2014 Accumulated	2nd Quarter 2015	2015 Accumulated	2nd Quarter 2014	2014 Accumulated
Cash flows from operating activities								
Income (loss) for the period	166,930	(420,404)	18,589	87,503	166,860	(420,345)	18,542	87,638
Adjustments to reconcile net loss / income from operating activities:								
Depreciation and amortization	9,093	18,236	8,952	18,102	17,569	35,252	13,854	27,755
Net income (loss) attributed to non-controlling shareholders	-	-	-	-	70	(59)	47	(135)
Fair value of biological assets	10,110	18,353	(10,474)	(17,077)	10,110	18,353	(10,474)	(17,077)
Realization of deferred taxes - temporary differences	(2,076)	(5,478)	3,572	6,827	(2,076)	(5,478)	4,535	7,790
Equity in earnings (losses) of controlled companies	2,109	142,655	(19,617)	(66,094)	-	-	-	-
Finance charges	117,842	225,245	97,768	202,043	197,306	364,343	108,923	217,421
Unrealized exchange rate gains (losses)	(116,999)	482,109	(27,737)	(92,280)	(117,824)	595,584	(16,577)	(85,694)
Provision for contingencies	(3,240)	(12,640)	(13,547)	(12,725)	(2,852)	(12,252)	(13,547)	(12,835)
Trade accounts receivable and other receivables	(39,011)	43,626	25,396	29,781	(73,966)	(85,594)	45,241	13,240
Inventories	(23,008)	(55,228)	(11,966)	(11,215)	12,981	(57,964)	642	(2,441)
Biological assets	(13,538)	(6,542)	(71,436)	(74,757)	(14,152)	7,240	(88,225)	(91,546)
Recoverable taxes	(18,935)	(53,988)	(45,309)	(69,518)	(18,487)	(84,540)	(34,533)	(71,404)
Court deposits	227	577	(39)	(898)	232	388	(162)	(1,119)
Trade accounts payable	(32,967)	(190,411)	69,044	(44,351)	(52,472)	(140,866)	62,788	(58,887)
Labor and tax liabilities	478	2,775	1,898	5,907	(9,318)	9,112	(1,404)	6,779
Other accounts payable	(237,104)	(23,031)	49,351	(61,254)	(208,547)	47,138	11,600	(97,381)
Asset and liability valuation adjustments and cumulative translation adjustments	-	-	-	-	(26,395)	51,041	-	-
	(180,089)	165,854	74,445	(100,006)	(120,961)	321,353	101,250	(77,896)
Cash flows from operating activities	**(180,089)**	**165,854**	**74,445**	**(100,006)**	**(120,961)**	**321,353**	**101,250**	**(77,896)**
Cash flows from investing activities								
Acquisition of controlled company less adjustment	-	-	-	-	-	-	(46,321)	(46,321)
Acquisition of investments	(47,292)	(60,429)	9,697	10,300	-	-	-	-
Acquisition of intangible assets	(3)	(5)	(100,191)	(100,228)	(415)	(13,892)	(37,041)	(37,036)
Acquisition of fixed assets	(54,067)	(95,784)	(43,591)	(134,614)	(46,899)	(136,301)	(39,616)	(123,223)
Cash flows from investing activities	**(101,362)**	**(156,218)**	**(134,085)**	**(224,542)**	**(47,314)**	**(150,193)**	**(122,978)**	**(206,580)**
Cash flows from financing activities								
Loans and financing taken	183,532	673,815	205,773	508,288	216,115	875,466	1,270,396	1,588,669
Loans and financing settled	(340,723)	(692,632)	(286,958)	(549,688)	(407,888)	(878,266)	(659,234)	(971,921)
Debentures convertible into shares	(95,339)	(91,497)	(1,074)	(27,705)	(95,339)	(91,497)	(1,074)	(27,705)
Related-party transactions	228,293	123,237	101,280	128,914	-	-	8,822	8,725
Changes in non-controlling interest	-	-	-	-	(69)	58	(47)	136
Capital contribution in cash	116,447	116,462	-	30,000	116,447	116,462	-	30,000
Cash provided by financing activities	**92,210**	**129,385**	**19,021**	**89,809**	**(170,734)**	**22,223**	**618,863**	**627,904**
Increase / Decrease in cash and cash equivalents, net	**(189,241)**	**139,021**	**(40,619)**	**(234,739)**	**(339,009)**	**193,383**	**597,135**	**343,428**
Cash and cash equivalents								
At beginning of period	1,748,614	1,420,352	922,068	1,116,188	3,006,772	2,474,380	1,310,142	1,563,849
At end of period	1,559,373	1,559,373	881,449	881,449	2,667,763	2,667,763	1,907,277	1,907,277
Increase / Decrease in cash and cash equivalents, net	**(189,241)**	**139,021**	**(40,619)**	**(234,739)**	**(339,009)**	**193,383**	**597,135**	**343,428**

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

MINERVA S.A.

Statements of value added
For the periods ended June 30, 2015 and 2014
(In thousands of Brazilian Reais)

	Company		Consolidated	
	2015	2014	2015	2014
Revenues	3,134,631	2,470,685	4,647,374	3,125,767
Sales of merchandise, products and services	3,114,185	2,458,796	4,626,928	3,109,342
Other revenues	20,446	11,889	20,446	16,425
Inputs acquired from third parties	(2,683,937)	(2,167,573)	(4,129,611)	(2,766,603)
(Includes tax amounts – ICMS – State VAT, IPI – Federal VAT, PIS and COFINS – sales taxes)				
Cost of goods, merchandise and services sold	(2,388,561)	(1,894,374)	(3,634,235)	(2,458,507)
Materials, energy, third-party services and others	(295,376)	(273,199)	(495,376)	(308,096)
Other (specify)	-	-	-	-
Gross value added	450,694	303,112	517,763	359,164
Depreciation, amortization and depletion	(18,236)	(18,102)	(35,252)	(27,755)
Net value added generated by the entity	432,458	285,010	482,511	331,409
Added value received in transfer	(98,890)	90,433	53,909	36,540
Equity in earnings (losses) of controlled companies	(142,655)	66,094	-	-
Financial revenues	43,765	24,339	53,909	36,540
Other	-	-	-	-
Total value added to be distributed (5+6)	**333,568**	**375,443**	**536,420**	**367,949**
Added value distribution	**333,568**	**375,443**	**536,420**	**367,949**
Personnel	100,787	104,983	138,841	141,564
Taxes, fees and contributions	9,679	(67,532)	18,444	(90,702)
Return on debt capital	643,506	250,489	799,480	229,449
Interest	636,294	243,199	792,268	220,771
Rents	7,212	7,290	7,212	8,678
	(420,404)	87,503	(420,345)	87,638
Return on equity capital				
Retained earnings/accumulated losses for the year	(420,404)	87,503	(420,404)	87,503
Non-controlling interest in retained earnings (only consolidation)		-	59	135

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

1. General information

Minerva S.A. ("Company") is a publicly held company listed at the "Novo Mercado" (New Market) level of corporate governance and its shares are traded on BM&F BOVESPA S.A. (São Paulo stock exchange). 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 located in 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), São Paulo, Araraquara (SP), Araguaína (TO), Belo Horizonte (MG) Fortaleza (CE), Uberlândia (MG) and Cabo de Santo Agostinho (PE).

As of June 30, 2015, 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: three located abroad, Pul S/A and Frimacar S/A (both in Uruguay-UY); Frigomerc S/A in Paraguay–PY, and two controlled companies located in Brazil-BR - Minerva Alimentos and Mato Grosso Bovinos. All plants are in compliance with sanitary requirements in order to export for the 5 continents The Barretos (SP) plant has a beef processing line (cubed beef and roast beef) which is mainly for exports.

Controlled companies

Controlled companies located in Brazil:

- **Minerva Indústria e Comércio de Alimentos S.A:** located in Rolim de Moura in the state of Roraima (Brazil), 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 cities of Várzea Grande and Mirassol D'Oeste, both in the state of Mato Grosso (Brazil). 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):** was incorporated in 2009 and it is located in Barretos (SP). It produces and sells beef, pork and poultry products in different scales to meet the domestic and foreign demand for food service products, with approximately 82% of its sales currently made to the internal market.

Controlled companies located abroad:

- **PUL S.A:** meat packing company acquired in January 2011, it is located at the Province of Cerro Largo, next to the capital Melo, in Uruguay (UY). It is engaged in slaughtering and deboning activities, with 89% of its sales intended for the external market, primarily the North American and the European markets.
- **Frimacar S.A:** meat packing company acquired in April 2014, located in Montevideo, Uruguay (UY). Engaged in slaughtering, deboning and processing of beef and sheep meat, with about 84% of its sales intended to foreign market;
- **Lytmer S.A:** located in Montevideo, Uruguay (UY), the company is engaged in selling live cattle to the foreign market.
- **Friasa S.A:** meat packing company located in Asunción, Paraguay (PY), engaged in processing, slaughtering and deboning activities, operating in local and foreign markets;
- **Frigomerc S.A:** meat packing company acquired in October 2012, located in Asunción, Paraguay (PY). It is engaged in the slaughtering and deboning of cattle and processing of meat, also operating in the domestic and foreign markets.
- **Minerva Middle East:** Office located in Lebanon to market and sell the Company's products.
- **Minerva Colômbia S.A.S:** located in Barranquilla, Colombia, it is engaged in selling live cattle to the foreign market.
- **Minerva Live Cattle Export SpA:** located in Santiago, Chile, it is engaged in selling live cattle to the foreign market.
- **Minerva Foods Chile SpA:** located in Santiago, Chile, it is engaged in marketing and selling the Company's products;

Cargo transportation

- **Transminerva Ltda:** located in Barretos (SP), it is engaged in cargo transportation to support the Company, reducing its freight expenses in the country.

Special purpose entities (SPE) for raising funds:

- **Minerva Overseas I:** located in the Cayman Islands, incorporated in 2006, for the issue of bonds, and receipt of the respective financial resources, totaling US$ 200 million in January 2007;
- **Minerva Overseas II:** located in the Cayman Islands, incorporated in 2010, for the issue of bonds, and receipt of the respective financial resources, totaling US$ 250 million on that date;
- **Minerva Luxembourg S.A.:** located in Luxembourg, it was created in 2011 for the specific purpose of issuing bonds and receiving the respective financial resources of US$ 350 million, and later Retap of US$ 100 million, occurred in February and March 2012, respectively. 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 million bearing interest at 7.75% per year. In the 3rd quarter of 2014, the company carried out a Retap operation with 2023 Notes in the amount of US$ 200 million;
- **Minerva Beef**: was incorporated for raising funds, being terminated in the second quarter of 2014.

Other controlled companies in pre-operational stage

- **Loin Investments** (fund raising), **Minerva Log** (logistics) and **Cia Sul Americana de Pecuária** (confinement of cattle).

The controlled companies mentioned above are included in the individual and consolidated financial statements of the Company. The ownership interest of each controlled company is presented below:

	06.30.2015	12.31.2014
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%	100.00%
Friasa S/A	99.99%	99.99%
Minerva Overseas I	100.00%	100.00%
Minerva Overseas II	100.00%	100.00%
Minerva Middle East	100.00%	100.00%
Transminerva Ltda	100.00%	100.00%
Loin Investments	99.00%	99.00%
Minerva Log	100.00%	100.00%
Pulsa S.A.	100.00%	100.00%
Frimacar S.A.	100.00%	100.00%
Minerva Colômbia S.A.S	100.00%	100.00%
Lytmer S.A	100.00%	100.00%
Minerva Luxembourg	100.00%	100.00%
Frigomerc S/A	100.00%	100.00%
Minerva Live Cattle Export Spa	100.00%	100.00%
Minerva Foods Chile Spa	100.00%	100.00%
Cia Sul Americana de Pecuária	100.00%	100.00%

Approval of Quarterly Information

The issue of the Quarterly Information as of June 30, 2015 was authorized by the Executive Management and Board of Directors on July 04, 2015.

2. Acquisition of ownership interest in companies (Business combinations)

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., thereby assuming its control as of May 1, 2014.

The purchase was put into effect at the amount of US$ 37 million (R$ 82,251 as of April 30, 2014), according to the following payment schedule:

- **1st Installment** – Cash – US$ 17,000 thousand (R$ 52,744 converted as of June 30, 2015); settled upon the company's acquisition on April 30, 2014.
- **2nd Installment** – US$ 10,000 thousand (R$ 31,026 – converted as of June 30, 2015), due on April 30, 2015.
- **3rd installment** – due on April 30, 2015, the payment will be made through the transfer of 1,700 thousand common shares of the Company. On May 25, 2015, after an authorization granted by the Brazilian Securities and Exchange Commission (CVM) and the Company's Board of Directors, the 1,700 common shares of the Company in the amount of 22,950 (R$ 13.50 per share) were transferred.

This acquired meat packing company has daily slaughtering capacity of 900 heads and deboning capacity of 150 tonnes.

Below we present the condensed financial statements as of April 30, 2014 of Frigorifico Matadero Carrasco S.A prepared according to CPC 15 (R1) - Business combination based on fair value of the identifiable acquired assets and assumed liabilities:

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
Fixed assets	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 asset and liability balance sheet accounts, which were affected by the measurement at fair value:

IDENTIFIABLE ASSETS
In thousands of Brazilian Reais

	04/30/2014
Inventories - book value	22,450
Adjustment - fair value	(156)
Inventories - Fair value	**22,294**
Fixed assets - book value	77,743
Adjustment - fair value	(2,354)
Fixed assets - 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**

Determining goodwill resulting from expected future profitability

Below we present goodwill resulting from expected future profitability, which corresponds to the difference between the amount paid for acquiring control over the acquiree in relation to net assets measured to fair value of identifiable acquired assets and assumed liabilities as of April 30, 2014.

In thousands of Brazilian Reais R$	
Shareholders' equity (fair value) - 04/30/2014	48,032
Goodwill from expected future profitability - (Note 14)	47,773
Consideration transferred	**95,805**

The goodwill amount of R$ 47,773 shown above is stated in the individual and consolidated financial statements, in the groups of Investments and Intangible Assets, respectively.

We highlight the following issues: (i) this goodwill amount is not amortized. However, this asset is subject to the annual impairment testing, to meet the requirements of CPC 01 (R1) and IAS 36 and IAS 38; and (ii) according to CVM Instruction 580/09 and CPC 15 (R1), the Company could review within a year if any adjustment could have been made in the determined value of goodwill. According to clauses of the acquisition agreement, there was an increase in goodwill from expected future profitability amounting to R$ 13,073, totaling an amount of R$ 47,773.

Mato Grosso Bovinos S.A

Meat packing company with two plants and daily slaughter capacity of 2,600 heads/day. With the acquisition of these meat packing plants, the Company assumed the commitment of delivering 29 million new common shares (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 we present the condensed financial statements as of October 01, 2014 of Mato Grosso Bovinos S.A prepared according to CPC 15 (R1) - Business combination based on fair value of the identifiable acquired assets and assumed liabilities:

ASSETS

	Fair value balance 1/10/2014
Current	
Other amounts receivable	6,187
Noncurrent	
Fixed assets	204,796
Total assets	**210,983**

LIABILITIES

	Fair value balance 1/10/2014
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 asset and liability balance sheet accounts, which were affected by the measurement at fair value, as of October 01, 2014:

IDENTIFIABLE ASSETS
In thousands of Brazilian Reais

	10/01/2014
Fixed assets - book value	180,319
Adjustment - fair value	24,477
Fixed assets - fair value	**204,796**

ASSUMED LIABILITIES
In thousands of Brazilian Reais

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

Determining goodwill resulting from expected future profitability

Below we present goodwill amounting to R$ 174,278 resulting from expected future profitability, which corresponds to the difference between the amount paid for acquiring control over the acquiree in relation to net assets measured to fair value of identifiable acquired assets and assumed liabilities as of October 01, 2014.

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**

The goodwill amount of R$ 174,278 shown above is stated in the individual and consolidated financial statements, in the groups of Investments and Intangible Assets, respectively.

We highlight the following issues: (i) this goodwill amount is not amortized, however, this asset is subject to the annual impairment testing, to meet the requirements of CPC 01 (R1) and IAS 36 and IAS 38; and (ii) according to CVM Instruction 580/09 and CPC 15 (R1), the Company can review within a year if any adjustment must be made in the determined value of goodwill, whose term still is in effect.

3. Basis of preparation

Statement of compliance (with IFRS and CPC standards)

The Company's consolidated quarterly information was prepared and is 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 individual quarterly information of the controlled company was prepared according to the Brazilian accounting practices and is disclosed along with the consolidated quarterly information.

Brazilian accounting practices include those established by Brazilian Corporate Law and the Technical Pronouncements, Guidelines and Interpretations issued by the Committee of Accounting Pronouncements (CPC) and approved by the Brazilian Securities and Exchanges Commission (CVM). Until December 31, 2013, such practices are different from IFRS, which are applicable to the separate financial statements, only for the valuation of investments in controlled, associated and jointly-controlled companies using the equity method of accounting, while for IFRS purposes they would be stated at 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 start to allow the use of the equity method for valuation of investments in controlled, associated and jointly controlled companies. In December 2014, the Brazilian Securities and Exchanges Commission (CVM) issued Resolution 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. Therefore, the Company's individual quarterly information is in compliance with IFRS as from this year.

Presentation of the individual and consolidated statements of value added is required by Brazilian corporate law and Brazilian accounting practices applicable to the listed companies. The IFRS standards do not require presentation of this statement. As a result, according to IFRS, this statement is presented as supplementary information, without detriment to the whole of the quarterly information.

The individual and consolidated quarterly information are presented in Brazilian Reais, which is the Company's functional currency.

4. Summary of main accounting policies

a. Measurement basis

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

b. Functional and reporting currency

The accounting information of each controlled company included in the Company's consolidation, as well as that used as basis for the valuation of investments using the equity method, is prepared using each entity's functional currency. The 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 quarterly information is presented in Brazilian Reais (R$), which is the Company's functional and reporting currency.

c. Foreign transactions

The controlled Companies abroad adopted the following functional currencies for the quarterly information collected for the quarter ended June 30, 2015:

Guarani (Paraguay-PY) - Friasa S.A and Frigomerc S.A.

US Dollar (US$) -Pulsa S.A, Frimacar S.A and Lytmer S.A.

Chilean Peso - Minerva Foods Chile SpA and Minerva Live Cattle Export Spa

Colombian Peso - Minerva Colômbia S.A.S.

Such information, when applicable, is adapted to accounting practices adopted in Brazil and translated into Brazilian Reais – R$, by applying the following procedures:

- Monetary assets and liabilities are converted using the exchange rate of the respective currency to the Brazilian Real -R$ at the date of the respective balance sheets;
- In the last balance sheet audited corresponding to shareholder's equity translated at the historic exchange rate in effect at the time, the changes in shareholder's equity of the current period/year are translated at the historic exchange rate of the dates in which the transactions occurred, noting that income or loss earned/accumulated is translated at a historic monthly average exchange rate as mentioned in the following topic;
- Revenues, costs and expenses of the current period/year are translated and accumulated at a historic monthly average exchange rate;
- The change in foreign exchange balances arising from the items listed above are recognized in a specific account of shareholder's equity, in the caption "Other comprehensive income (loss)", in accordance with the equity equation; namely: Assets less total liabilities equals to total amount of shareholder's equity.

The balances of investments, assets and liabilities, revenues and expenses from transactions conducted between the Companies of "Grupo Minerva" included in the consolidated financial statements are eliminated.

d. Foreign-currency transactions and balances

Foreign currency transactions and balances, i.e. all that are not in the established functional currency, are translated using the historic exchange rate of the transaction date, in accordance with CPC 01 (R2) - Effects of changes in exchange rates and translation of financial statements.

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

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

e. Use of estimates and judgment

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

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

f. Basis of consolidation

Business combinations

Acquisitions made on January 01, 2009 or after that date

For acquisitions made on January 01, 2009 or after that date, the Company measured goodwill as the fair value of the consideration transferred, including the recognized value of any non-controlling interest in the acquiree, deducting the recognized amount, net of identifiable assets and liabilities assumed, all measured at the acquisition date.

For every business combination, the Company will 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, which the Company and its controlled companies incur related to a business combination, are recognized as expenses as they are incurred.

Acquisitions before January 01, 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 tested for impairment, in accordance with CPC 01 (R1).

(i) Controlled companies and joint ventures

The quarterly information of controlled companies is included in the consolidated quarterly information 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 revenues or expenses from such transactions, are eliminated at the preparation of the consolidated quarterly information. 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 income 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. Initially, income earned from these assets is fully measured in the statement of operations. However, gains and losses from the valuation at fair value are recorded in shareholder's equity "Other comprehensive income (loss)" and are measured in the statement of operations upon its realization;
- **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 income and the balances are stated at acquisition cost plus income earned.

Non-derivative financial liabilities

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

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when and only when the Company is legally entitled to offset the amounts and has the intention to settle them on a net basis or simultaneously realize the asset and settle the liability.

The Company and its controlled companies have the following non-derivative financial liabilities: loans and financing, debentures, trade accounts payable and other 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 rate method.

Derivative financial instruments

Fair value of derivative financial instruments is calculated by the Company's Treasury Department according to the information of each agreed transaction and its respective market information at the balance sheet dates of the quarterly information, 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 did not opt for the hedge accounting method. This accounting method is optional and, therefore, not obligatory.

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 effect on the date of the Quarterly Information. An allowance for doubtful accounts is recorded in an amount considered sufficient by management.

k. Inventories

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

l. Biological assets

Biological assets are measured at fair value. Changes in the fair value are recognized in income (loss). Agricultural activities, such as cattle herd growth, arising from confinement of cattle or grazing cattle, and growth of different crops, are subject to measurement of their fair values, based on the mark to market (MtM) concept.

m. Fixed assets

Recognition and measurement

Fixed assets are measured at historical acquisition or construction cost, less accumulated depreciation and impairment. The cost of certain items of fixed assets was determined by reference to the reassessment carried out before the enactment of Law 11.638/2007, effective since January 01, 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 has hired skilled appraisers for verifying the deemed cost of its assets and to compare it with the values recorded in the books of account. No relevant changes were found that would make the recording and control of this appreciation necessary, which led management not to record the deemed cost.

Cost includes expenses directly attributable to the acquisition of an asset. The cost of assets constructed by the Company and its controlled companies includes materials and direct labor, as well as any costs incurred to bring the asset to the location and condition necessary for them to operate according to management’s purposes. Borrowing costs on qualifying assets are capitalized since January 01, 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 fixed asset 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 fixed assets are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and should be recognized net as other revenues or expenses in the statement of operations.

Depreciation

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

The average useful lives estimated by the Company's Management, based on technical studies for the current and comparative periods are as follows:

	Company	Consolidated
Buildings	2.94%	2.51%
Machinery and equipment	8.15%	7.80%
Furniture and fixtures	12.20%	11.01%
Vehicles	8.15%	8.79%
Hardware	18.53%	18.43%

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. 11.638/07 and described in note 21, will be held until its complete amortization, due to full depreciation or disposal of assets.

n. Lease of fixed assets items

Finance lease agreements are recognized in fixed assets and in liabilities for loans and financing at the lower between the present value of the minimum mandatory payments of the agreement and the fair value of the assets, plus, when applicable, the initial direct costs incurred with the transaction. They are depreciated over the estimated useful lives of the assets.

Operating lease agreements are recognized as expenses on a systematic basis representing the period in which the benefit on the leased asset is obtained, even if these payments are not made on this basis.

o. Intangible assets

Intangible assets acquired separately are initially recognized at the cost of acquisition 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 from acquisition of controlled companies

Goodwill from the acquisition of controlled companies is included in intangible assets in the consolidated quarterly information. For acquisitions prior to January 01, 2009, goodwill is included based on its deemed cost, which represents the amount recognized according to the accounting practices previously adopted.

p. Impairment

Financial assets

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

Non-financial assets

Management periodically reviews the net book value of 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 immediately recognized to adjust the net book value to recoverable value.

The recoverable value of an asset or cash-generating unit is the higher of the value in use and net sales price.

To estimate the asset's value in use, the estimated future cash flows are discounted to present value with a discount rate before tax that reflects the weighted average capital cost for the industry in which the cash-generating unit operates. Whenever possible, net sales price is determined based on a binding sale agreement conducted on an arm's length basis between the parties, adjusted by expenses attributable to the asset sale. If there is no such binding agreement, it should be based on the market price defined in an active market, or in the most recent transaction price with similar assets.

The following criterion is also applied for determining impairment losses on specific assets:

Goodwill grounded in expected future profitability

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

Intangible assets

Intangible assets with indefinite 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 that their book value is reduced.

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 or exchange rate gains (losses) and discounts to present value are added when applicable. Provisions are recorded based on 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 when material, and current assets and liabilities when the effect is considered material with respect to the quarterly information.

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

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

Calculations and analyses are quarterly reviewed.

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

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

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

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

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

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 provided for nor disclosed; and (iii) legal obligations are recorded as liabilities, regardless of the evaluation of the probabilities of success, for proceedings whereby the Company has questioned the constitutionality of taxes.

u. Employee benefits

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

v. Sales revenue recognition

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

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 period. 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 periods.

y. Segment reporting

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

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

Some new accounting pronouncements of IASB and interpretations of the IFRIC published and/or reviewed have mandatory adoption as from the period beginning January 01, 2015.

The standards issued by IFRS not yet in effect as of June 30, 2015, are as follows:

- **IFRS 9** - Financial Instruments. It replaces IAS 39 - Financial Instruments: Recognition and measurement, over three phases. This standard represents the first part of phase 1 of replacement of IAS 39 and addresses the classification and measurement of financial assets. In October 2010, IASB added to this standard the requirements for classification and measurement of financial liabilities. This standard and amendments subsequently made are effective for the years initiated on/or after January 01, 2018. The Company analyzed the revision of the mentioned pronouncement and has not identified impacts on the disclosure of these financial statements;
- **IFRS 9 and IFRS 7** – Mandatory effective date and transition disclosures. The amendment of IFRS 9 addresses the extension of the adoption date from January 01, 2013 to January 01, 2015. The amendment of IFRS 7 addresses aspects related to disclosure of information on the transition from IAS 39 to IFRS 9 and aspects related to the restatement of comparative periods on the adoption date of the standard. The Company analyzed the revision of the mentioned pronouncement and has not identified impacts on the disclosures of these 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 is effective for annual periods beginning on or after January 01, 2016. The Company does not expect impacts from the adoption of this standard in its financial statements;
- **IFRS 11** – "Joint arrangements". In May 2014, IASB revised standard IFRS 11. The amendment in IFRS 11 addresses criteria related to the accounting treatment 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 of 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 is effective for annual periods beginning on or after January 01, 2016. The Company does not expect impacts from the adoption of this standard on its financial statements;
- **IFRS 15** – "Revenue from contracts with customers" was issued in May 2014 by IASB. The standard replaces IAS 18 – "Revenues" and IAS 11 – "Construction contracts", and a series of interpretations concerning revenues. This standard is effective for annual periods beginning on or after January 01, 2017. The Company does not expect impacts from the adoption of this standard in its financial statements;
- **IAS 16 and IAS 41** - in July 2014, IASB issued a revision of standards IAS 16 – Fixed assets, 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 fixed assets pursuant to IAS 16, recorded at historical cost instead of measured at fair value as required by IAS 41. This standard is effective for annual periods beginning on or after July 01, 2016. The Company is evaluating the impacts of the adoption of these amendments on its financial statements;
- **IFRS 9** - Financial Instruments. It replaces standard IAS 39, addresses some issues on the application of the standard and introduces the concept of "fair value through other comprehensive income (loss)" for measurement of certain debt instruments. Additionally, IASB 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 years beginning on or after January 01, 2018. The Company is evaluating the impacts of the adoption of this standard on its financial statements.

- **IFRS 10 and IAS 28** - Sale or contribution of assets between an investor and its affiliated company or jointly-controlled entity. It determines the accounting treatment for transactions with assets between an investor and affiliated companies or jointly-controlled entities. These amendments will be in effect for annual periods initiated on or after January 01, 2016. The Company is evaluating the impacts of the adoption of these amendments on its financial statements;
- **IAS 27** – "Separate financial statements". On 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 on or after January 01, 2016. The Company does not expect impacts from the adoption of this standard in its financial statements;
- **IFRS 10, IFRS 12 and IAS 28** – Exceptions for consolidation in investment entities. It addresses the disclosure requirements of financial statements for investment entities. These amendments will be in effect for annual periods initiated on or after January 01, 2016. The Company is evaluating the impacts of the adoption of these amendments on its financial statements.
- **IAS 1** – "Presentation of financial statements" - 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 on or after January 01, 2016, with early adoption permitted. The Company is evaluating the impacts of the adoption of this standard on its financial statements.

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

b.b. Statements of value added

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

5. Cash and cash equivalents

The financial assets of the Company and its controlled companies are as follows:

	Company		Consolidated	
	06.30.15	**12.31.14**	**06.30.15**	**12.31.14**
Cash	378	353	928	2,941
Bank accounts	7,716	6,551	481,368	648,988
Cash and cash equivalents in foreign currency	1,062,493	940,874	1,114,582	956,170
	1,070,587	**947,778**	**1,596,878**	**1,608,099**
Financial investments				
In domestic currency:				
CDB –bank Certificates of deposit	361,132	389,902	361,705	392,433
Debentures	117,551	69,919	122,500	72,131
Brazilian prize-draw investment bonds	1,051	4,050	2,745	4,457
Investment funds	9,052	8,703	9,052	8,703
In foreign currency:				
Other financial assets	-	-	574,883	388,557
	488,786	472,574	1,070,885	866,281
	1,559,373	**1,420,352**	**2,667,763**	**2,474,380**

The financial investments of the Company and its controlled companies were classified according its characteristics and purposes as measured: (i) at fair value through income (loss) and/or (ii) held to maturity, and are briefly stated below:

	Company		Consolidated	
	06.30.15	**12.31.14**	**06.30.15**	**12.31.14**
Measured at fair value through income (loss)	487,735	468,524	1,068,140	861,824
Held-to-maturity	1,051	4,050	2,745	4,457
	488,786	**472,574**	**1,070,885**	**866,281**

6. Accounts receivable

	Company		Consolidated	
	06.30.15	**12.31.14**	**06.30.15**	**12.31.14**
Domestic market	62,206	114,322	147,528	213,562
Foreign market	137,656	74,959	360,689	232,699
Notes receivable – related parties	6,627	63,597	-	-
	206,489	**252,878**	**508,217**	**446,261**
(-) Allowance for doubtful accounts	(10,683)	(9,106)	(12,771)	(11,162)
	195,806	**243,772**	**495,446**	**435,099**

The Company has sale agreements for receivables from exports without right of recourse at an average cost of Libor + Spread and, therefore, the Company does not have risk of default from these sold receivables.

Aging list of accounts receivable

	Company		Consolidated	
	06.30.15	**12.31.14**	**06.30.15**	**12.31.14**
Falling due:	155,671	231,100	439,306	404,397
Overdue:				
Up to 30 days	34,328	1,683	44,810	15,893
From 31 to 60 days	1,054	481	6,027	2,945
From 61 to 90 days	1,019	201	1,073	1,062
From 91 to 180 days	14,417	19,413	17,001	21,964
	206,489	**252,878**	**508,217**	**446,261**

Changes in the allowance for doubtful accounts

	Company	Consolidated	Controlled companie
Balances as of December 31, 2014	(9,106)	(11,162)	(2,056)
Credits provided for	(297)	(651)	(354)
Credits recovered	33	355	322
Credits written-off	58	58	-
Exchange rate gains (losses)	(1,371)	(1,371)	-
Balances as of June 30, 2015	**(10,683)**	**(12,771)**	**(2,088)**

The Company has a FIDC - Receivables Investment Fund for disposal of part of its receivables from domestic market in the total amount of R$ 136,255, with R$ 25,084 formed by subordinated shares.

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

The Company has no guarantee for overdue receivables.

7. Inventories

	Company		Consolidated	
	06.30.15	**12.31.14**	**06.30.15**	**12.31.14**
Finished goods	308,791	247,718	480,200	414,314
Raw materials	-	-	253	3,094
Stockroom and secondary materials	22,684	28,529	45,146	50,227
	331,475	**276,247**	**525,599**	**467,635**

8. Biological assets

The controlled companies with cattle activities, such as cattle herd growth arising from confinement of cattle or grazing cattle 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 quarter 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 bovine grazing cattle (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, 2014	**150,344**	**173,381**
Increase due to acquisitions	229,129	246,537
Decrease due to sales	(259,293)	(290,242)
Net increase due to births (deaths)	-	(124)
Change in fair value less estimated selling expenses	18,353	18,353
Balance as of June 30, 2015	**138,533**	**147,905**

As of June 30, 2015, farm cattle held for sale were 57,455 feeder cattle (as of December 31, 2014 – 64,110 feeder cattle).

As of June 30, 2015 and December 31, 2014, 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	
	06.30.15	12.31.14	06.30.15	12.31.14
PIS - Contribution to the Social Integration Program (Tax on sales)	75,311	68,608	85,231	75,421
COFINS - Contribution for Social Security Funding (tax on sales)	307,587	288,899	347,024	315,852
Reintegra - Special Regime of Reintegration of Tax Amounts to Export (	662	662	1,054	1,054
ICMS - State VAT	162,541	151,968	169,210	157,417
IR and CSLL - Income and Social Contribution Taxes	103,126	85,102	110,463	91,953
IPI - Federal VAT - deemed Credit	92,198	92,198	92,198	92,198
Other recoverable taxes	5,585	5,585	73,523	60,268
	747,010	**693,022**	**878,703**	**794,163**
Current	522,630	468,642	644,777	560,317
Non-current	224,380	224,380	233,926	233,846

PIS and COFINS

COFINS and PIS 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 (RFB) 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 of tax credits, part of these credits in current assets were segregated to non-current assets amounting to R$ 71,501 as of June 30, 2015 in company and R$ 77,424 in consolidated. Realization expectation of Company's and its controlled companies' tax credits are quarterly reviewed.

ICMS

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

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 lawsuits, 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, recorded in non-current assets, 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, 2014	Recognized in income (loss)	Realization of deferred taxes	Balance as of June 30, 2015
Deferred IR/CS on tax losses	244,639	-	-	244,639
Total deferred tax assets	**244,639**	**-**	**-**	**244,639**

	Consolidated			
	Balance as of December 31, 2014	Recognized in income (loss)	Realization of deferred taxes	Balance as of June 30, 2015
Deferred IR/CS on tax losses	248,929	-	-	248,929
Total deferred tax assets	**248,929**	**-**	**-**	**248,929**

Deferred tax assets 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 June 30, 2015 is R$ 244,639 in Company and R$ 248,929 in consolidated. (As of December 31, 2014 the amount was R$ 244,639 in Company and R$ 248,929 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 deferred tax assets on tax losses was grounded on the business plan and budget and internal financial projections, prepared by independent advisors which are annually reviewed.

These projections adopted the following main assumptions in their conception:

The projected realization of deferred (IR and CSLL) tax assets is as follows:

	06.30.15	06.30.15
	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.

We highlight that such technical studies grounding the decision to record deferred tax assets on income and social contribution tax losses were duly reviewed and approved in Board of Directors' meetings held on February 21, 2011, October 24, 2011, March 5, 2012, August 7, 2012 and February 26, 2014 for the Company, and April 25, 2011 and March 5, 2012 for the 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	06.30.15	12.31.14	06.30.15	12.31.14
Minerva Indústria e Comércio de Alimentos S.A. (a)	93,042	21,487	-	-
Minerva Dawn Farms S.A. (Minerva Fine Foods) - (b)	150,106	248,444	-	-
Transminerva Ltda (c)	24,107	22,459	-	-
Minerva Overseas Ltd (d)	322,575	291,931	-	-
Mato Grosso Bovinos S.A (e)	190,034	46,434	-	-
Others (f)	8,907	10,883	445	445
	788,771	**641,638**	**445**	**445**

(a) Loan made to Minerva Indústria e Comércio de Alimentos S.A. for working capital;
(b) Loan made to Minerva Dawn Farms S.A. (currently Minerva Fine Foods) for working capital;
(c) Expenses of controlled company Transminerva and working capital to be reimbursed;
(d) Loan made to Minerva Overseas Ltda., to be reimbursed;

(e) Loan made to Mato Grosso Bovinos S.A. for working capital;
(f) Other loans and payments to companies linked to the Company.

	Company		Consolidated	
Loans payable	**06.30.15**	**12.31.14**	**06.30.15**	**12.31.14**
Minerva Luxembourg (a)	113,635	40,748	-	-
Minerva Overseas II Ltd (b)	276,928	181,831	-	-
Frimacar (c)	40,334	-	-	-
Pul S/A (d)	62,052	-	-	-
	492,949	**222,579**	**-**	**-**

(a) Loan from Minerva Luxembourg to the controlling company;
(b) Loan from Minerva Overseas II to the controlling company;
(c) Loan from Frimacar to the controlling company;
(d) Loan from Pul S/A to the controlling 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 as follows:

		Company	Consolidated	
Trade accounts payable	06.30.15	12.31.14	06.30.15	12.31.14
Minerva Dawn Farms S.A.	2,414	10,033	-	-
Minerva Indústria e Comércio de Alimentos S.A.	6,136	9,797	-	-
Transminerva	1,999	847	-	-
Frigomerc	2,290	6,614		
Pul	745	223	-	-
Mato Grosso Bovinos S.A.	25,711	78,264	-	-
Acquisition of partners	896	3,154	7,808	15,547
	40,191	108,932	7,808	15,547

	Company		Consolidated	
Trade accounts receivable	06.30.15	12.31.14	06.30.15	12.31.14
Minerva Dawn Farms S.A.	2,449	498	-	-
Minerva Ind. e Com. de Alimentos S.A.	57	2,462		
Mato Grosso Bovinos S.A.	4,121	60,637	-	-
	6,627	63,597	-	-

	Company		Consolidated	
	06.30.15	06.30.14	06.30.15	06.30.14
Sales revenues:				
Brascasing Comercial Ltda.	-	1,754	-	-
Minerva Dawn Farms S.A.	23,876	3,884	-	-
Minerva Indústria e Comércio de Alimentos S.A.	863	1,106	-	-
Mato Grosso Bovinos S.A.	31,513	-	-	
	56,252	**6,744**	**-**	-
Meat purchase:				
Brascasing Comercial Ltda.	-	907	-	-
Minerva Dawn Farms S.A.	165	14,246	-	-
Minerva Indústria e Comércio de Alimentos S.A.	52,553	48,060	-	-
Friasa S.A.	-	809	-	-
Pul	4,654	686	-	-
Frigomerc	31,939	8,921	-	-
Carrasco	7,951	-	-	-
Mato Grosso Bovinos S.A.	168,087	-	-	-
	265,349	**73,629**	**-**	**-**
Cattle purchase:				
Acquisition of partners	**29,793**	**13,623**	**51,709**	**13,623**

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

No allowances for doubtful accounts or expenses incurred with uncollectible debts regarding related-party transactions were recognized in the periods ended June 30, 2015 and 2014.

Compensation 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 June 30, 2015 and 2014 is summarized below:

	Members 2015	06.30.15	06.30.14
Executive Management and Board of Directors	24	5,099	2,840
	24	**5,099**	**2,840**

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 as of 12.31.14	Transfers	Goodwill	Translation adjustments	Acquisition / Write-off of ownership interest	Paid-in capital	Equity in earning (loss) of controlled companies	Balance as of 06.30.15
Goodwill from expected future protibality		548,489	-	13,073	-	-	-	-	561,562
Minerva Indústria e Comércio de Alimentos Ltda.	98.00%	36,301	-	-	10	-	-	2,916	39,227
Minerva Overseas Ltd	100.00%	142,294	-	-	-	-	-	43,072	185,366
Minerva Overseas Ltd II	100.00%	126,088	-	-	-	-	-	79,060	205,148
Minerva Middle East	100.00%	37	-	-	-	-	-	-	37
Friasa Ltd	99.99%	1,119	-	-	60	-	-	73	1,252
Minerva Log S.A	100.00%	199	-	-	-	-	-	(40)	159
Minerva Dawn Farms S.A.	100.00%	(131,318)	-	-	-	-	-	(16,273)	(147,591)
Pulsa S.A	100.00%	153,180	-	-	27,145	-	-	35,166	215,491
Loin Investments	99.00%	257	-	-	-	-	-	55	312
Frigomerc	100.00%	156,561	-	-	(1,964)	-	47,165	16,234	217,996
Minerva Colombia	100.00%	1,278	(1,278)	-	-	-	-	-	-
Frimacar	100.00%	156,905	-	-	26,566	-	-	3,625	187,096
Cia. Sul Americana de Pecuária	100.00%	20	(20)	-	-	-	-	-	-
Mato Grosso Bovinos S/A	100.00%	181,808	-	-	-	-	-	(32,633)	149,175
Minerva Live Cattle	100.00%	-	(1,417)	-	(1,081)	-	-	28,996	26,498
Investments		1,373,218	(2,715)	13,073	50,736	-	47,165	160,251	1,641,728
Transminerva	100.00%	(18,727)	-	-	-	-	-	(2,424)	(21,151)
Minerva Luxemburgo	100.00%	(559,306)	-	-	-	-	-	(284,675)	(843,981)
Minerva Chile	100.00%	(4,337)	-	-	814	-	-	(9,159)	(12,682)
Lytmer	100.00%	(1,911)	-	-	(656)	-	-	(4,640)	(7,207)
Minerva Live Cattle	100.00%	(1,417)	1,417	-	-	-	-	-	-
Minerva Colombia	100.00%	-	1,278	-	159	-	-	(1,547)	(110)
Cia. Sul Americana de Pecuária	100.00%	-	20	-	-	-	180	(461)	(261)
Provision for losses on investments		(585,698)	2,715	-	317	-	180	(302,906)	(885,392)
Net investments		787,520	-	13,073	51,053	-	47,345	(142,655)	756,336

(*) 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$ 114,796 – converted at the rate as of June 30, 2015).

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' quarterly information as of June 30, 2015:

	Ownership interest	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholder's equity
Minerva Alimentos	98.00%	130,443	109,723	70,805	129,335	40,026
Frimacar	100.00%	90,903	142,882	44,857	1,832	187,096
Minerva Overseas	100.00%	584,653	156,344	-	555,630	185,367
Minerva Overseas II	100.00%	137	1,453,813	-	1,248,802	205,148
Minerva Middle East	100.00%	37	-	-	-	37
Minerva Dawn Farms	100.00%	30,536	103,490	115,469	166,148	(147,591)
Minerva Luxemburgo	100.00%	309,111	3,381,480	144,091	4,390,481	(843,981)
Friasa	99.99%	2,039	2,286	3,074	-	1,251
Transminerva	100.00%	3,017	338	399	24,107	(21,151)
Loin Investments	99.00%	333	-	21	-	312
Minerva Log	100.00%	159	-	-	-	159
Lytmer	100.00%	5,340	256	11,252	1,551	(7,207)
Pulsa S.A.	100.00%	129,216	175,562	45,959	43,329	215,490
Frigomerc	100.00%	228,294	62,337	72,635	-	217,996
Minerva Chile	100.00%	28,059	2,820	233	43,328	(12,682)
Minerva Colombia	100.00%	33,280	232	16,783	16,839	(110)
Cia. Sul Americana de Pecuár	100.00%	4,942	-	5,203	-	(261)
Mato Grosso Bovinos S/A	100.00%	210,813	187,376	58,980	190,034	149,175
Minerva Live Cattle	100.00%	43,688	33,134	33,435	16,889	26,498
Total		**1,835,000**	**5,812,073**	**623,196**	**6,828,305**	**195,572**

Below, we present the results of controlled companies which had movement during the periods ended June 30, 2015 and 2014:

	06.30.15		06.30.14	
	Net sales	Income/loss for the year	Net sales	Income/loss for the year
Minerva Alimentos	236,495	2,915	195,592	6,627
Frimacar	188,377	3,626	59,699	28,038
Minerva Overseas	-	43,072	-	6,119
Minerva Overseas II	-	79,060	-	36,880
Brascasing			5,858	618
Minerva Dawn Farms	44,180	(16,272)	64,914	(13,872)
Minerva Beef			-	(72)
Minerva Luxemburgo	-	(284,675)	-	(30,642)
Friasa	-	73	-	332
Transminerva	1,814	(2,425)	2,542	(2,540)
Loin Investments	-	55	-	36
Minerva Log	-	(40)	-	(9)
Lytmer	1,611	(4,640)	134	(841)
Pulsa S.A.	248,519	35,167	206,579	29,865
Frigomerc	429,166	16,234	293,208	5,830
Minerva Chile	21,568	(9,159)	-	-
Minerva Colombia	9,730	(1,546)	-	(272)
Cia. Sulamericana de Pecuária	-	(461)	-	-
Mato Grosso Bovinos S/A	549,190	(32,633)	-	-
Minerva Live Cattle	68,576	28,995	-	-

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

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13. Fixed assets

a. Breakdown of fixed assets

Company

Description	% - Depreciation rate	Historical cost	Accumulated depreciation	06/30/15 Net	12/31/14 Net
Buildings	2.94%	534,406	(103,287)	431,119	437,751
Machinery and equipment	8.15%	283,762	(102,209)	181,553	191,613
Furniture and fixtures	12.20%	3,496	(2,491)	1,005	1,130
Vehicles	8.15%	12,696	(4,114)	8,582	6,330
Hardware	18.53%	3,724	(3,498)	226	346
Plots of land		52,648	-	52,648	52,648
Construction in progress		582,149	-	582,149	489,574
Provision for impairment loss		(21,518)	-	(21,518)	(21,518)
		1,451,363	**(215,599)**	**1,235,764**	**1,157,874**

Consolidated

Description	% - Depreciation rate	Historical cost	Accumulated depreciation	06/30/15 Net	12/31/14 Net
Buildings	2.51%	912,199	(132,316)	779,883	770,369
Machinery and equipment	7.80%	591,779	(179,650)	412,129	421,758
Furniture and fixtures	11.01%	7,984	(4,472)	3,512	4,478
Vehicles	8.79%	16,906	(6,017)	10,889	9,569
Hardware	18.43%	8,381	(6,193)	2,188	1,421
Plots of land		96,814	-	96,814	92,754
Reforestation		2,372	-	2,372	2,240
Construction in progress		612,023	-	612,023	515,684
Provision for impairment loss		(21,518)	-	(21,518)	(21,518)
		2,226,940	**(328,648)**	**1,898,292**	**1,796,755**

b. Changes in fixed assets

Company	Buildings	Machinery and equipment	Furniture and fixtures	Vehicles	Hardware	Plots of land	Construction in progress	Provision for impairment loss	Total
Balance as of December 31, 2014	**437,751**	**191,613**	**1,130**	**6,330**	**346**	**52,648**	**489,574**	**(21,518)**	**1,157,874**
Additions	-	-	-	-	-	-	93,907	-	93,907
Incorporation/acquisition	-	-	-	1,880	-	-	-	-	1,880
Transfers	527	-	14	791	-	-	(1,332)	-	-
Disposals	-	-	-	(3)	-	-	-	-	(3)
Depreciation	(7,159)	(10,060)	(139)	(416)	(120)	-	-	-	(17,894)
Balance as of June 30, 2015	**431,119**	**181,553**	**1,005**	**8,582**	**226**	**52,648**	**582,149**	**(21,518)**	**1,235,764**

Consolidated	Buildings	Machinery and equipment	Furniture and fixtures	Vehicles	Hardware	Plots of land	Reforestation	Construction in progress	Provision for impairment loss	Total
Balance as of December 31, 2014	**770,369**	**421,758**	**4,478**	**9,569**	**1,421**	**92,754**	**2,240**	**515,684**	**(21,518)**	**1,796,755**
Additions	796	5,999	104	821	224	233	132	99,310	-	107,619
Incorporation/acquisition	-	-	-	-	-	-	-	-	-	-
Transfers	1,491	217	(848)	1,294	959	-	-	(3,113)	-	-
Disposals	-	(2,926)	(1)	(83)	(56)	-	-	(1)	-	(3,067)
Depreciation	(11,317)	(21,798)	(385)	(875)	(389)	-	-	-	-	(34,764)
Translation adjustments	18,544	8,879	164	163	29	3,827	-	143	-	31,749
Balance as of June 30, 2015	**779,883**	**412,129**	**3,512**	**10,889**	**2,188**	**96,814**	**2,372**	**612,023**	**(21,518)**	**1,898,292**

c. Construction and facilities in progress

As of June 30, 2015, 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.

Provision for impairment

As required by the Brazilian accounting practices and International standards (IFRS), the Company annually tests its assets for impairment. Accordingly, during the years of 2013 and 2014 and the period ended June 30, 2015, 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 fixed assets and R$ 12,657 from expectation of future profitability, which generated a recognition of provision for impairment.

e. Amounts offered as collateral

Total fixed assets offered as collateral for loans and financing amounted to R$ 280,195 as of June 30, 2015 (R$ 246,531 as of December 31, 2014).

f. Deemed cost

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

14. Intangible assets

	Company		Consolidated	
	06/30/15	12/31/14	06/30/15	12/31/14
Goodwill on acquisitions	98,094	98,094	641,603	628,530
Aircraft usage rights	1,793	1,793	1,793	1,793
Assignment of easement strips	250	250	250	250
Software	4,528	4,865	6,570	6,239
	104,665	105,002	650,216	636,812

The changes in intangible assets during the period ended June 30, 2015 are shown below:

	Company				
	Goodwill paid on acquisitions	Aircraft usage rights	Assignment of easement strips	Acquired software	Total
Balance as of December 31, 2014	**98,094**	**1,793**	**250**	**4,865**	**105,002**
Acquisition	-	-	-	5	5
Amortization	-	-	-	(342)	(342)
Balance as of June 30, 2015	**98,094**	**1,793**	**250**	**4,528**	**104,665**

	Consolidated				
	Goodwill paid on acquisitions	Aircraft usage rights	Assignment of easement strips	Acquired software	Total
Balance as of December 31, 2014	**628,530**	**1,793**	**250**	**6,239**	**636,812**
Acquisition	13,073	-	-	780	13,853
Amortization	-	-	-	(488)	(488)
Translation adjustment	-	-	-	39	39
Balance as of June 30, 2015	**641,603**	**1,793**	**250**	**6,570**	**650,216**

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 June 30, 2015 and December 31, 2014, the average amortization rates were 19.7% and 19.8%, respectively, with expected final amortization of those intangible assets in 2017.

Goodwill by expectation of future profitability

	Consolidated	
	06/30/15	12/31/14
Minerva Dawn Farms (MDF) - (i) and (Note 2)	188,391	188,391
Brascasing Industria e Comércio Ltda - (ii) and (Note 2)	98,094	98,094
Pulsa S/A - (iii) and (Note 2)	61,643	61,643
Frigomerc (iv)	62,126	62,126
Frimacar (v)	47,773	34,700
Mato Grosso Bovinos S/A (vi)	174,278	174,278
Other (vii)	9,298	9,298
	641,603	**628,530**

(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. As clauses of the acquisition agreement, there was a goodwill increase from expected future profitability amounting to R$ 13,073, totaling an amount of R $ 47,773;

(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, 2013.

As required by the Brazilian accounting practices and International standards (IFRS), the Company annually tests its assets for impairment. Accordingly, the Industrial plant from Goinésia (GO), company previously named as "Lord Meat", due to strategic issues, is 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

Types

		Company		Consolidated	
Types	**Finance charges**	**06/30/15**	**12/31/14**	**06/30/15**	**12/31/14**
Debentures - 4th Issue (1)	CDI + 1.75% p.a.	299,995	299,442	299,995	299,442
Debentures (1)	Fixed rate	482,417	482,841	-	-
BNDES (1/2/3)	TJLP + Spread	61,699	70,879	61,699	70,879
FINEP (7)	TJLP + Spread	-	-	23,902	27,950
Lease (3)	TJLP + 3.5% per year	3,112	4,286	3,248	4,442
Bank Credit Note (1/2/3/5)	Annual rate 8.5%	10,338	13,606	48,871	61,203
Bank Credit Note	CDI + spread	164,942	-	164,942	-
NCE (1/5)	CDI + spread	481,716	390,587	488,063	396,636
Progeren (1)	3.9% p.a. + TJLP	9,203	14,220	9,203	14,220
IFC (2/4/6)	CDI + spread	142,122	141,807	142,122	141,807
Other types	TJLP + Spread	-	-	354	1,453
		1,655,544	**1,417,668**	**1,242,399**	**1,018,032**
Foreign currency (US dollar)					
ACCs (5)	Interest from 1.00% to 2.0% p.a. + exchange rate gains (losses)	305,358	343,382	336,683	399,740
NCE (5)	Interest of 3.60% p.a. + exchange rate gains (losses)	240,453	95,300	240,453	95,300
Senior Unsecured Notes - (5)	Exchange rate gains (losses) + interest	1,777,026	1,522,731	3,602,415	3,061,026
Perpetual bonds (5)	Exchange rate gains (losses) + interest of 8.75% p.a.	859,774	736,247	937,982	801,769
PPE (1)	Interest of 2.7% p.a. + Libor	62,057	79,696	62,057	79,696
Operation 4131 (5/8)	Exchange rate gains (losses) + interest	-	-	100,034	-
Other types	Exchange rate gains (losses) + interest	-	-	10,973	96,491
Hedging instruments - derivatives		(244,000)	(227,349)	- (249,826)	- (226,011)
		3,000,668	**2,550,007**	**5,040,771**	**4,308,011**
Total loans		**4,656,212**	**3,967,675**	**6,283,170**	**5,326,043**
Current		917,543	499,618	1,130,708	723,956
Non-current		3,738,669	3,468,057	5,152,462	4,602,087

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

(1) Endorsement/collateral of the parent company VDQ Holdings S.A and/or endorsement of the shareholders of VDQ Holdings S.A.;
(2) Mortgage;
(3) Equipment disposal;
(4) Promissory notes endorsed by the controlled companies Minerva Alimentos, PUL and Frigomerc;
(5) Collateral or endorsement of the Company;
(6) Collateral of the controlled companies Minerva Alimentos, PUL and Frigomerc, which guarantees the Company.
(7) Bank collateral
(8) STLC (Stand by letter of Credit).

Long-term portions of Company's loans and financing mature as follows as of June 30, 2015:

	Company								
	2016	2017	2018	2019	2020	2021	2022	2023	Total
Lease	451	902	664	18	-	-	-	-	2,035
BNDES (Brazilian Development Bank)	10,360	12,306	8,719	8,719	726	-	-	-	40,830
CCB (Bank Credit Notes)	3,249	541	-	-	-	-	-	-	3,790
Debentures	-	-	298,087	-	-	-	450,000	-	748,087
IFC	8,607	17,214	17,215	17,215	17,215	17,215	17,215	8,607	120,503
NCE (Export Credit Notes)	96,667	200,130	-	-	-	-	-	-	296,797
Pre-shipment	-	105,136	-	2,002,709	-	-	468,492	-	2,576,337
Hedging instruments - derivatives	-	(49,710)	-	-	-	-	-	-	(49,710)
	119,334	286,519	324,685	2,028,661	17,941	17,215	935,707	8,607	3,738,669

(Consolidated) long-term portions of loans and financing mature as follows as of June 30, 2015:

	Consolidated									
	2016	2017	2018	2019	2020	2021	2022	2023	Perpetual	Total
Lease	472	943	695	18	-	-	-	-	-	2,128
BNDES	10,360	12,306	8,719	8,719	726	-	-	-	-	40,830
CCB	5,906	5,855	5,313	5,313	5,313	5,313	4,785	-	-	37,798
Debentures	-	-	298,087	-	-	-	-	-	-	298,087
FINEP (Funds for Studies and Projects)	3,894	7,788	3,865	-	-	-	-	-	-	15,547
IFC	8,607	17,215	17,215	17,215	17,215	17,215	17,215	8,607	-	120,504
NCE	96,667	200,130	-	-	-	-	-	-	-	296,797
Senior Unsecured Notes	-	75,951	-	171,304	-	-	386,406	2,838,746	-	3,472,407
Perpetual bonds	-	-	-	-	-	-	-	-	918,074	918,074
Hedging instruments - derivatives	-	(49,710)	-	-	-	-	-	-	-	(49,710)
	125,906	**270,478**	**333,894**	**202,569**	**23,254**	**22,528**	**408,406**	**2,847,353**	**918,074**	**5,152,462**

Below are the Company's and its controlled companies' main loans and financing as of June 30, 2015:

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 June 30, 2015 is R$ 142,122 whose interests are calculated through CDI + Spread semi-annually paid. The debt matures on April 15, 2023.

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$250,000 thousand, respectively. The Notes are collateralized by the Company and mature in 2017 and 2019, respectively. Additionally, in February 2012, the Company put into effect the issue of US$ 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 Retap) 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 Retap) 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. We also point out that the financial covenants refer to authorization or not to incur new debts, by performing all new debt related to refinancing, in addition to a pre-defined amount for credit facilities of working capital and investments. Covenants are calculated based on the consolidated quarterly Information.

In the process of issuing such Notes (2022 and Retap), the Company incurred transaction costs in the amount of R$ 25,735 to that date, such costs were capitalized in an offset account to these Notes liabilities, to be amortized pro rata temporis as from issue date until its maturity 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 is R$ 3,602,415 (R$ 3,061,026 as of December 31, 2014) as of June 30, 2015 in the consolidated quarterly information.

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 June 30, 2015, the liabilities related to the perpetual bonds presented in the consolidated quarterly information are R$ 937,982.

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 June 30, 2015 the consolidated debt balance was R$ 23,902 (R$ 27,950 as of December 31, 2014) 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$53,793, whose balance as of June 30, 2015 was R$ 38,533 (R$47,597 as of December 31, 2014). 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 June 30, 2015, 4.46% of the Company's and its controlled companies' total debt was secured by security interest in real estate (4.63% as of December 31, 2014).

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, 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 CCB dated on January 07, 2009 issued by the Company and Banco da Amazônia S.A., has 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 quarterly information as a reduction of own liabilities, to be fully amortized during the effective period of the debentures until 2018. As of June 30, 2015, the amount is R$ 299,995.

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

16. Trade accounts payable

	Company		Consolidated	
	06/30/15	12/31/14	06/30/15	12/31/14
Domestic	263,234	429,086	402,804	522,885
Foreign	14,596	39,155	16,265	37,050
	277,830	**468,241**	**419,069**	**559,935**

17. Salaries, social charges and tax liabilities

	Company		Consolidated	
	06/30/15	12/31/14	06/30/15	12/31/14
Labor				
Salaries and management compensation	4,553	6,511	10,612	10,752
Social charges - FGTS and INSS (employees and third parties)	6,836	7,269	13,012	13,471
Provision for vacation pay/year-end bonus and charges	29,530	21,385	52,894	39,337
Other proceeds and charges	1,788	2,220	3,456	3,971
Total labor	**42,707**	**37,385**	**79,974**	**67,531**
Tax				
INSS payment in installments	-	1,114	-	1,114
ICMS (State VAT) payable	28,811	32,616	30,989	33,005
IRPJ (Corporate Income Tax)	-	-	503	3,240
Social contribution tax	-	-	193	3
Other taxes and fees	5,626	3,254	10,384	8,038
Total tax	**34,437**	**36,984**	**42,069**	**45,400**
Grand total	**77,144**	**74,369**	**122,043**	**112,931**
Current	55,675	51,402	100,216	89,964
Non-current	21,469	22,967	21,827	22,967

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	
	06/30/15	06/30/14	06/30/15	06/30/14
Temporary add-backs				
Sundry provisions	3,708	5,740	3,708	5,740
Fair value of biological assets	281,476	135,485	281,476	135,485
Temporary deductions				
Sundry provisions	(5,948)	(8,742)	(5,948)	(8,742)
Fair value of biological assets	(263,123)	(152,562)	(263,123)	(152,562)
Calculation basis of deferred taxes	16,113	(20,079)	16,113	(20,079)
Deferred IR/CS - temporary difference	5,478	(6,827)	5,478	(6,827)
Deferred IR/CS on tax losses	-	-	-	(963)
Total deferred IR and CS	5,478	(6,827)	5,478	(7,790)

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

	Company			
	Balance as of January 01 2015	Recognized in income (loss)	Realization of deferred taxes	Balance as of June 30, 2015
Taxes on revaluation surplus	33,451	-	(583)	32,868
Taxes on adjustment of biological assets	17,161	89,462	(95,702)	10,921
Taxes on appreciation of controlled company	48,532	-	-	48,532
Other deferred taxes	(13,804)	2,023	(1,261)	(13,042)
Total deferred tax liabilities	**85,340**	**91,485**	**(97,546)**	**79,279**

	Consolidated					
	Balance as of January 01, 2015	Recognized in income (loss)	Realization of deferred taxes	Investment acquisition balance	Translation adjustment	Balance as of June 30, 2015
Taxes on revaluation surplus	33,451	-	(583)	-	-	32,868
Taxes on adjustment of biological assets	17,161	89,462	(95,702)	-	-	10,921
Taxes on appreciation of controlled company	48,532	-	-	-	-	48,532
Other deferred taxes	(7,684)	2,023	(1,261)	-	(52)	(6,974)
Total deferred tax liabilities	**91,460**	**91,485**	**(97,546)**	**-**	**(52)**	**85,347**

Based on budgeting, business planning and budget projection, management estimates that tax credits arising from temporary differences shall be realized by 2017.

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	
	6/30/2015	**6/30/2014**	**6/30/2015**	**6/30/2014**
Income (loss) before taxes	(425,882)	94,330	(418,443)	97,673
Add-backs				
Temporary differences	3,709	6,361	4,221	6,663
Permanent differences	356,894	622	357,083	676
Realization of temporary differences	(2,293)	(8,743)	(2,662)	(9,061)
Realization of revaluation surplus	1,714	1,715	1,714	1,715
Effects of initial adoption of IFRS	854,401	662,975	863,880	669,693
Deductions				
Temporary differences	(3,655)	-	(3,737)	-
Permanent differences	(212,589)	(81,094)	(212,589)	(81,094)
Effects of initial adoption of IFRS	(838,230)	(676,163)	(852,844)	(682,813)
Tax calculation basis	**(265,931)**	**3**	**(263,377)**	**3,452**
Loss to offset	-	(1)	7,868	(2,832)
Calculation basis after loss to offset	**(265,931)**	**2**	**(255,509)**	**620**
Taxes on income				
Income tax payable	-	-	(7,189)	(1,647)
CSLL payable	-	-	(191)	(598)
Current IRPJ and CSLL expenses	**-**	**-**	**(7,380)**	**(2,245)**

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 six 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 No.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. Accordingly, the Company's management decided for not adopting the new tax regime in 2014.

19. 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)	Amount of expense 06/30/15	Amount of expense 06/30/14
Farms and industrial plants	IPCA + 11% @ cattle / IGPM	Dec-15	750	750
			750	**750**

20. 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:

Processes	Company		Consolidated	
	06/30/15	12/31/14	06/30/15	12/31/14
Tax contingencies	1,890	11,290	1,890	11,290
Contingencies for labor claims	7,460	10,700	10,146	12,998
Civil contingencies	1,496	1,496	1,496	1,496
	10,846	**23,486**	**13,532**	**25,784**

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

Contingencies

a. Labor

Most of these labor claims involve health hazard pay, overtime, commuting time, and mandatory thermal comfort breaks. According to the opinion of the lawyers that handle these legal demands and experience accumulated by Management in similar cases, provisions amounting to R$ 7,460 for Company and R$ 10,146 for consolidated were accrued for labor lawsuits, whose loss is considered probable as of June 30, 2015 (R$ 10,700 for Company and R$ 12,998 for consolidated, as of December 31, 2014, respectively).

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

- **Tax and civil proceedings**

As of June 30, 2015, the Company and its controlled companies had other on-going tax and civil lawsuits amounting to approximately R$ 36,753 and R$ 664, 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 June 30, 2015, 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$ 79,989.

- **ICMS (State VAT)**

The Company was assessed for tax deficiency by the State Finance Department of Goiás for alleged omission of payment of ICMS Tax Substitution arising from the transactions conducted in the period from March to October 2005, related to the acquisition of cattle, later transferred to other units of the Company. The amount involved in this dispute, whose likelihood of unfavorable outcome is considered possible, is about R$ 28,776.

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 amount involved in this dispute, whose likelihood of unfavorable outcome is considered possible, is R$ 6,654.

21. Shareholders' equity

a. Share capital

The Company's subscribed and paid-in capital as of June 30, 2015 is R$ 950,598 (R$ 834,136 as of December 31, 2014), represented by 191,993,702 as of June 30, 2015 (178,000,090 as of December 31, 2014) common, book-entry shares, with no par value, all of which are free and clear of any burden or encumbrance.

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.

On May 25, 2015, the Company held a meeting of the Board of Directors (RCA) when partially approved a capital increase with the issue of one million seven hundred thousand (1,700) common shares in the amount of R$ 22,950. Partial approval of capital increase regarding the payment of the third installment owed by the Company due to the acquisition of 100% of the shares of Frigorífico Matadero Carrasco S.A. pursuant to the purchase and sale agreement entered into on March 18, 2014.

On June 15, 2015, the Board of Directors recorded an increase in the Company's capital stock in the amount of R$ 93,492 resulting from the conversion of 93,492 debentures, corresponding to the totality of the outstanding debentures on that date, at the conversion price of R$ 7.60636 per share, through the issue of 12,291,293 common shares of the Company.

On June 18, 2015, the legal deadlines for exercising preferred rights, right to subscription of the remaining shares and waiver were ended by the Board of Directors. Considering the partial approval on May 25, 2015 of the one million seven hundred thousand (1,700) common shares in the amount of R$ 22,950, a capital increase in the amount of R$ 5 was approved, by means of the issue of 392 common shares of the Company, increasing capital stock from R$ 950,593, representing 191,993,355, to R$ 950,598, representing 191,993,702 common shares.

b. Revaluation surplus

In 2003 and 2006 the Company revalued the assets of its property, plant and equipment and the amount reported on June 30, 2015 was R$ 67,342 (R$ 68,474 as of December 31, 2014), 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. 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.

22. Management's compensation

As of June 30, 2015 the Company recorded expenses on key management personnel remuneration (Company's Board of Directors, Audit Committee and officers) in the amount of R$ 5,099 (R$ 2,840 as of June 30, 2014). The entire remuneration is short-term.

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

23. Segment reporting

	Business segments					
	Live cattle		Meat		Consolidated	
	06/30/15	06/30/14	06/30/15	06/30/14	06/30/15	06/30/14
Net revenues	374,870	447,014	4,008,064	2,607,126	4,382,934	3,054,140
Cost of goods sold	(304,801)	(362,035)	(3,274,848)	(2,078,157)	(3,579,649)	(2,440,192)
Operating expenses	(36,310)	(45,947)	(397,385)	(280,815)	(433,695)	(326,762)
Financial income (loss), net	26,583	(10,474)	(814,616)	(179,039)	(788,033)	(189,513)
Net income before taxes	**60,342**	**28,558**	**(478,785)**	**69,115**	**(418,443)**	**97,673**

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.

24. Net revenue

	Company		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Revenue from sales of goods - domestic market	1,261,246	899,048	1,546,877	1,037,985
Revenue from sales of goods - foreign market	1,886,761	1,662,227	3,115,126	2,204,369
Deductions from revenue – taxes levied and others	(226,629)	(165,426)	(279,069)	(188,214)
Net operating revenue	**2,921,378**	**2,395,849**	**4,382,934**	**3,054,140**

According to paragraph 2 of article 20 of CVM Instruction No. 480/09, projections and estimates disclosed by listed companies shall be periodically reviewed, in time interval adequate to the projection object, which, under no circumstances, shall exceed 1 year.

Additionally, paragraph 4 of article 20 of CVM Instruction No. 480/09, determines that at each filing of Standard Financial Statements or Quarterly Information, a listed company shall crosscheck these projections with income (loss) actually obtained, indicating possible misstatements. The Company disclosed in its Reference Form for 2014, projections related to net revenue for 2015. The assumptions and variables indicated in item 11.1 of the Company's reference form were followed, and it is estimated that the Company's consolidated net revenue in 2015 shall be between R$ 9.5 billion and R$ 10.5 billion. As of June 30, 2015, the Company's consolidated net revenue was R$ 4,382,934, according to the information on income (loss) actually recognized disclosed in its quarterly information. Based on income (loss) recognized as of June 30, 2015, currently there was no misstatement or any need for updating the projection of the Company's net revenue for 2015 as previously disclosed.

25. Financial income (loss), net

	Company		Consolidated	
	06/30/2015	**06/30/2014**	**06/30/2015**	**06/30/2014**
Financial revenues:				
Return on financial investments	43,765	24,339	53,909	36,540
Other financial revenues	-	-	-	-
	43,765	**24,339**	**53,909**	**36,540**
Financial expenses:				
Interest on financing	(313,387)	(191,826)	(362,601)	(219,386)
Other financial expenses/revenues	39,835	(74,975)	47,213	(83,080)
	(273,552)	**(266,801)**	**(315,388)**	**(302,466)**
Exchange rate gains (losses), net	(402,740)	43,811	(526,554)	76,413
Financial income (loss), net	**(632,527)**	**(198,651)**	**(788,033)**	**(189,513)**

26. 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	06/30/2015	06/30/2014
Net income/(loss) attributable to the Company's shareholders	**(420,404)**	**87,503**
Weighted average number of common shares issued - thousands	191,994	149,000
Weighted average of shares in treasury	-	-
Weighted average number of outstanding common shares - thousands	**191,994**	**149,000**
Basic earnings per share – R$	(2.18967)	0.58727

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	06/30/2015	06/30/2014
Net income attributable to the Company's shareholders	**(420,404)**	**87,503**
Weighted average number of outstanding common shares - thousands	191,994	149,000
Adjustment from conversion of debentures mandatorily convertible	-	12,293
Adjustment from Share Purchase Option - thousands	-	-
Weighted average number of common shares for diluted earnings per share - thousands	**191,994**	**161,293**
Diluted earnings per share - R$	**(2.18967)**	**0.54251**

27. 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 June 30, 2015 and December 31, 2014, according to their purpose (asset protection and other purposes):

Equity hedging

Description	/ thousand		Fair value in R$ thousand		Accumulated effect in R$ thousand	
	06/30/15	12/31/14	06/30/15	12/31/14	Amount receivable/(received)	Amount payable/(paid)
Futures Contracts:	-	-	-	-	-	-
Purchase agreements	-	-	-	-	-	-
DOL (US$)	-	-	-	-	3,886	2,718
Others	-	-	-	-	-	-
Corns (sacks)	-	41	-	1,187	-	308
BGI (arrobas)	1,060	-	151,423			6,457
Soy (sacks)	-	-	-	-	2	-
DI 1 day (R$)	-	-	-	-	-	919
Sale agreements	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
DOL (US$)	6,750	-	21,169	-	1,026	-
BGI (arrobas)	3,336	1,783	482,777	253,537	29,824	-
Soy (sacks)	-	81	-	4,955	-	-
					-	-
Option contracts	-	-	-	-	-	-
Call holder	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
BGI (arrobas)	825	-	224	-	-	1,757
Others	-	-	-	-	-	-
Put holder	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
DOL (US$)	-	-	-	-	-	-
Others	-	-	-	-	-	-
BGI (arrobas)	1,155	415	2,259	486	-	2,956
Call seller	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
BGI (arrobas)	825	-	91	-	766	-
Others	-	-	-	-	-	-
Put seller	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-
Others	-	-	-	-	-	-
BGI (arrobas)	1,155	415	1,818	15	3,112	-
Forward contracts	-	-	-	-	-	-
Long position	-	-	-	-	-	-
NDF (US dollar)	2,119,756	-	2,063,229	-	46,298	-
Short position	-	-	-	-	-	-
NDF (cattle)	65,870	-	62,175	-	-	342
NDF (euro)	239,407	330,482	238,475	13,231	-	7,429
NDF (US dollar)	1,615,956	1,044,685	1,587,445	1,039,314	597	92,803

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 fifty thousand US dollars (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 quarterly information, according to "relevant market information". Changes in the assumptions and in the financial market may materially affect the estimates presented in the financial statements.

Derivatives undergo daily financial adjustments at BM&F, except for over-the-counter transactions (swap, options and NDF) whose financial adjustments may be weekly, monthly or quarterly. Accordingly, for these derivatives, only financial adjustments realized and not settled are recorded in equity accounts as of June 30, 2014 and December 31, 2014 as "Treasury advances". The breakdown of the balances payable/receivable recorded in the quarterly information is as follows:

Derivative financial instruments	6/30/2015	12/31/2014
	Receivable (payable)	Receivable (payable)
Futures contracts (D+1)	7,537	(49)
Option contracts	-	-
Swap	-	-
NDF	(45,932)	-
Shares	-	-
	(38,395)	**(49)**

Outstanding over-the-counter NDF, Swap and São Paulo Stock Exchange (BM&F Bovespa) option transactions are marked to market and as of June 30, 2015 and December 31, 2014 are recorded as "NDF receivable/payable", "Swaps" and "Options receivable", respectively.

Derivative financial instruments	6/30/2015	12/31/2014
	Mark to market	Mark to market
Options	574	84
Swap	249,826	244,257
NDF (EUR+DOL)	(23,987)	(18,246)
Grand total	**226,413**	**226,095**

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		
	06/30/15		
	Currencies		
	Domestic	Foreign	Total
Assets			
Cash	928	-	928
Bank accounts	87,966	1,507,984	1,595,950
Financial investments	496,002	574,883	1,070,885
Accounts receivable	144,290	351,156	495,446
Total current	**729,186**	**2,434,023**	**3,163,209**
Total assets	**729,186**	**2,434,023**	**3,163,209**
Liabilities			
Short-term financing	585,838	744,986	1,330,824
Total current	**585,838**	**744,986**	**1,330,824**
Long-term financing	656,561	4,545,611	5,202,172
Total non-current	**656,561**	**4,545,611**	**5,202,172**
Total liabilities	**1,242,399**	**5,290,597**	**6,532,996**
Net financial debt	**513,213**	**2,856,574**	**3,369,787**
Currency hedging derivatives - net position	**-**	**(249,826)**	**(249,826)**
Net currency position	**513,213**	**2,606,748**	**3,119,961**

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

Financial instruments (net)	Asset (liability) position, net at 06/30/2015	Asset (liability) position, net at 12/31/2014
Futures contracts (US dollar)	(21,169)	-
Futures contracts (Euro)	-	-
Option contracts (US dollar, cattle, corn and IDI)	574	-
Swap agreements	249,826	244,257
NDF (US dollar + EURO)	237,309	(1,375,167)
Total Net	**466,540**	**(1,130,910)**

Financial assets and liabilities are presented in the quarterly information for June 30, 2015 and December 31, 2014 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 June 30, 2015:

Type	Status	Currency	Maturity	Notional	Institution
NDF	SALE	DOL	8/3/2015	(65,000)	Banco Barclays S.A.
NDF	SALE	DOL	8/3/2015	(40,000)	HSBC Bank Brasil S.A. - Banco Multiplo
NDF	SALE	DOL	8/3/2015	(50,000)	Bco Bradesco S.A.
NDF	SALE	DOL	8/3/2015	(40,000)	BR Partners BI
NDF	SALE	DOL	9/1/2015	(65,000)	Banco Barclays S.A.
NDF	PURCHASE	DOL	8/3/2015	65,000	Banco Barclays S.A.
NDF	SALE	DOL	9/1/2015	(50,000)	Banco Santander (Brasil) S.A.
NDF	SALE	DOL	9/1/2015	(40,000)	HSBC Bank Brasil S.A. - Banco Multiplo
NDF	SALE	DOL	9/1/2015	(31,650)	HSBC Bank Brasil S.A. - Banco Multiplo
NDF	SALE	DOL	9/1/2015	(20,000)	Banco Barclays S.A.
NDF	PURCHASE	DOL	8/3/2015	100,000	HSBC
NDF	PURCHASE	DOL	8/3/2015	100,000	BR Partners BI
NDF	PURCHASE	DOL	8/3/2015	30,000	Banco Santander (Brasil) S.A.
NDF	PURCHASE	DOL	8/3/2015	40,000	Bank Of America
NDF	PURCHASE	DOL	8/3/2015	30,000	Banco Barclays S.A.
NDF	PURCHASE	DOL	8/3/2015	50,000	HSBC Bank Brasil S.A. - Banco Multiplo
NDF	PURCHASE	DOL	8/3/2015	30,000	Bank Of America
NDF	SALE	DOL	7/1/2015	(110,000)	Banco Barclays S.A.
NDF	PURCHASE	DOL	8/3/2015	110,000	Banco Barclays S.A.
NDF	PURCHASE	DOL	8/3/2015	55,000	Bank Of America
NDF	PURCHASE	DOL	8/3/2015	55,000	HSBC Bank Brasil S.A. - Banco Multiplo
NDF	SALE	EUR	7/6/2015	(6,000)	Bank Of America
NDF	SALE	EUR	7/16/2015	(6,000)	Banco Santander (Brasil) S.A.
NDF	SALE	EUR	7/27/2015	(6,000)	Bank Of America
NDF	SALE	EUR	7/13/2015	(5,000)	HSBC Bank Brasil S.A. - Banco Multiplo
NDF	SALE	EUR	8/3/2015	(4,100)	Banco BTG Pactual S.A.
NDF	SALE	EUR	8/24/2015	(5,000)	Bco Bradesco S.A.
NDF	SALE	EUR	8/27/2015	(5,000)	HSBC Bank Brasil S.A. - Banco Multiplo
NDF	SALE	EUR	8/25/2015	(5,000)	HSBC Bank Brasil S.A. - Banco Multiplo
NDF	SALE	EUR	9/4/2015	(5,000)	Banco Barclays S.A.
NDF	SALE	EUR	9/14/2015	(5,317)	Banco Barclays S.A.
NDF	SALE	EUR	9/25/2015	(5,000)	Bank Of America
NDF	SALE	EUR	8/10/2015	(6,000)	Bank Of America
NDF	SALE	EUR	8/17/2015	(5,500)	Banco Barclays S.A.

Credit risks

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

c. Cattle price risks

The Company's line of business is exposed to the volatility of the prices for cattle, its main raw material, changes which arise from factors outside the control of management, such as climatic factors, volume of supply, transportation costs, agricultural policies and others. The Company, in accordance with its inventory policy, pursues its management strategy for this risk, working on physical control, which includes purchases in advance, confinement of cattle and the signing of contracts for future settlement (over-the-counter and exchanges), which ensure the realization of its inventories at a determined price level.

Over-the-counter market	Fair value 6/30/2015
Purchased forward contract	
Notional amount (@)	1,233,754
Future Contract Price (R$/@)	146
Total R$ /1000	**180,342**

Market BM&F	Fair value 6/30/2015
Sold future contract	
Notional amount (@)	1,118,700
Future Contract Price (R$/@)	154
Total R$ /1000	**172,757**

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 June 30, 2015;
- A downward movement typifies a decrease in prices or risk factors as of June 30, 2015;
- 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.

(Amounts in R$ thousand)

Operation	Movement	Risk	Probable scenario 6% fluctuation	Possible scenario 25% fluctuation	Remote scenario 50% fluctuation
Hedge derivatives	Upward	Cattle	(24,140)	(96,848)	(164,142)
cattle	Upward	Cattle	10,821	45,086	90,171
Net			**(13,319)**	**(51,762)**	**(73,971)**
Hedge derivatives	Upward	US dollar	(63,940)	(266,415)	(532,829)
Invoices + Cash - in $US	Upward	US dollar	45,498	189,574	379,148
Net			**(18,442)**	**(76,841)**	**(153,681)**
Hedge derivatives	Upward	Euro	(14,308)	(59,619)	(119,237)
Invoices - in $EUR	Upward	Euro	11,969	49,870	99,741
Net			**(2,339)**	**(9,749)**	**(19,496)**
Hedge derivatives	Upward	US dollar	132,171	550,712	1,101,423
Funds raised in $US	Upward	US dollar	(248,379)	(1,034,913)	(2,069,825)
Net			**(116,208)**	**(484,201)**	**(968,402)**
Swap of shares	Write-off	Shares	(4,776)	(19,899)	(39,797)
Net			**(4,776)**	**(19,899)**	**(39,797)**

Exchange rate USD 3.1026 - Sale Ptax (Source Central Bank)

Exchange rate EUR 3.4603 - 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$ 13,319; in a scenario with 25% fluctuation losses would amount to R$ 51,762, and with 50% fluctuation R$ 73,971;
- **Hedging derivatives x Invoices + Cash in US$:** In the probable scenario where market fluctuation is 6%, the Company may incur losses of R$ 18,442; in a scenario with 25% fluctuation losses would amount to R$ 76,841, and with 50% fluctuation R$ 153,681;
- **Hedging derivatives x Invoices + Cash in EUR:** In the probable scenario where market fluctuation is 6%, the Company may incur losses of R$ 2,339; in a scenario with 25% fluctuation losses would amount to R$ 9,749, and with 50% fluctuation R$ 19,496;
- **Hedging derivatives:** In the probable scenario where market fluctuation is 6%, the Company may incur losses of R$ 116,208; in a scenario with 25% fluctuation losses would amount to R$ 484,201, and with 50% fluctuation R$ 968,402.
- **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 June 30, 2015, amounts deposited for margin amount to R$ 40,020.

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
03/20/2014	01/15/2018	5,115
03/25/2014	09/15/2017	5,498
03/26/2014	08/15/2017	1,490
04/01/2014	05/15/2017	3,201
04/02/2014	07/17/2017	4,015
04/07/2014	12/15/2017	3,715
04/08/2014	04/17/2017	4,799
04/09/2014	03/15/2017	5,926
04/10/2014	10/16/2017	3,059
04/10/2014	10/16/2017	3,059
04/11/2014	02/15/2018	2,329
04/14/2014	04/17/2017	1,010
05/08/2014	06/16/2017	6,373
05/09/2014	05/15/2017	1,974
05/12/2014	02/15/2017	5,045
05/20/2014	03/15/2018	4,915
05/21/2014	07/17/2017	974
05/22/2014	05/15/2017	775
05/26/2014	02/15/2017	497
05/27/2014	08/15/2017	3,993
05/27/2014	11/16/2017	3,993
05/30/2014	11/16/2017	2,613
05/30/2014	12/15/2017	2,613
05/30/2014	02/15/2018	2,613
Total		**79,595**

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.

28. Statements of comprehensive income (loss)

In compliance with CPC 26(R1) (IAS 1 – Presentation of quarterly information, the Company presents below the changes in comprehensive income (loss) for the fiscal periods ended June 30, 2015 and 2014:

	Company		Consolidated	
	06/30/15	06/30/14	06/30/15	06/30/14
Income for the year	(420,404)	87,503	(420,345)	87,638
Asset and liability valuation adjustment	51,042	(6,735)	51,041	(6,735)
Net effect at fair value of assets	-		-	
Total comprehensive income (loss)	**(369,362)**	**80,768**	**(369,304)**	**80,903**
Comprehensive income (loss) attributable to:				
Controlling shareholders	(369,362)	80,768	(369,362)	80,768
Non-controlling shareholders	-	-	58	135
Total comprehensive income (loss)	**(369,362)**	**80,768**	**(369,304)**	**80,903**

29. 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 June 30, 2015 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	531,001
Vehicles and aircrafts	Fire and miscellaneous risks	16,761
Civil liability	Operation risks	20,000
		1,022,555

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.

30. Subsequent events

On July 31, 2015, after the conclusion of legal and economic audit, the Company entered into definitive contracts for acquiring 100% of the shares of Frigorífico Red Cárnica S.A.S and Red Industrial Colombiana S.A.S (jointly "Frigorífico Red Cárnica").

Such acquisition was originally entered into by means of a Memorandum of Understanding. The Company has informed that the same terms and conditions negotiated in the Memorandum of Understanding were substantially kept in the final documents, so that the total investment will be of approximately thirty million US dollars (US$ 30 million), including: a) Acquisition of assets; b) working capital and c) investments to expand and modernize facilities. Frigorífico Red Cárnica does not have financial indebtedness.

The actual transfer of Frigorífico Red Cárnica is subject to certain previous conditions and authorizations in Colombia. The Company will maintain its shareholders informed about the compliance with such conditions, approval of the authorizations and conclusion of the operation. Accordingly, the effects of consolidation of these companies' financial statements will be recognized in the third quarter of 2015, when the transfer of control over the companies will actually occur.

2Q15 Earnings Release

Barretos, August 4, 2015 – Minerva S.A. (BM&FBOVESPA: BEEF3 | OTCQX: MRVSY), one of the leaders in South America in the production and sale of fresh beef, live cattle and cattle byproducts, with operations also in the beef, pork and poultry processing segments, announces today its results for the second quarter of 2015 (2Q15). The financial and operating information herein is presented in BRGAAP and Brazilian reais (R$), in accordance with International Financial Reporting Standards (IFRS).

2Q15 Highlights

Minerva (BEEF3)

Price on August 4,2015:
R$ 11.44

Market Cap:
R$2,196.4 million

191,993,702 shares

Free Float – 52.0%

Conference Calls
August 5, 2015

Portuguese
09:30 a.m. (Brasília)
08:30 a.m. (US EST)
Phone: +55 (11) 2188-0155
Code: Minerva

English
11:30 a.m. (Brasília)
10:30 a.m. (US EST)
Phone: +1 (412) 317-6776
Code: Minerva

IR Contacts:

Eduardo Puzziello
Kelly Barna
Caio Vancim

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

ri@minervafoods.com

- ✓ Minerva's gross revenue in 2Q15 was record, increasing by 34% over 2Q14, to R$2,352 million. EBITDA amounted to R$216.5 million in 2Q15, 32% up on 2Q14, with an EBITDA margin of 9.7%. Note that the second-quarter's operating performance was also impacted by the integration of the recent acquisitions, whose margins are lower than Minerva's consolidated margins. On July 08, 2015 we announced the end of the integration process of these plants.
- ✓ Net income totaled R$166.9 million in 2Q15, significantly higher than in 2Q14. Net margin was 7.5% in the quarter. ROIC remained stable over 2Q14, at 20%, underlining Management's strong commitment to profitability.
- ✓ Fresh beef exports grew by 59%, thanks to the increased geographic diversification in South America; the widespread commercial coverage, reaching approximately 100 countries through international offices in different continents; the use of risk management instruments; and the relationship between the growing demand for beef and lower supply in the international market. The efficiency of this strategic can be noticed on the performance of Minerva's exports compared to the Brazilian market. Brazil's beef exports fell by 12% between 2Q14 and 2Q15, while Minerva's exports increased by 22% in the same period, increasing its share of Brazil's total exports by 9.3 p.p., from 15.1% in 2Q14 to 24.4% in 2Q15.
- ✓ Domestic market fresh beef sales grew by 32% over 2Q14, thanks to the combination of the increased capacity, the higher price of fresh beef, and the strategy of optimizing distribution channels and focusing on food service and small and medium retailers, team education and training, adjustments to the distribution operations and in the optimization of the channels. We highlight the average domestic price, which rose by 19% over 2Q14, fueled by the increase in the arroba price in the period.
- ✓ At the close of 2Q15, financial leverage, measured by the net debt/LTM adjusted EBITDA ratio, was stable at 4.4x.The cash position on June 30, 2015 was R$2.7 billion, approximately 2.5X times higher than short-term debt.
- ✓ On March 04, 2015 the Company disclosed its Net Revenue guidance for 2015 of between R$9.5 billion and R$10.5 billion. The Company announces that, due to the results recorded in 1H15, this guidance will be maintained.

Key Indicators

R$ Million	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Slaughtering ('000 heads)	588.5	512.6	14.8%	608.3	-3.3%	2,368.1	1,946.3	21.7%
Sales Volume ('000 tonnes)	148.5	121.4	22.3%	140.1	6.0%	576.8	463.0	24.6%
Gross Revenues	2,352.3	1,759.9	33.7%	2,309.7	1.8%	8,874.1	6,364.7	39.4%
Domestic Market	789.7	568.2	39.0%	757.2	4.3%	3,111.1	2,037.8	52.7%
Export Market	1,562.5	1,191.7	31.1%	1,552.6	0.6%	5,763.0	4,326.9	33.2%
Net Revenues (1)	2,226.8	1,656.2	34.4%	2,156.2	3.3%	8,631.0	5,993.0	44.0%
Adjusted EBITDA (1) (2)	216.5	163.7	32.3%	188.4	14.9%	809.2	640.5	26.3%
Adjusted EBITDA margin (2)	9.7%	9.9%	-0.2 p.p.	8.7%	1.0 p.p.	9.4%	10.7%	-1.3 p.p.
Net Debt/Adjusted EBITDA (x) (2)	4.4	3.5	0.9	4.3	0.1	4.4	3.5	0.9
Net (Loss) Income	166.9	18.5	799.9%	-587.2	n.a.	-926.2	-35.5	n.a.

(1) The last 12 months of 2Q15 includes Net Revenue and EBITDA proforma figures for the Mato Grosso plant.

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

Message from the Management

In Brazil, where Minerva has approximately two-thirds of its production capacity, the second quarter of 2015 was marked by the deterioration of macroeconomic indicators. Minerva foresaw this scenario and, by using risk management tools, focused on operational efficiency, closer relations with producers and a strategy with greater focus on exports, without reducing efficiency in sales to the domestic market, recorded positive operating and financial results. In addition to the substantial net revenue growth, of approximately 35% over 2Q14, the Company also managed to increase its share of Brazilian beef exports with profitability. This result can be confirmed with the 100 bps gain in the 2Q15 EBITDA margin over 1Q15, reaching margin of 9.7%, and a stable ROIC compared to the previous quarter, at 20%. Another second-quarter highlight was the lower exchange rate volatility, which combined with the Company's good performance, positively impacted the bottom line of the income statement. In the second quarter of 2015, Minerva posted net income of R$167 million, significantly higher than the income of R$18.5 million recorded in 2Q14.

Commercially, it is worth noting the strong performance of the exports, which grew by 25% in terms of revenue denominated in U.S. dollars in 2Q15 over 2Q14. Minerva's exports accounted for 24% of Brazil's exports in the second quarter of 2015, with a market share gain of 100 bps compared to the 23% in 1Q15. Minerva's export volume from Brazilian operations moved up by 22% over 2Q14 and by 14% over 1Q15, while Brazil's exports fell by 12% in 2Q15 over 2Q14 and increased by 11% over 1Q15.

Our operations in Uruguay and Paraguay also posted revenue growth in 2Q15, of 19% and 12%, respectively. The Company's operational performance in Brazil, Paraguay and Uruguay is explained by the gradual strengthening of South American countries. The United States Department of Agriculture (USDA) expects South America's share in global beef exports to grow to 34% this year, versus 32% in 2014.The reflection of this strengthening can be observed in the recent opening of international markets to meat produced in South America. In May, Mainland China approved Brazilian beef imports and in June the United States announced the beginning of the opening process, which should occur in 2H15. Also the European Union opened its market to the Paraguayan fresh beef, and Saudi Arabia is in the final process of reopening imports of Brazil's fresh beef. These openings, among others, confirm the assertiveness and coherence of the long-term growth strategy adopted by the Company, whose operations are located in South America.

In the 2Q15, we started our operations in Colombia, and concluded the integration process of the Mato Grosso plants and the unit in Janaúba.

For the second half of the year, we maintain the outlook of an off-season with a well-distributed cattle supply, due to increased operations of feedlot and longer periods of rain, effect of the El Niño, due to which rainfall is heavier in the Southern Hemisphere. Regarding demand for beef, we expect the domestic market to be impacted by the current macroeconomic situation (e.g. higher unemployment and loss of real income due to high inflation), but this should be offset by expected strong demand in foreign markets. In relation to the expected macroeconomic deterioration for the second half of 2015 in Brazil, it is worth highlighting the strategy adopted by Minerva on the domestic market of focusing on food service and small and medium retailers, which increases the resiliency of results. The adequate raw material supply and lower internal consumption should push arroba prices down further. If this pans out, it will bring good profitability prospects for the export market in the coming quarters.

Fernando Galletti de Queiroz, CEO

Industry Overview

Brazil

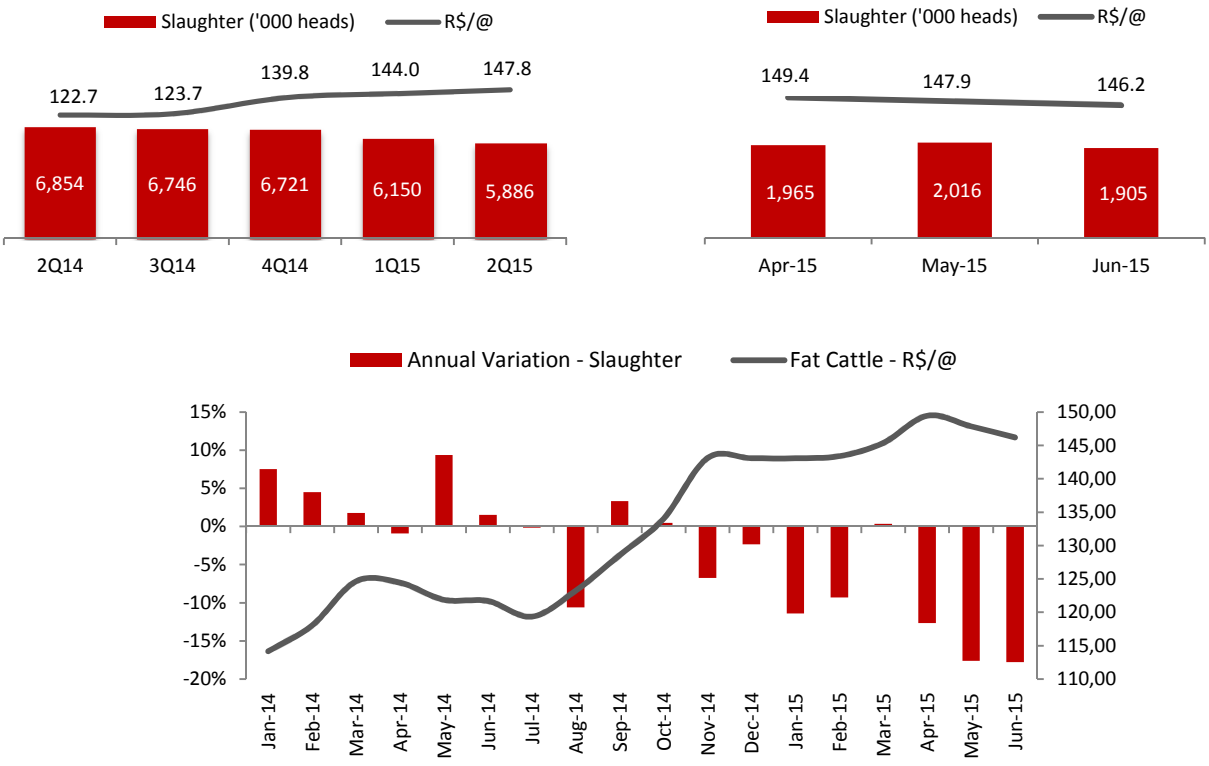
Cattle Supply

In the first six months of 2015, it was observed a strong adjustment movement in the Brazilian beef industry capacity due the unfavorable economic scenario. This correction translated into an 11% reduction in slaughter volume compared to the same period last year. Together with this movement, we observed a stronger female retention process by calf producers, confirmed by recent data published by the Brazilian Institute of Geography and Statistics (IBGE), which point to a reduction in cow slaughter between 4Q14 and 1Q15 by 9% compared to the same periods in 2013 and 2014, respectively.

Arroba prices remained stable in 2Q15 over 1Q15, but increased by 20% over 2Q14. However, it is important mentioning that the average arroba price began to decline as of the end of May, influenced by the industry capacity adjustments observed. This accelerated the arroba price correction in July, creating good profitability prospects in the second half of 2015.

The increased rainfall forecasted for the rest of the year, due to the El Niño phenomenon, will enable a more regular supply of cattle in the off-season, concentrated in the second half of the year. More favorable rainfall, combined with a scenario of falling grain prices, increased use of pasture supplementation technologies and semi-confinement by cattle producers, has helped to increase the availability of younger and heavier animals for slaughter in 1H15, and should result in a more regular supply and productivity gains for the industry in 2H15.

Figures 1, 2 and 3 – Cattle Slaughter and Average Cattle Price



Source: Ministry of Agriculture, Livestock and Supply, CEPEA/ESALQ | 2Q15 Preliminary slaughtering figures

Export Market

Brazilian fresh beef exports resumed growth in the second quarter of 2015, with exports totaling 259 thousand tons (11.5% up on 1Q15) and revenue of R$1.1 billion. On the other hand, year-on-year export volume declined by 11.6% in 2Q15, influenced by: (i) the lower availability of beef for export, due to the adjustments in industry capacity; (ii) reduced shipments to countries with unstable and critical political and economic situations, such as Russia and Venezuela; and (iii) the lower availability of credit in the country, which affects the operations' working capital requirements for some players.

Figures 4 and 5 – Fresh Beef Exports

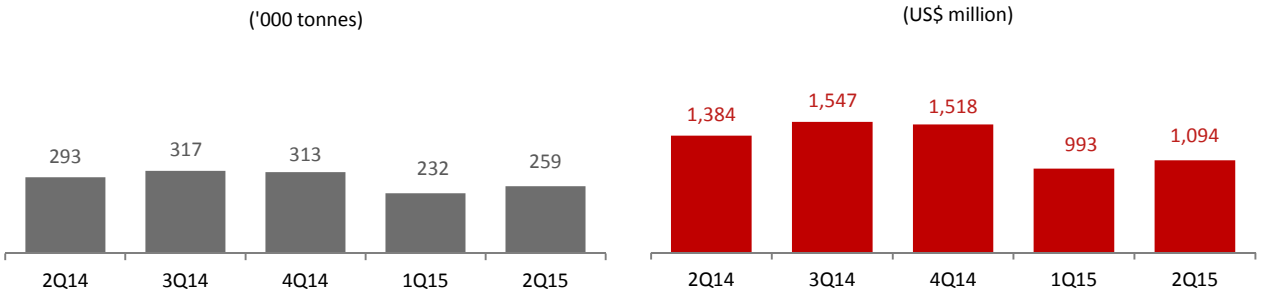
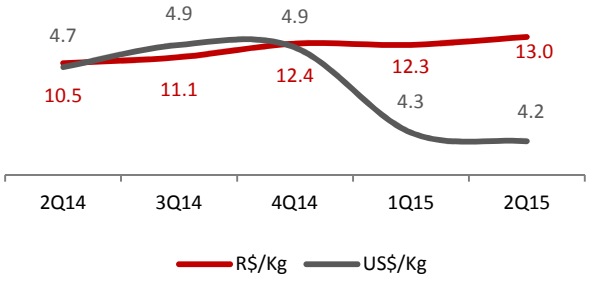


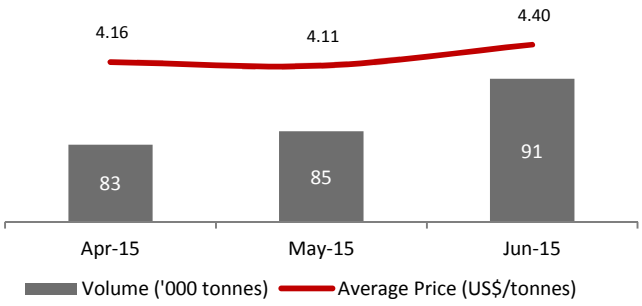
Figure 6 - Average Fresh Beef Price



Source: Ministry of Trade, Industry and Development

In 2Q15, the beef average exported dollar price remained virtually stable, while the average arroba dollar price fell by 4.5% over 1Q15. In 2Q15, June was the month which showed a strong recovery in the profitability of exports. This result can be explained by the appreciation of the average dollar against the real at the end of the quarter due to the lower supply and increased international demand for beef (influenced by the strong demand from Iran and Russia in 2Q15 over 1Q15) the stronger rationalization of the industry, and the reopening of the Chinese market to Brazilian beef (note that Brazil began to ship fresh beef to Mainland China in June).

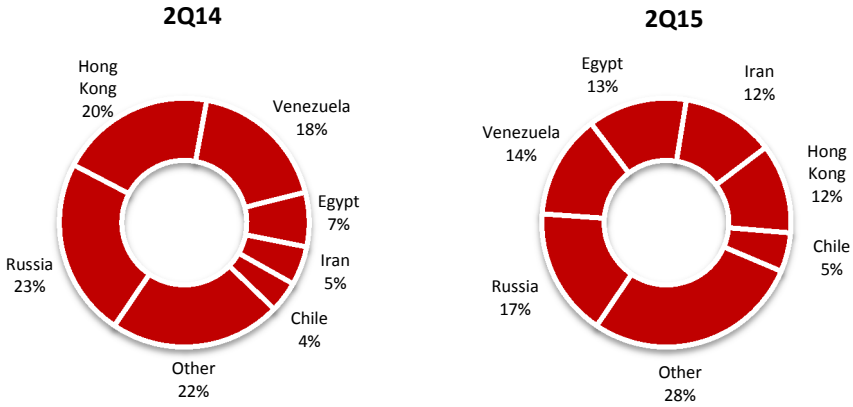
Figure 7 - Brazilian Fresh Beef Exports



Source: Ministry of Trade, Industry and Development

Brazil's 2Q15 export mix shows a year-on-year reduction in exports to Russia, Venezuela and Hong Kong. The share of exports to Russia fell from 23% in 2Q14 to 17% in 2Q15, due to political and economic reasons, likewise what happened with Venezuela, whose share declined from 18% in 2Q14 to 14% in 2Q15. Sales to Hong Kong also declined, from 20% to 12% in the same comparison basis, due to the reopening of sales from Brazil to Mainland China as of June and the stricter monitoring to fight the triangulation of beef in Hong-Kong by the Chinese government. On the other hand, it is important mentioning the significant growth in Brazilian fresh beef exports to Egypt and Iran, whose share increased from 7% to 13% and from 5% to 12% in 2Q15, respectively. This market mix change directly influenced the average export price, which fell from US$4.3/kg in 1Q15, to US$4.2/kg in 2Q15.

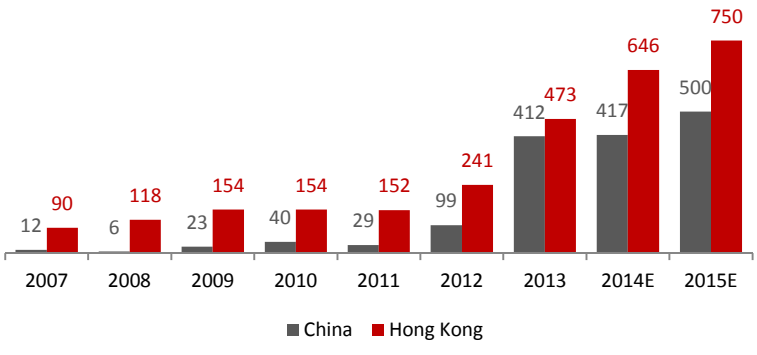
Figures 8 and 9 – Export Destinations (% of Revenue)



Source: Ministry of Trade, Industry and Development

In May 2015, after the signature of a health certificate protocol, the Chinese Government revoked the decision which prohibited eight Brazilian meatpacking plants to export fresh beef to Mainland China, which had been closed to Brazil since the end of 2012. The end of the embargo was declared in July last year and concluded in November 2014, but still required the conclusion of the agreement to issue a sanitary certificate for the resumption of Brazil's exports to the Asian country. According to the Brazilian Association of Meat Exporters (ABIEC) after the visit of Chinese veterinary service technicians to Brazil, we expect more meatpacking plants to receive authorization, which will further boost exports to the country. According to data from the United States Department of Agriculture (USDA), the demand for beef in the Chinese market has been constantly increasing, considering that the country is expected to import 500,000 tons until the end of this year. Between 2007 and 2014, exports to the country grew from 12,000 to 417,000 tons, according to chart below:

Figure 10 - China/Hong Kong: Beef imports ('000 tonnes)



Source: USDA

Opening of the U.S. Market

At the end of June 2015, the Brazilian Ministry of Agriculture, Livestock and Supply (MAPA) announced that the Animal and Plant Health Inspection Service of the USDA changed the regulations to authorize imports of unprocessed beef from 14 states, regarding issues that mitigate the risk of transmission of foot-and-mouth disease.

The U.S. import system is based on specific quotas depending on the country or group of countries, and Brazil has not yet been assigned a quota. Therefore, the country will initially be included under the "Other" quota (with a total equivalent to 64,800 ton/year), where countries which are not considered representative such as Chile, Costa Rica, El Salvador, Honduras, Nicaragua and the Dominican Republic that, together, are able to export do USA. Therefore, the market has great expectations that Brazil will become the main exporter capable of meeting this quota. In addition, in recent years some important exporters such as Australia and New Zealand did not meet their captive quota, which, in the medium/long term, can open opportunities for Brazil to fill in these distortions. However, despite the fact that the technical issues have already been fully solved, it is important mentioning that the lobby of U.S. producers against the opening is strong and may postpone the finalization of the opening process announced.

The table below shows the countries and their respective quotas, including their percentage of completion of these quotas in recent years:

Figure 11 – United States Import Quotas

	Countries included in the US quota system (TRQ) (Fresh beef/Frozen beef/Chilled beef)					Countries not included in the US quota system	
Country	**Australia**	**New Zealand**	**Others**	**Uruguay**	**Japan**	**Canada**	**Mexico**
Quota ('000 CWE)	**378.2**	**213.4**	**64.8**	**20.0**	**0.2**	**No restriction**	**No restriction**
Year			**% of quota historically filled**			**Total Import ('000 tonnes PWE)**	
2010	50%	72%	74%	73%	13%	276	37
2011	39%	69%	95%	55%	0%	227	56
2012	57%	75%	74%	88%	14%	176	87
2013	55%	81%	0%	98%	49%	178	90
2014	94%	90%	30%	96%	72%	193	110
2015 YTD	41%	48%	36%	35%	42%	80	54

TRQ = Tariff-Rate Quota Scheme
PWE = Product Weight Equivalent
CWE = Carcass Weight Equivalent

Source: USDA, Abiec and Goldman Sachs

Meeting Global Demand

It is estimated that, through the opening of the markets in the United States and Mainland China for Brazilian beef, Brazil will access approximately 60% of the world market. It is also expected that, together with the opening of the U.S. market, new opportunities may arise for accessing potential markets, such as Canada, Mexico, Japan and South Korea, enabling Brazil to access more than 80% of global demand.

The access to new markets takes place in quite a favorable time for South American producers. World demand for beef continues to grow (global beef imports grew by 15% in the last 10 years, according to the USDA), pushed primarily by the emerging countries. On the other hand, the fragile competitive conditions of main exporters (e.g. United States, Australia, Europe and Argentina) have placed South America (particularly Brazil) in a favorable position, with good chances to increase its share of the global market of beef in order to compensate this imbalance.

Among the main competitors, we highlight Australia, which adverse climatic conditions that affected its cattle production in recent years and which, added to the high slaughter of cows observed in the last two years, resulted in

a rapid reduction of the its herd. According to the Meat & Livestock Australia (MLA), the country's herd is expected to reach 26 million head in 2016, the lowest figure since 1995.

Another example is the United States, which has been negatively impacted by the climate between 2011 and 2013 and which, together with the change in the U.S. agricultural policy (Farm Bill) in 2008, currently have the smallest herd in the last 60 years. Due to the same adverse effects as those affecting the United States, Canada and Mexico, which currently supply the North American market without quota limit, also had their herds reduced to the smallest figure ever recorded. Therefore, even if you added up the herds of the three countries, the indexes will point to a reduction, as we can see in the charts below:

Figure 12 - Herd Australia

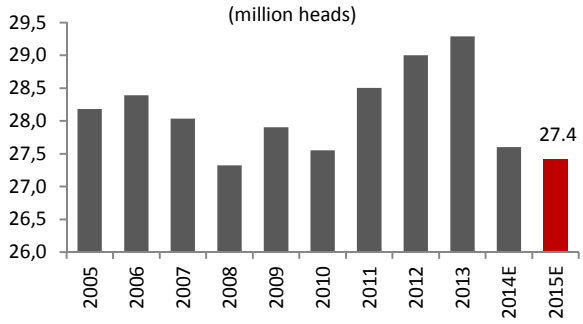
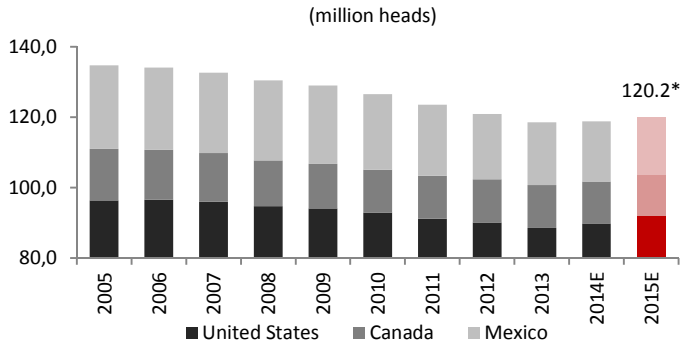


Figure 13 - Herd, USA, Mexico and Canada



** United States: 91.9 – Canada: 11.8 – Mexico: 16.5*

Source: USDA

Domestic Market

In contrast to the healthy external market, demand for beef in Brazil in 1H15 suffered the consequences of an adverse macroeconomic scenario, with high inflation, high interest rates, lower credit availability, and reduction in household consumption intentions. All these factors, together, affect demand for beef, considering that, in situations of deterioration of real income, C and D income group consumers end up opting for cheaper cuts (forequarter cuts) or even opt for competing proteins, such as poultry and pork. The sharp slowdown in the growth rate of real household income estimated for 2015 and 2016, observed in Figure 14, as well as the increase in food inflation, observed in Figure 15, corroborate the estimate of weakened beef consumption in the domestic market for the second half of 2015.

Figure 14 - Real household income growth rate - %

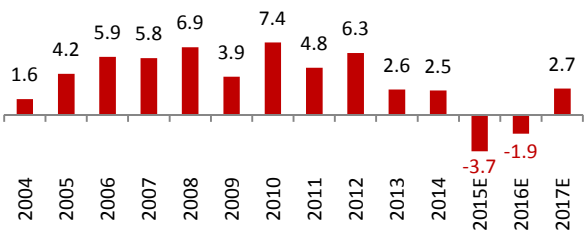
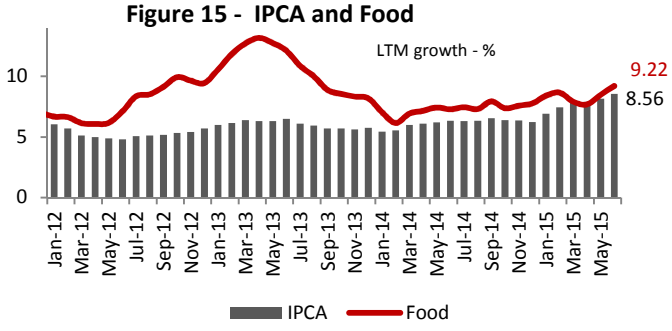


Figure 15 - IPCA and Food



E = Estimate| Source: IBGE, BACEN and MB Associates

In response to this scenario and the greater retention of females, as explained previously, the industry rationalized its operations, through the stoppage dozens of plants, in order to ensure the financial sustainability of the business.

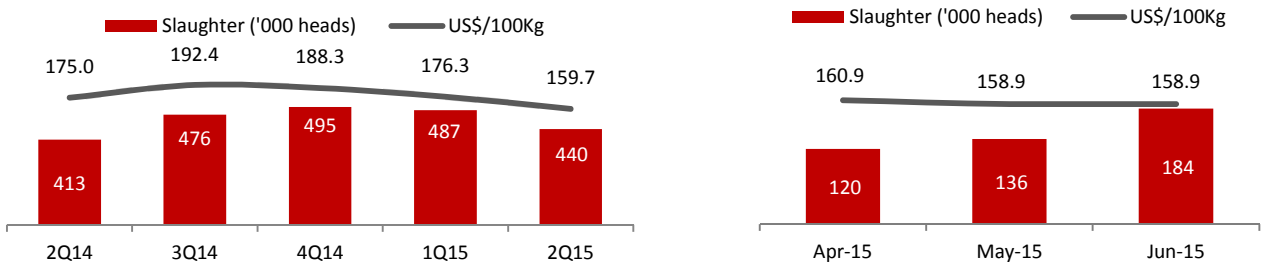
Paraguay

Between the end of the first quarter and the beginning of the second quarter of 2015, there was a cattle retention movement in farms. Consequently, there was a surplus of heavier animal in the following months when it reached the market. This greater supply in May and June reduced the average price by 9% in the quarter, benefiting the profitability of the industry, given that the average fresh beef export price in Paraguay remained stable in the same comparison period.

Even with the logistical shipping difficulties in April, the total of head slaughtered in 2Q15 was 7% higher than in 2Q14, highlighting the month of June, when slaughter came to 184,000 head, a record figure for the Paraguayan industry.

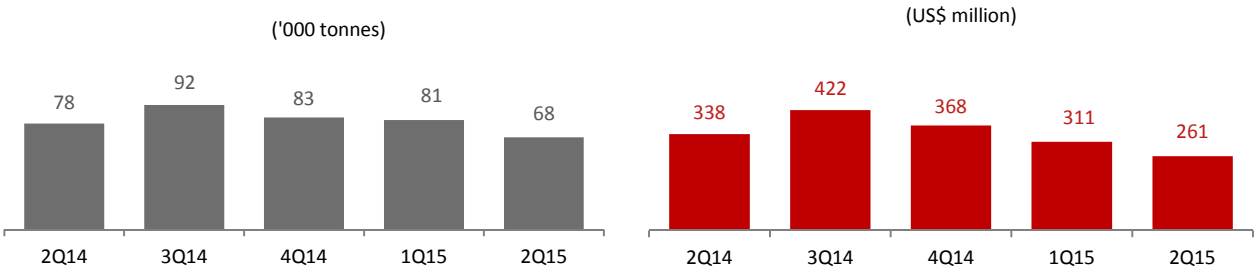
In a commercial point of view, the 2Q15 highlight was the beginning of exports to Europe. Russia, Chile and Brazil were once again the most important export destinations.

Figures 16 and 17 – Cattle Slaughter and Average Cattle Price



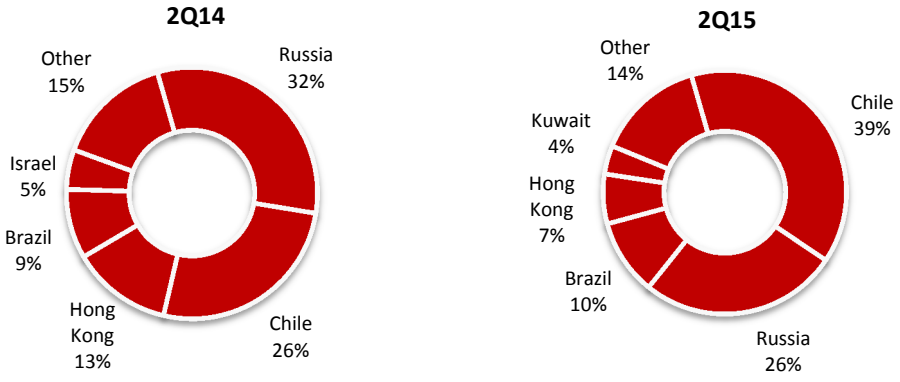
Source: SENACSA

Figures 18 and 19 – Fresh Beef Exports



Source: SENACSA

Figures 20 and 21 – Export Destinations (% of Revenue)

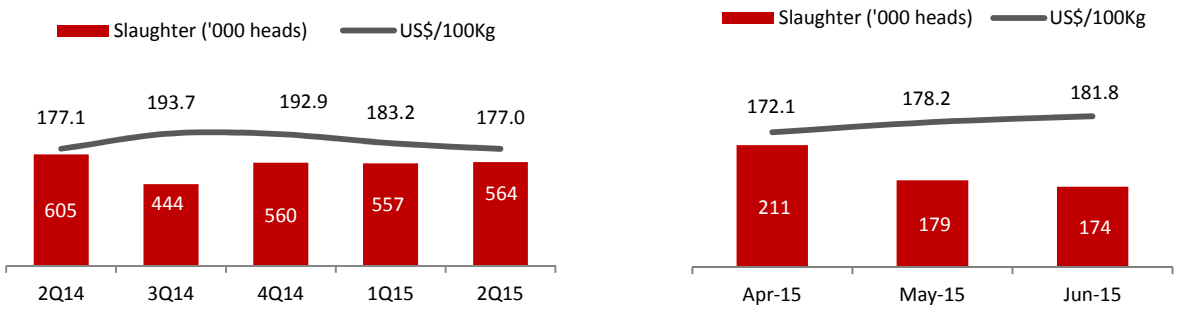


Source: SENACSA

Uruguay

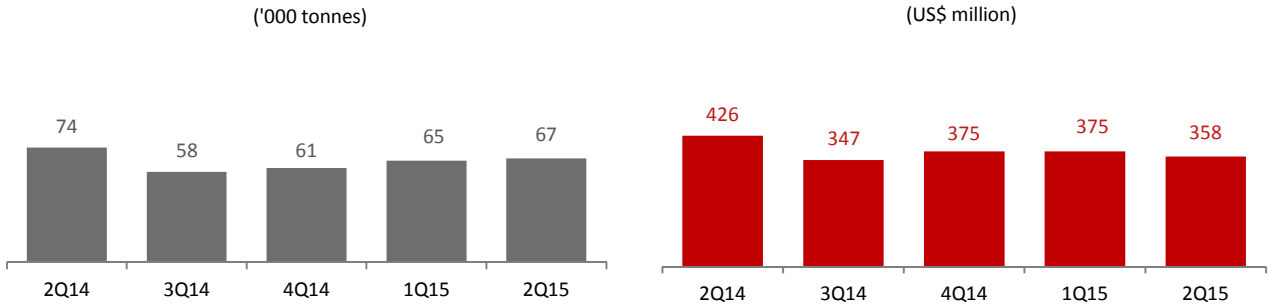
In 2Q15, 564,000 head were slaughtered, 7% down on 2Q14, but stable over 1Q15. Cattle prices remained stable compared to the previous year, and slightly fell, by 3%, over 1Q15. Among the country's export destinations, we highlight the performance of Mainland China, which climbed from 20% in 2Q14, to 39% in 2Q15, and the significant share of the United States, which increased from 13% of exports in 2Q14 to 22% in 2Q15, as shown in Figures 26 and 27 below. However, there was a 7% contraction in European demand, from 32% in 2Q14 to 25% in 2Q15, and from Israel, from 7% in 2Q14 to 2% in 2Q15. This change in the sales portfolio mix eventually reduced the Uruguayan average export price by 7%.

Figures 22 and 23 – Cattle Slaughter and Average Cattle Price



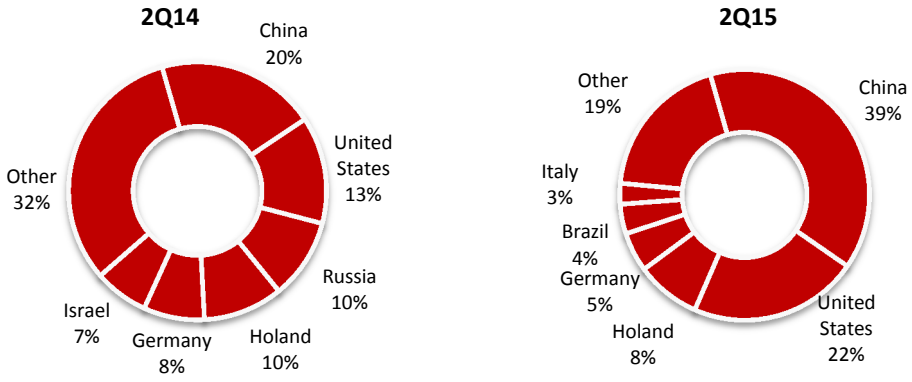
Source: INAC

Figures 24 and 25 – Fresh Beef Exports



Source: INAC

Figures 26 and 27 – Export Destinations (% of Revenue)



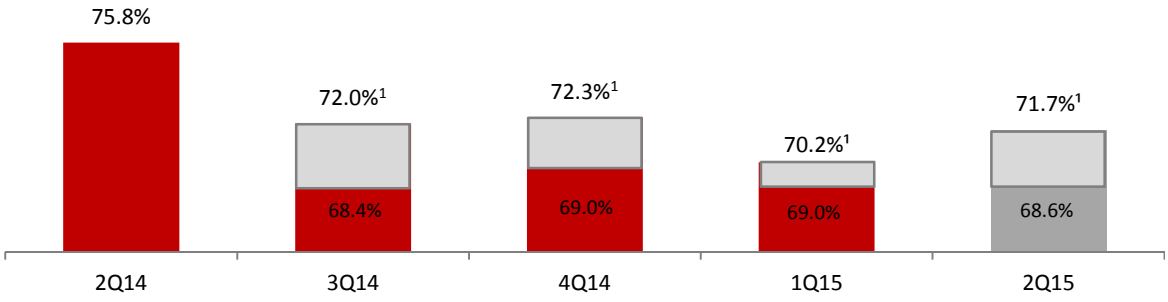
Source: INAC

Minerva – Results Analysis

Slaughter

In 2Q15, the Company's slaughter volume totaled 588.5 thousand heads, 15% up on 2Q14, and the consolidated utilization rate stood at 68.6%, remaining stable over 1Q15. Adjusting the capacity, excluding the plants which became operational at the end of 2014, but that were still in ramp up phase in 2Q15, the utilization rate was 71.7%. We highlight that, on July 8, 2015, the Company disclosed, via Notice to the Market, the end of the integration of the Mato Grosso Bovinos plants and its unit in Janaúba.

Figure 28 - Slaughter Capacity Utilization



Source: Minerva | [1] Excluding the Várzea Grande and Mirassol D'Oeste (Mato Grosso) plants in the last twelve months and the Janaúba plant in 4Q14, 1Q15 and 2Q15.

Consolidated Gross Revenue

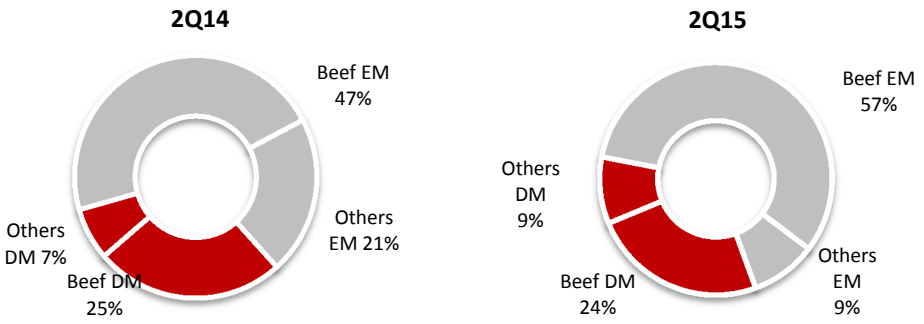
R$ Million	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Gross Revenues	**2,352.3**	**1,759.9**	**33.7%**	**2,309.7**	**1.8%**	**8,874.1**	**6,364.7**	**39.4%**
Beef Division	1,918.4	1,263.0	51.9%	1,826.3	5.0%	7,042.6	4,814.5	46.3%
Others	433.8	497.0	-12.7%	483.4	-10.3%	1,831.4	1,550.2	18.1%

R$ Million	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Domestic Market	**789.7**	**568.2**	**39.0%**	**757.2**	**4.3%**	**3,111.1**	**2,037.8**	**52.7%**
% Gross Revenues	33.6%	32.3%	1.3 p.p.	32.8%	0.8 p.p.	35.1%	32.0%	3.0 p.p.
Beef Division	571.4	445.7	28.2%	579.1	-1.3%	2,389.6	1,550.4	54.1%
Others	218.3	122.6	78.1%	178.0	22.6%	721.5	487.4	48.0%

R$ Million	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Export Market	**1,562.5**	**1,191.7**	**31.1%**	**1,552.6**	**0.6%**	**5,763.0**	**4,326.9**	**33.2%**
% Gross Revenues	66.4%	67.7%	-1.3 p.p.	67.2%	-0.8 p.p.	64.9%	68.0%	-3.0 p.p.
Beef Division	1,347.1	817.3	64.8%	1,247.2	8.0%	4,653.0	3,264.1	42.6%
Others	215.5	374.4	-42.5%	305.4	-29.4%	1,110.0	1,062.8	4.4%

Second-quarter gross revenue in 2Q15 was once again record, totaling R$2,352.3 million, 33.7% up on 2Q14, influenced by the combination of the excellent performance in the Beef Division, particularly in the foreign market (64% up on 2Q14), the consolidation of recent acquisitions and the depreciation of the Real against the U.S. dollar. In the Others Division, the Leather and Resale Divisions continued to post a strong performance compared to 2Q14.

Figures 29 and 30 – Breakdown of Consolidated Gross Revenue



Source: Minerva

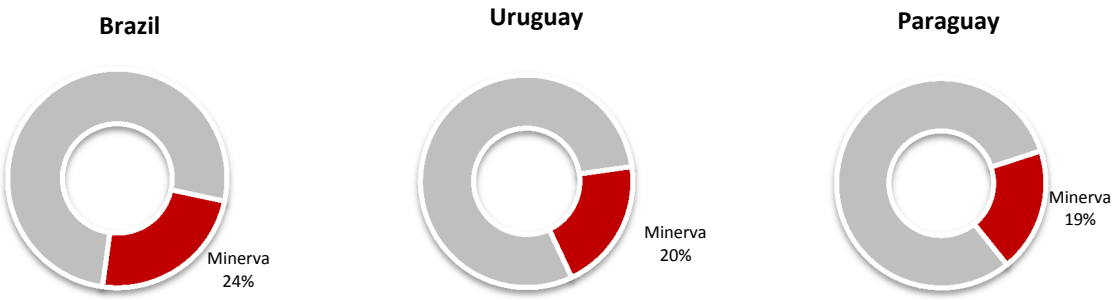
Minerva's exports in 2Q15 allowed it to maintain its leading position among the main beef exporters in the countries where it operates. While Brazilian beef exports fell by 11.6% over 2Q14, Minerva's exports grew by 21.6%. As a result, the Company's share of the country's exports reached 24.4% in the quarter, 9.3 p.p. more than in 2Q14, once again confirming the Company's focus on increasing its exports in a beneficial time for global demand, as shown in the table below.

Volume ('000 tons)	2Q15	2Q14	Var.%
Brazil's Exports	258.7	292.6	-11.6%
Minerva's Exports	63.1	44.2	21.6%
Minerva's Market Share	**24.4%**	**15.1%**	**9.3 p.p.**

Source: Ministry of Trade, Industry and Development

In terms of Brazilian export revenue, Minerva's share increased from 15% in 2Q14 to 24% in 2Q15. Paraguay accounted for 19% of the market, 4 p.p. up on 2Q14, while Uruguay corresponded to 20%, versus 14% in 2Q14.

Figures 31, 32 and 33 – Market Share (% of Revenue)



Source: Minerva, Secex, INAC and SENACSA

The charts below show the Company's exports by region in LTM2Q15 and LTM2Q14:

Africa: the share of this region in the Company's exports remained stable at 17% in LTM2Q15. The region's main destination continued to be Egypt, whose revenue increased by 59% over LTM2Q14.

Americas: this region accounted for 12% of the Company's exports in LTM2Q15, 17% down on LTM2Q14. This result is partially explained by the decline in Venezuelan imports as of 4Q14, which was intensified in 1H15, due to the strong depreciation of oil prices and the country's fragile social and political situation. Among the most important destinations, we highlight the Chilean and Brazilian markets, also served by our operations in Paraguay and Uruguay.

Asia: The growing demand for beef in Asia increased the region's share of the Company's exports by 7 p.p., from 12% in LTM2Q14 to 19% in LTM2Q15. Combined exports to Mainland China and Hong Kong expanded by more than 80% in the analyzed period. It is important mentioning that as of June exports to Mainland China, which were previously only carried out by our units in Uruguay, are currently also being held by the Company in Brazil. Lastly, we also highlight the growing demand from South Korea (served by our plants in Uruguay), Taiwan (served by our plants in Paraguay), and Singapore.

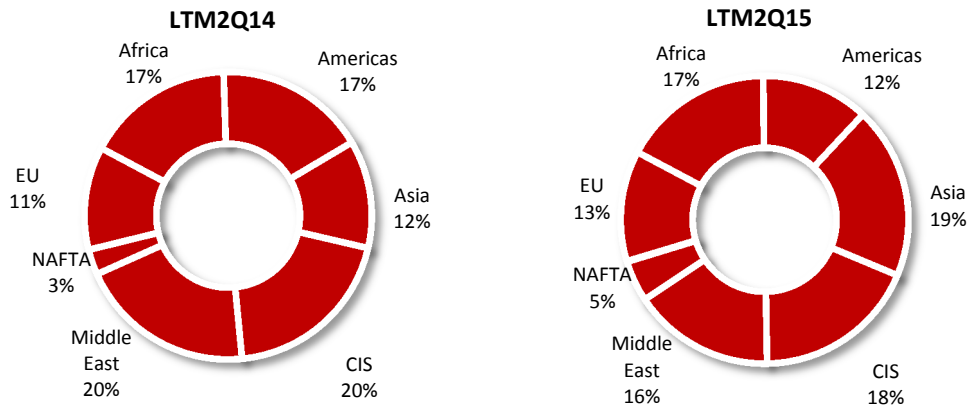
CIS (Commonwealth of Independent States): Russia, which accounts for more than 90% of this region's demand, has historically been one of the main destinations of Minerva's and Brazil's exports. In LTM2Q15, this market accounted for 18% of the Company's total export volume. In 1H15, Russia's demand for beef already began to show signs of recovery. The Company redirected part of the volumes which used to be exported to Russia to other destinations, particularly Egypt, Chile, Iran and Hong Kong.

Europe: the share of this region in the Company's exports remained stable in LTM2Q15. Europe is known for its demand for nobler cuts (chilled hindquarter cuts), allowing a better pricing of beef. However, in 2Q15 the region's demand for beef slightly declined, due to the depreciation of the Euro against the U.S. dollar in recent months. Despite that, the Company managed to take advantage of the better prices to direct approximately 13% of all exports to that region.

NAFTA: The share of the NAFTA region (United States, Canada and Mexico) in Minerva's exports climbed by 2 p.p., from 3% in LTM2Q14 to 5% in LTM2Q15, underlining the more limited beef supply in the United Stated, which has considerably increased prices in the domestic market. Until the end of the quarter, this region was served only by Minerva's operations in Uruguay, which focuses on the niche U.S. market of USDA-approved organic products, with higher profitability. For the second half of 2015, there is the possibility/prospect that, after the visit of USDA technicians, Brazilian plants will be authorized to export fresh beef directly to the U.S. market, as announced by the USDA and MAPA in the end of June 2015.

Middle East: The share of the Middle East in Minerva's exports fell from 20% in LTM2Q14 to 16% in LTM2Q15. In the last twelve months, the Company redirected part of the exports to other regions with higher profitability such as Asia and North Africa. The highlight has been the shipments to Iran, whose fresh beef imports have consistently increased in recent quarters, with special attention to 2Q15.

Figures 34 and 35 – Consolidated Sales Breakdown by Region



Source: Minerva

Beef Division

Gross revenue from this division increased by 51.5% over 2Q14, totaling R$1,918.4 million in 2Q15.

Revenue from fresh beef exports moved up by 58.7% over 2Q14, fueled by the association of a strong export volume (+21.6% over 2Q14) and higher prices in reais (+30.6% over 2Q14). Another highlight was the Others segment (beef byproducts), whose combination of higher sales volume in the foreign market, higher international prices and an appreciated U.S. dollar led to a 138.4% increase in gross revenue.

In the local market, revenue from fresh beef increased by 32.1% over 2Q14, due to the recent acquisitions, the increased focus in the food service segment, team education and training and the management' strategy to adjust its distribution operations, anticipating the consequences of the deterioration of the Brazilian economy . We highlight the average domestic price, which rose by 19% over 2Q14, fueled by the increase in the arroba price in the period.

Below is a complete breakdown of the Beef division:

Gross Revenue (R$ Million)	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Fresh Beef – EM	1,243.2	783.2	58.7%	1,147.8	8.3%	4,297.9	3,069.5	40.0%
Processed Beef – EM	14.7	0.0	n.a.	15.8	-7.1%	31.6	3.4	842.0%
Others – EM	89.2	34.0	162.0%	83.5	6.8%	323.6	191.2	69.2%
Subtotal – EM	**1,347.1**	**817.3**	**64.8%**	**1,247.2**	**8.0%**	**4,653.0**	**3,264.1**	**42.6%**
Fresh Beef – DM	480.1	363.3	32.1%	494.9	-3.0%	2,040.5	1,286.3	58.6%
Processed Beef – DM	8.4	3.4	149.7%	2.5	232.3%	15.6	18.8	-16.8%
Others – DM	82.9	79.0	4.9%	81.7	1.4%	333.5	245.3	35.9%
Subtotal – DM	**571.4**	**445.7**	**28.2%**	**579.1**	**-1.3%**	**2,389.6**	**1,550.4**	**54.1%**
Total	**1,918.4**	**1,263.0**	**51.9%**	**1,826.3**	**5.0%**	**7,042.6**	**4,814.5**	**46.3%**

Volume ('000 tonnes)	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Fresh Beef - EM	83.1	68.3	21.6%	80.5	3.2%	309.8	266.8	16.1%
Processed Beef - EM	0.6	0.0	n.a.	0.8	-21.3%	1.4	0.2	543.9%
Others - EM	7.5	6.6	14.2%	8.0	-5.8%	30.9	23.2	33.0%
Subtotal – EM	**91.2**	**73.9**	**21.7%**	**89.2**	**2.1%**	**342.1**	**290.2**	**17.9%**
Fresh Beef - DM	41.8	37.6	11.0%	42.4	-1.6%	184.4	140.6	31.2%
Processed Beef - DM	0.9	0.3	196.7%	0.2	355.7%	1.5	1.9	-22.9%
Others – DM	14.7	8.6	70.2%	8.3	77.8%	48.8	30.3	61.3%
Subtotal – DM	**57.3**	**46.5**	**23.2%**	**50.9**	**12.7%**	**234.7**	**172.7**	**35.9%**
Total	**148.5**	**121.4**	**22.3%**	**140.1**	**6.0%**	**576.8**	**463.0**	**24.6%**

Average Price – EM (US$/Kg)	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Fresh Beef - EM	4.9	5.1	-5.3%	5.0	-2.1%	5.2	5.0	2.5%
Processed Beef - EM	8.1	4.6	77.4%	7.4	10.1%	8.4	6.8	24.4%
Others - EM	3.9	2.3	66.5%	3.7	5.6%	3.9	3.6	8.2%
Total	**4.8**	**4.9**	**-1.7%**	**4.9**	**-1.4%**	**5.1**	**4.9**	**2.9%**
Average dollar price (Source: BACEN)	3.07	2.23	37.8%	2.87	7.3%	2.69	2.29	17.6%

Average Price – EM (R$/Kg)	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Fresh Beef - EM	15.0	11.5	30.6%	14.3	5.0%	13.9	11.5	20.6%
Processed Beef - EM	24.9	10.2	144.5%	21.1	18.2%	22.6	15.5	46.3%
Others - EM	11.9	5.2	129.5%	10.5	13.3%	10.5	8.2	27.3%
Total	**14.8**	**10.9**	**35.4%**	**14.0**	**5.7%**	**13.6**	**11.2**	**20.9%**

Average Price – DM (R$/Kg)	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Fresh Beef - DM	11.5	9.7	19.0%	11.7	-1.4%	11.1	9.1	20.9%
Processed Beef - DM	9.4	11.2	-15.9%	12.9	-27.1%	10.7	9.9	8.0%
Others – DM	5.6	9.2	-38.4%	9.9	-43.0%	6.8	8.1	-15.7%
Total	**10.0**	**9.6**	**4.1%**	**11.4**	**-12.4%**	**10.2**	**9.0**	**13.5%**

EM - Export Market, DM – Domestic Market

Others Division

In 2Q15, gross revenue from the Others Division amounted to R$433.8 million, 12% down year-on-year. Note that in 2Q14 the performance of Live Cattle exports reached record levels, above the segment's quarterly historical sales average. As a result, the Live Cattle Division performance resumed historical levels.

Another second-quarter highlight of the Others Division was the Leather segment, whose gross revenue increased by 53% over 2Q14. Considering exports alone, the segment posted an expressive revenue increase, of 81%. The Leather

segment focuses on specific niches in the domestic and export markets, such as the furniture and automotive sectors.

Domestic sales of third-party products also contributed to the Division's performance, with a revenue growth of 21% over 2Q14. The Company offers a line with several items through the sale of third-party products (other proteins, poultry, fish, and frozen vegetables, among others) through a single seller (one-stop-shop concept).

Net Revenue

In 2Q15, the Company's net revenue totaled R$2,226.8 million, 34.4% up on 2Q14, explained by the excellent performance of the Beef Division, particularly in the foreign market, the consolidation of the recent acquisitions and the impact of the devaluation of the Real against the U.S. dollar on exports, as previously mentioned . In the last twelve months, net revenue totaled R$8,316.0 million; however, considering the proforma figures from the Mato Grosso plants, net revenue reached approximately R$8,631.0 billion.

R$ Million	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Gross Revenues	2,352.3	1,759.9	33.7%	2,309.7	1.8%	8,874.1	6,364.7	39.4%
Sales Taxes and Deductions	-125.5	-103.7	21.0%	-153.6	-18.3%	-558.0	-371.7	50.1%
Net Revenues (1)	2,226.8	1,656.2	34.4%	2,156.2	3.3%	8,316.0	5,993.0	38.8%
% Gross Revenues	94.7%	94.1%	0.6 p.p.	93.4%	1.3 p.p.	93.7%	94.2%	-0.45 p.p.

(1) LTM2Q15 excludes Revenue proforma figures for the Mato Grosso plants.

Cost of Goods Sold (COGS) and Gross Margin

COGS stood at R$1,825.7 million in 2Q15, approximately 38% more than in 2Q14, reflecting the 20% increase in the arroba price over 2Q14, in connection to the Company's increase capacity. COGS accounted for 82% of net revenue or a gross margin of 18.0%. In addition to the increase in the cattle price, the conclusion of the consolidation of the plants in Várzea Grande, Mirassol D'Oeste and Janaúba, which were still in the ramp-up stage and had margins lower than the Company's average until the end of this quarter, also contributed to the gross margin performance.

R$ Million	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Net Revenues	2,226.8	1,656.2	34.4%	2,156.2	3.3%	8,316.0	5,993.0	38.8%
COGS	-1,825.7	-1,325.1	37.8%	-1,754.0	4.1%	-6,773.1	-4,747.6	42.7%
% Net Revenues	82.0%	80.0%	2.0 p.p.	81.3%	0.6 p.p.	81.4%	79.2%	2.2 p.p.
Gross Profit	401.1	331.2	21.1%	402.2	-0.3%	1,542.9	1,245.3	23.9%
Gross Margin	18.0%	20.0%	-2.0 p.p.	18.7%	-0.6 p.p.	18.6%	20.8%	-2.2 p.p.

Selling, General and Administrative Expenses

Selling expenses accounted for 6.2% of 2Q15 net revenue, approximately 2 p.p. down on 2Q14, influenced by better renegotiation conditions in export freight agreements. General and administrative expenses remained stable as a percentage of net revenue in 2Q15 over 2Q14.

R$ Million	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Sales Expenses	-137.3	-128.6	6.8%	-176.5	-22.2%	-582.2	-505.3	15.2%
% Net Revenue	6.2%	7.8%	-1.6 p.p.	8.2%	-2.0 p.p.	7.0%	8.4%	-1.4 p.p.
G&A Expenses	-68.9	-54.7	25.9%	-61.5	12.1%	-256.3	-188.9	35.6%
% Net Revenues	3.1%	3.3%	-0.2 p.p.	2.9%	0.2 p.p.	3.1%	3.2%	-0.1 p.p.

EBITDA

Second-quarter EBITDA totaled R$216.5 million, accompanied by a margin of 9.7% LTM adjusted EBITDA, considering the proforma figures from the Várzea Grande and Mirassol D'Oeste plants, totaled R$809.2 million, a 26.3% year-on-year upturn, with a margin of 9.4%.

R$ Million	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Net Incomes/Loss	166.9	18.5	799.9%	-587.2	-128.4%	-926.2	-35.5	n.a.
(+/-) Deferred Income and Social Contribution Taxes	-0.2	-0.6	-59.7%	2.1	-110.8%	-9.5	6.1	n.a.
(+/-) Reduction to recoverable asset value	0.0	0.0	n.a.	0.0	n.a.	0.0	34.2	n.a.
(+/-) Financial Result	32.3	146.8	-78.0%	755.8	-95.7%	1,611.7	569.7	182.9%
(+/-) Depreciation and Amortization	17.6	13.9	26.8%	17.7	-0.6%	66.8	57.1	17.0%
(+/-) Pro-forma Carrasco EBITDA	0.0	0.0	n.a.	0.0	n.a.	0.0	24.0	n.a.
(+/-) Pro-forma Mato Grosso Bovinos EBITDA	0.0	0.0	n.a.	0.0	n.a.	30.2	0.0	n.a.
EBITDA	216.5	178.7	21.2%	188.4	14.9%	773.0	655.5	17.9%
EBITDA Margin	9.7%	10.8%	-1.1 p.p.	8.7%	1.0 p.p.	9.0%	10.9%	-1.9 p.p.
(+/-) Non-recurring Items	0.0	-15.0	n.a.	0.0	n.a.	36.2	-15.0	n.a.
Adjusted EBITDA	**216.5**	**163.7**	**32.3%**	**188.4**	**14.9%**	**809.2**	**640.5**	**26.3%**
Adjusted EBITDA Margin	**9.7%**	**9.9%**	**-0.2 p.p.**	**8.7%**	**1.0 p.p.**	**9.4%**	**10.7%**	**-1.3 p.p.**

Financial Result

In the second quarter, financial result was an expenses of R$32.3 million, versus an expense of R$146.8 million in 2Q14. Financial expenses totaled R$194.9 million in the quarter, fueled by the approximately 233 bps increase in the CDI rate over 2Q14, the impact of the dollar appreciation on the debt balance denominated in foreign currency and the corresponding interest. Financial revenue totaled R$27.7 million, up by approximately 50% over 2Q14.

In 2Q15, the foreign exchange variation line recorded revenue of R$113.3 million, due to the reduction of R$0.11 (3.3% down) on the closing 1Q15 U.S. dollar.

"Other financial income/expenses" came in as income of R$21.6 million, due to the mark-to-market of financial instruments related to foreign exchange hedge used by the Company, which totaled revenue of R$31.7 million in the quarter.

R$ Million	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Financial Expenses	-194.9	-110.0	77.2%	-167.8	16.2%	-636.6	-418.7	52.0%
Financial Income	27.7	18.5	49.8%	26.2	5.5%	94.1	65.6	43.4%
FX Variation	113.3	13.9	713.9%	-639.9	-117.7%	-1,067.4	-91.3	1,069.0%
Other Expenses (*)	21.6	-69.2	-131.2%	25.6	-15.8%	-1.8	-125.3	-98.6%
Financial Result	**-32.3**	**-146.8**	**-78.0%**	**-755.8**	**-95.7%**	**-1,611.7**	**-569.7**	**182.9%**
Average Dollar (R$/US$) (Source: Bacen)	3.07	2.23	37.8%	2.87	7.3%	2.69	2.29	17.6%
Closing Dollar (R$/US$) (Source: Bacen)	3.10	2.20	41.0%	3.21	-3.3%	3.10	2.20	41.0%

(*) Other Expenses (R$ Million)	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
FX Hedge	31.7	-43.4	-173.0%	48.2	-34.2%	167.9	-47.6	-452.7%
Commodities Hedge	0.8	-9.4	-108.5%	-8.6	-109.3%	-23.0	-19.6	17.6%
Financial Discounts, Rates, Commissions, Commercial Discount and Other Financial Expenses	-10.9	-16.4	-33.5%	-14.0	-22.1%	-221.7	-58.1	281.6%
Fine and Interest - REFIS	0.0	0.0	n.a.	0.0	n.a.	75.0	0.0	n.a.
Total	21.6	-69.2	-131.2%	25.6	-15.6%	-1.8	-125.3	-98.6%

Net Result

In 2Q15, the Company posted net income of R$166.9 million after income and social contribution taxes. The net margin reached 7.5%. If we adjusted the net result for the effects of the fx variation and the payment of income and social contribution taxes, the period's result would be a positive R$53.3 million, higher than the R$4.0 million reported in 2Q14.

R$ Million	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Income (Loss) before taxes	166.6	18.0	827.2%	-585.1	-128.5%	-935.7	-29.5	3,073.7%
Income and Social Contribution Taxes	0.2	0.6	-59.7%	-2.1	-110.8%	9.5	-6.1	-256.9%
Net (Loss) Income	**166.9**	**18.5**	**799.9%**	**-587.2**	**-128.4%**	**-926.2**	**-35.5**	**2,505.7%**
% Net Margin	**7.5%**	**1.1%**	**6.4 p.p.**	**-27.2%**	**34.7 p.p.**	**-11.1%**	**-0.6%**	**-10.5 p.p.**

R$ Million	2Q15	2Q14	Var.%	1Q15	Var.%	LTM2Q15	LTM2Q14	Var.%
Net (Loss) Income	**166.9**	**18.5**	**799.9%**	**-587.2**	**-128.4%**	**-926.2**	**-35.5**	**2,505.7%**
Reduction to recoverable asset value	0.0	0.0	n.a.	0.0	n.a.	0.0	34.2	n.a.
FX Variation	-113.3	-13.9	713.9%	639.9	-117.7%	1,067.4	91.3	1,069.0%
Income and Social Contribution Taxes	-0.2	-0.6	-59.7%	2.1	-110.8%	-9.5	6.1	-256.9%
Non-recurring items (Refis)	0.0	0.0	n.a.	0.0	n.a.	111.2	0.0	n.a.
Adjusted (Loss) Income	**53.3**	**4.0**	**1,217.2%**	**54.8**	**-2.7%**	**242.9**	**96.0**	**153.0%**

Cash Flow

Operating Cash Flow

In 2Q15, working capital consumed R$313.4 million. It was impacted by: (1) the "Receivables" line (-R$74 million), influenced by the Company's greater focus on increasing exports, which require longer payment terms; (2) the "Suppliers" line (-R$52.5 million), because in order to preserve operational profitability, the Company opted to increase raw material demand purchases, and (3) the "Other Accounts Payable" line, as explained below.

It is also important to mention that, while calculating the variation in working capital requirements, we excluded the amount related to the payment of the installment of Frigorífico Carrasco, paid with shares (equivalent to R$22.9 million), the payment of the second installment of Frigorífico Carrasco (equivalent to R$27.4 million and which was added to the investments line) of the "Other Accounts Payable" line, and the negative equity evaluation adjustments and accumulated conversion amounts, due to the impact of the foreign exchange variation on assets abroad, which represented around R$26.4 million. In 2Q15, operating cash flow was a negative by R$44.2 million and reached R$739.9 million in LTM2Q15.

R$ Million	2Q15	2Q14	1Q15	LTM2Q15
Adjusted (Loss) Income	166.9	18.5	-587.2	-926.2
Net income adjustments	102.3	86.8	893.4	1,813.9
(+/-) Variation in working capital needs (1)	-313.4	-4.1	58.6	-147.7
Operating Cash Flow	**-44.2**	**101.3**	**364.9**	**739.9**

(1) Excluding equity evaluation adjustments and accumulated conversion amounts and payments related to Carrasco

The R$157.8 million variation in "Other Accounts Payable" reflects the Company's credit policy, which requires prepayments from certain clients from certain countries. Given the seasonal change to clients' profile, reducing the Company's credit risk in 2Q15, amounts prepaid from clients declined by R$127.4 million, impacting "Advances from Clients", as described in the chart below.

R$ Million	2Q15	1Q15	Variation
Advances from clients	441.1	568.5	-127.4
Other	192.8	223.2	-30.4
Other accounts payable	**583.5**	**791.7**	**-157.8**

Free Cash Flow

Free cash flow after capex, interest payments and working capital was a negative by R$318.2 million. In the last twelve months, the Company consumed R$67.7 million in free cash flow from operations, as shown below.

R$ Million	2Q15	1Q15	4Q14	3Q14	LTM2Q15
Adjusted EBITDA	216.5	188.4	196.3	177.8	778.9
(+) Capex (on a cash basis)	-74.3	-47.3	-63.8	-44.0	-229.4
(+) Financial result (on a cash basis)	-147.0	-118.0	-138.5	-66.0	-469.5
(+) Working capital variation (1)	-313.4	58.6	164.6	-57.6	-147.7
Free cash flow	**-318.2**	**81.7**	**158.6**	**10.2**	**-67.7**

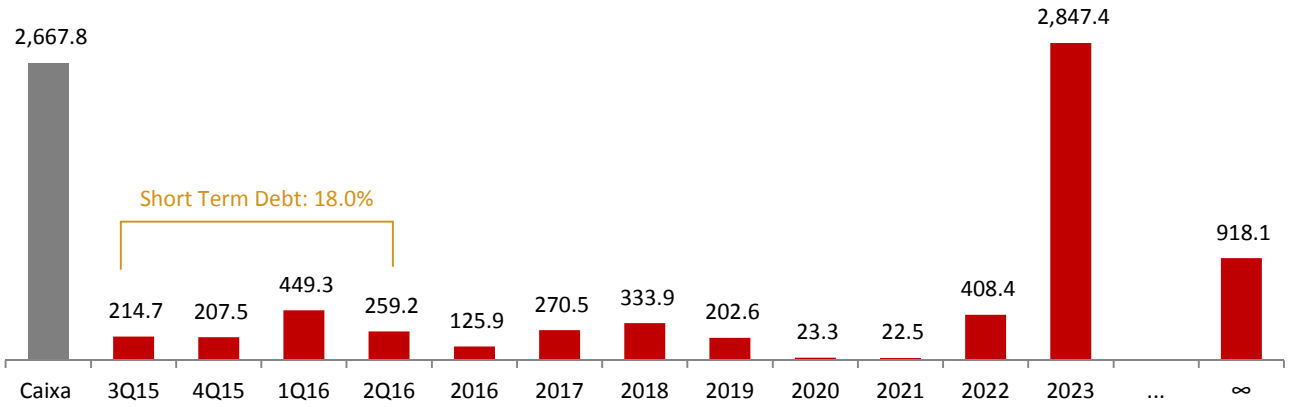
(1) Excluding equity evaluation adjustments. accumulated conversion amounts and payments related to Carrasco

Capital Structure

Minerva closed 2Q15 with cash and cash equivalents of R$2.7 billion, which is sufficient to amortize its debt through 2023. Excluding the repurchased bonds (as detailed below), the cash position would be R$2.1 billion. Short-term debt corresponded to 18% of total debt at the close of 2Q15. Approximately 77% of total debt was exposed to foreign exchange variation. The net debt/adjusted EBITDA ratio was stable at 4.4x at the close of 2Q15.

The Company's financial management is based on three different pillars: (i) the portion of debt maturing in the short term should not be higher than 20% of total debt; (ii) the percentage of debt denominated in foreign currency should be close to the share of exports in total revenue; and (iii) the cash position should be equivalent to at least two months of input purchases.

Figure 36 – Debt amortization schedule on June 30, 2015
(R$ Million)



R$ Million	2Q15	2Q14	Var.%	1Q15	Var.%
Short Term Debt	1,130.7	800.2	41.3%	983.3	15.0%
% Short Term Debt	18.0%	19.0%	-1.0 p.p.	15.4%	2.6 p.p.
Local Currency	585.8	74.8	683.1%	487.9	20.1%
Foreign Currency	544.9	725.4	-24.9%	495.4	10.0%
Long Term Debt	5,152.5	3,418.2	50.7%	5,412.2	-4.8%
% Long Term Debt	82.0%	81.0%	1.0 p.p.	84.6%	-2.6 p.p.
Local Currency	656.6	818.9	-19.8%	729.4	-10.0%
Foreign Currency	4,495.9	2,599.2	73.0%	4,682.8	-4.0%
Total Debt (1)	6,283.2	4,218.3	48.9%	6,395.5	-1.8%
Local Currency	1,242.4	893.7	39.0%	1,217.3	2.1%
Foreign Currency	5,040.8	3,324.6	51.6%	5,178.2	-2.7%
(Cash and Cash Equivalents)	-2,667.8	-1,907.3	39.9%	-3,006.8	-11.3%
Net Debt (2)	3,590.3	2,248.8	59.7%	3,364.7	6.7%
Net Debt/Adjusted EBITDA (x)	4.4	3.5	0.9	4.3	0.1

(1) Total debt excluding convertible debentures in the 1Q15 and 2Q14 calculation
(2) Includes receivables-backed investment fund (FIDC) subordinated shares totaling R$25.1 million

The Company repurchased some of its international bonds. In the table below, we show the balance of gross debt and cash position on June 30, 2015, excluding these repurchases, considering that we do not plan to resell the bonds acquired.

R$ million	06/30/2015
Gross Debt	6,283.2
Bond buyback	574.9
2019	1.5
2022	44.6
2023	528.8
Gross Debt ex Bond Buyback	5,708.3
Cash ex Bond Buyback	2,092.9

Domestic Currency (R$ '000)	Jun/15	Mar/15
2Q15	0	43,730
3Q15	61,261	43,628
4Q15	64,745	57,119
1Q16	390,393	343,423
2Q16	69,438	69,284
2016	125,906	129,693
2017	89,106	89,334
2018	333,895	333,898
2019	31,265	31,354
2020	23,255	23,262
2021	22,528	22,528
2022	21,999	21,439
2023	8,607	8,607
∞	0	0
TOTAL	1,242,399	1,217,301

Foreign Currency (R$ '000)	Jun/15	Mar/15
2Q15	0	134,092
3Q15	153,483	134,376
4Q15	142,720	141,871
1Q16	58,873	85,055
2Q16	189,795	32,080
2016	0	0
2017	181,371	205,646
2018	0	0
2019	171,304	176,758
2020	0	0
2021	0	0
2022	386,406	398,997
2023	2,838,746	2,920,900
∞	918,074	948,387
TOTAL	5,040,771	5,178,162

Investments

Investments in fixed assets totaled R$74.3 million in 2Q15, R$ 46.9 million of which was mostly allocated to the maintenance of current plants. The remaining balance, equivalent to R$27.4 million, refers to the payment of the second and last instalment for the acquisition of Frigorífico Carrasco (Uruguay).

See below the evolution of investments (cash effect) by quarter in the last twelve months:

CAPEX (R$ Million)	2Q15	1Q15	4Q14	3Q14	LTM2Q15
Maintenance	46.9	30.1	38.8	32.4	148.3
Expansion		17.2	25.0	11.5	53.7
Carrasco Acquisition	27.4				27.4
Total	74.3	47.3	63.8	43.9	229.4

Capital Market

Maturity of Convertible Debentures

On June 15, 2015, the Debentures of the 2nd Public Issue of Subordinated and Convertible Debentures issued in a Single Series matured. On the same date, the Board of Directors approved the mandatory conversion of ninety-three thousand, four hundred and ninety-two (93,492) debentures, which were converted into twelve million, two hundred ninety-one thousand, two hundred and forty-eight (12,291,248) registered, book-entry common shares with no par value, resulting in a capital increase totaling ninety-three million, four hundred ninety-one thousand, six hundred and fifty-seven reais and fourteen centavos (R$93,491,657.14). A total of 131.468928 shares issued by the Company were attributed to each debenture.

Conclusion of the Private Capital Increase

On March 16, 2015, the Company published a Material Fact announcing the Board of Directors' resolution to carry out a private capital increase through the issue of at least 1,700,000 new shares, corresponding to R$22,950,000.00, and at most 3,775,456 new shares, corresponding to R$50,968,649.75, at the unit price of R$13.50. The purpose of the capital increase was to pay for the third installment of the acquisition of 100% of the shares of Frigorífico Carrasco S.A., entered into through an agreement that envisages the possibility of payment through (a) the transfer to the Seller of 1,700,000 Company shares, or (b) payment of a price corresponding to US$10,000,000.00.

On June 17, 2015, it ended the last phase of the capital increase process (withdrawal term) for the shareholders who exercised the right to subscribe to shares issued by the Company in the scope of the capital increase. The final result comprised the subscription and payment of one million, seven hundred thousand, three hundred and ninety-two (1,700,392) shares, corresponding to twenty-two million, nine hundred fifty-five thousand, two hundred and ninety-two reais (R$22,955,292.00), equivalent to 45.04% of the maximum amount of the approved capital increase.

Outstanding Shares

The table below shows the Company's outstanding shares with the current amount of the debentures after conversion into shares and the private capital increase:

Shares	
Total of shares issued on 03/31/2015	**178,002,062**
Total number of shares resulting from debenture conversion	12,291,248
Private Capital Increase	1,700,392
Total of shares issued on 06/30/2015	**191,993,702**

Subsequent Events

On July 31st, the Company informed its shareholders and the market in general that on that date, following the legal and financial audit, it executed definitive agreements for the acquisition of 100% of the shares of Frigorífico Red Cárnica S.A.S and Red Industrial Colombiana S.A.S. (jointly "Frigorífico Red Cárnica"). This acquisition was originally contracted through a Memorandum of Understanding, pursuant to the terms and conditions disclosed in the Company's Material Fact of February 20, 2015 ("MF 02/20"). The terms and conditions negotiated in the Memorandum of Understanding and already disclosed through said MF02/20 were substantially maintained the same in the definitive documents, so the total investment will amount to approximately thirty million dollars (US$30 million), including: a) acquisition of the assets; b) working capital; and c) investments to expand and modernize the installations. Frigorífico Red Cárnica does not possess financial debt. The effective transfer of Frigorífico Red Cárnica is subject to certain conditions precedent and prior authorizations in Colombia. The Company will keep its shareholders informed of compliance with these conditions, the granting of the authorizations and the conclusion of the transaction.

On August 3rd, Minerva announced that Mr. João de Almeida Sampaio Filho will be Minerva's Institutional Relations Officer, reporting directly to the Company's CEO, Mr. Fernando Galletti de Queiroz. His main responsibility will be to develop relations between the Company and government bodies, sector associations and professional associations.

About Minerva S.A.

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 June 30, 2015, 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, 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 the 12 months ended June 30, 2015, the Company recorded gross sales revenue of R$8.9 billion, up 39.4% on the same period a year earlier.

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, 2014 and 1Q15 and 2Q15.

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 period ended June 30, 2015, and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.

APPENDIX 1 - INCOME STATEMENT (CONSOLIDATED)

(R$ '000)	2Q15	2Q14	1Q15
Revenue from Domestic Sales	789,723	568,242	757,154
Revenue from Exports	1,562,534	1,191,705	1,552,592
Gross Sales Revenue	**2,352,257**	**1,759,947**	**2,309,746**
Deductions from revenue – taxes and other	-125,484	-103,711	-153,585
Net Operating Revenue	**2,226,773**	**1,656,236**	**2,156,161**
Cost of Goods Sold	-1,825,657	-1,325,074	-1,753,992
Gross Profit	**401,116**	**331,162**	**402,169**
Selling Expenses	-137,294	-128,573	-176,450
General and Administrative Expenses	-68,901	-54,741	-61,476
Other operating Revenues (Expenses)	3,992	16,955	6,434
Result before financial expenses	**198,913**	**164,803**	**170,677**
Financial Expenses	-194,850	-109,980	-167,751
Financial Revenues	27,674	18,474	26,235
FX Variation	113,323	13,924	-639,877
Other Expenses	21,570	-69,250	25,643
Financial Result	**-32,283**	**-146,832**	**-755,750**
Results Before Taxes	**166,630**	**17,971**	**-585,073**
Income and Social Contribution Taxes - Current	-1,846	5,106	-5,534
Income and Social Contribution Taxes - Deferred	2,076	-4,535	3,402
Net Income before Non-Controlling Interest	**166,860**	**18,542**	**-587,205**
Net Income Attributed to Controlling Shareholders	166,930	18,589	-587,334
Net Income Attributed to Non-Controlling Shareholders	-70	-47	129
Net (Loss) Income	**166,860**	**18,542**	**-587,205**

APPENDIX 2 - BALANCE SHEET (CONSOLIDATED)

(R$ '000)	2Q15	4Q14
ASSETS		
Cash and Cash Equivalents	2,667,763	2,474,380
Accounts Receivable from Clients	495,446	435,099
Inventories	525,599	467,635
Biological Assets	147,788	173,381
Taxes Recoverable	644,777	560,317
Other Assets	162,940	147,052
Total Current Assets	**4,644,313**	**4,257,864**
Related Parties	445	445
Taxes Recoverable	233,926	233,846
Deferred fiscal assets	248,929	248,929
Other Receivables	46,750	37,391
Judicial Deposits	12,031	12,419
Fixed Assets	1,898,292	1,796,755
Intangible	650,216	636,812
Total Non-Current Assets	**3,090,589**	**2,966,597**
Total Assets	**7,734,902**	**7,224,461**
LIABILITIES		
Loans and Financing	1,130,708	723,956
Convertible Debentures	0	91,497
Suppliers	419,069	559,935
Labor and tax liabilities	100,216	89,964
Other Accounts Payable	512,943	483,187
Total Current Liabilities	**2,162,936**	**1,948,539**
Loans and Financing	5,152,462	4,602,087
Labor and tax liabilities	21,827	22,967
Provision for Contingencies	13,532	25,784
Accounts Payable	70,503	53,071
Deferred Tax Liabilities	85,347	91,460
Total Non-Current Liabilities	**5,343,671**	**4,795,369**
Shareholders' equity		
Capital Stock	950,598	834,136
Capital Reserves	294,851	294,851
Revaluation Reserves	67,342	68,474
Accumulated Profit (Loss)	-1,190,082	-771,394
Equity evaluation adjustments	104,782	53,740
Total Shareholders' Equity Attributed to Controlling Shareholders	**227,491**	**479,807**
Non-Controlling Interest	804	746
Total Shareholders' Equity	**228,295**	**480,553**
Total Liabilities and Shareholders' Equity	**7,734,902**	**7,224,461**

APPENDIX 3 – CASH FLOW (CONSOLIDATED)

(R$ '000)	2Q15	2Q14	1Q15
Cash Flow from Operating Activities			
Net (Loss) Income	166,860	18,542	-587,205
Reconciliation of Net Income to Net Cash provided by Operating Activities :			
Depreciation and Amortization	17,569	13,854	17,683
Net Income Attributed to Non-Controlling Shareholders	70	47	-129
Fair Value of Biological Assets	10,110	-10,474	8,243
Realization of Deferred Taxes – Temporary Differences	-2,076	4,535	-3,402
Financial Charges	197,306	108,923	167,037
FX Variation – Not Realized	-117,824	-16,577	713,408
Contingency Allowances	-2,852	-13,547	-9,400
Accounts Receivable from Clients and Other Receivables	-73,966	45,241	-11,628
Inventories	12,981	642	-70,945
Biological Assets	-14,152	-88,225	21,392
Taxes Recoverable	-18,257	-34,533	-66,053
Judicial Deposits	232	-162	156
Suppliers	-52,472	62,788	-88,394
Labor and Tax Obligations	-9,318	-1,404	18,430
Other Accounts Payable	-208,777	11,600	255,685
Equity valuation and accumulated conversion	-26,395	0	77,436
Net Cash Flow from Operating Activities	**-120,961**	**101,250**	**442,314**
Cash Flow from Investments			
Acquisition of subsidiary less cash on acquisition	0	-46,321	0
Acquisition of Intangible Assets	-415	-37,041	-13,477
Acquisition of Fixed Assets	-46,899	-39,616	-89,402
Net Cash Flow from Investments	**-47,314**	**-122,978**	**-102,879**
Cash Flow from Financing Activities			
Loans and Financings	216,115	1,270,396	659,351
Loans and Financings Settled	-407,888	-659,234	-470,378
Convertible Debentures	-95,339	-1,074	3,842
Related Parties	0	8,822	0
Variation in Minority Interest	-69	-47	127
Capital Payment in Cash	116,447	0	15
Net Cash from Financing Activities	**-170,734**	**618,863**	**192,957**
Net Cash - Cash Equivalent Decrease/Increase	**-339,009**	**597,135**	**532,392**
Cash and Cash Equivalents			
Beginning of Period	3,006,772	1,310,142	2,474,380
End of Period	2,667,763	1,907,277	3,006,772
Net Cash - Cash Equivalent Decrease/Increase	**-339,009**	**597,135**	**532,392**