



**MINERVA S.A.**

Publicly-held Company  
CNPJ/MF nº 67.620.377/0001-14  
NIRE 35.300.344.022

**NOTICE TO THE MARKET**

Minerva S.A. ("Minerva" or "Company"), the South American leader in the export of fresh beef and cattle byproducts, which also operates a processed foods segment, hereby informs its shareholders and the market in general that, as explained in the 2Q18 Earnings Release and detailed during the earnings conference call, the Company adhered, in 2Q18, to the Federal Revenue Service's Rural Tax Regularization Program related to the acquittance of FUNRURAL (Rural Workers Support Fund).

To the companies that adhered this program, was set a cash payment corresponding to 2.5% of total overdue tax amounts, adjusted for fines, charges and interest. Thus, Minerva paid approximately R\$25 million upon adhering to the Program, and such amount was fully recognized in the financial statements for the second quarter of 2018. After applying 100% of exemption for fines, charges and interest, the Company's remaining overdue amount totaled R\$470.3 million. Such amount has been fully settled as tax loss carryforward and a negative calculation basis on the Social Contribution to Net Income, activated during the 2Q18, as shown in the chart below. Thus, the settlement of the Company's remaining balance had a non-cash effect. It is worth noting that this pending debt has been fully settled with the Federal Revenue Service and there are no future outstanding amounts or payments to be made.

Finally, we illustrate the changes in deferred tax assets during the first half of 2018 in the table below, which is also detailed in note 18.1 of the 2Q18 ITR Report. The balance of deferred tax assets on 12/31/2017 was R\$196.1 million and during the first half of 2018, a total of R\$569.3 million of new deferred tax assets were recognized in the income statement in addition to the settlement of R\$470.3 million, as explained above. Thus, the final balance of deferred tax assets on 06/30/2018 was R\$297.2 million.

| <b>(R\$ '000)</b>                    | Balance on<br>12/31/2017 | Activated in<br>the Income<br>Statement | Settlement       | Cumulative<br>Conversion<br>Adjustment | Balance on<br>6/30/2018 |
|--------------------------------------|--------------------------|---|------------------|--|-------------------------|
| <b>Total Deferred<br/>Tax Assets</b> | <b>196,064</b>           | <b>569,264</b>                          | <b>(470,345)</b> | <b>2,227</b>                           | <b>297,210</b>          |

Barretos, August 15, 2018

**Minerva S.A.**  
**Eduardo Pirani Puzziello**  
**Investor Relations Officer**