1Q14 Earnings Release

Minerva Foods

Barretos, May 7, 2014 – 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 first quarter of 2014 (1Q14). The financial and operating information herein is presented in BRGAAP and Brazilian real (R$), in accordance with International Financial Reporting Standards (IFRS).

1Q14 Highlights

Minerva (BEEF3)

Price on May 6 2014:
R$10.20

Market Capitalization:
R$ 1,519.8 million

149,000,090 Shares

Free Float – 65.7%

Conference Calls
May 8, 2014

Portuguese
9:30 a.m. (Brasília)
8:30 a.m. (US EST)
Phone: +55 (11) 2188-0155
Code: Minerva
Webcast: click here

English
11:00 a.m. (Brasília)
10:00 a.m. (US EST)
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- ✓ In 1Q14, Minerva posted net income of R$69.1 million, significantly greater than 1Q13's R$5.2 million. Net margin in 1Q14 was 4.9%, compared to 0.4% in the same period of 2013. ROIC reached 19.8% in 1Q14, up 1.6 p.p. over ROIC in 1Q13, showing once again the Management's commitment to return from our operations.
- ✓ In 1Q14, net revenue once again posted significant growth of 17% year-on-year to R$1.4 billion. Both sales from the Beef Division and the Others Division, which includes Leathers, MFF and Resale, performed strongly with growth of 14.7% and 25.0% year-on-year, respectively. The highlight of the Beef Division was export revenue, up 19.8% over the same period of the previous year. Sales to the domestic market from the Others Division were up 38.1%, driven by MFF and Leathers.
- ✓ 1Q14 EBITDA was R$136.3 million, up 35.8% over 1Q13. EBITDA margin reached 9.7%, up 140 bps over 1Q13.
- ✓ Financial leverage at the end of the first quarter, expressed as Net Debt /EBITDA, was 3.58x. The Company prioritized the profitability of its operations despite greater investments in working capital, the result of typical seasonality in the quarter. The cash position on March 31, 2014 was R$1.3 billion, approximately two times greater than short-term maturities.
- ✓ In 1Q14, we advanced on important fronts in the current growth plan. We acquired a slaughtering and de-boning house in Janaúba, Minas Gerais State and a meat packing plant in Carrasco, Montevideo, Uruguay. These strategic transactions are in line with the plan toward geographic diversification of our operations in South America.
- ✓ At the close of 1Q14, we issued a perpetual bond on the international market in amount of US$300 million with interest of 8.75% p.a. to extend the average maturity of our debt, further diversifying the investor base. Proceeds will be used to increase and provide more flexibility to the capital structure and improve credit metrics used by ratings agencies. The issue saw strong investor demand of approximately four times the total amount issue, demonstrating the market's confidence in Minerva's long-term fundamentals.

Key Indicators

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Slaughtering (´000 heads)	444.1	485.6	-8.6%	456.8	-2.8%	1,965.0	1,802.6	9.0%
Sales Volume (´000 tonnes)	104.7	110.6	-5.4%	108.2	-3.3%	464.5	427.5	8.7%
Gross Revenues	1,482.4	1,269.9	16.7%	1,534.8	-3.4%	6,005.4	4,921.1	22.0%
Domestic Market	469.7	421.8	11.4%	500.5	-6.1%	1,940.1	1,616.1	20.1%
Export Market	1,012.7	848.1	19.4%	1,034.3	-2.1%	4,065.2	3,305.0	23.0%
Net Revenues	1,397.9	1,195.0	17.0%	1,443.8	-3.2%	5,659.5	4,630.8	22.2%
EBITDA	136.3	100.4	35.8%	153.3	-11.1%	587.3	492.6	19.2%
EBITDA Margin	9.7%	8.4%	1.4 p.p.	10.6%	-0.9 p.p.	10.4%	10.6%	-0.3 p.p.
Net (Loss) Income	69.1	5.2	1,224.7%	-124.6	-155.4%	-250.4	-126.9	97.4%
Net Margin	4.9%	0.4%	4.5 p.p.	-8.6%	13.6 p.p.	-4.4%	-2.7%	-1.7 p.p.
Net Debt/EBITDA(x) [1]	3.58	3.13	0.45	3.35	0.23	3.58	3.13	0.45

[1] Net debt in 1Q14 excluding the amount paid for the Janaúba acquisition

Message from the Management

The start of 2014 was very challenging for the Brazilian beef industry. After an excellent January in terms of demand both on the domestic and foreign markets supported by a strong supply of animals, the drought that affected the country in February and March compromised supply in the harvest period. In this atypical environment of low rainfall, pastures dried out and cattle did not gain enough weight to be sent to slaughter, driving producers to retain their herds for longer to wait for rain and better return. This effect significantly reduced cattle availability on the market, affecting the arroba price.

In this context, through its exceptional risk management instruments, Minerva used its geographic diversification and basis strategy to maintain competitiveness in purchasing cattle and maintaining the profitability of its operations in 1Q14. We increased spot cattle purchases to ensure supply at plants and, at the same time, good operating return. We also focused on improving the sales mix, increasing exports (which require greater working capital) without compromising opportunities on the domestic market. The impact of this strategy was a ROIC of 19.8%, up approximately 1.6 p.p. year-on-year with EBITDA margin of 9.7%, up 1.4 p.p. over 1Q13. It should be noted that both ROIC and EBITDA margin in 1Q14 were the highest for a first quarter since the Company went public in 2007.

With the end to the drought in mid-March, April saw higher cattle availability. In addition to animals that were previously scheduled for slaughter this month, which is typically a month of high supply, part of the cattle that had not been available in February and March due to the drought were also brought to slaughter. We estimate increased feedlot operations for 2014, especially in the first round of the year, based on projected improved profitability, which should minimize the volatility of cattle prices in the off season (July to November).

In 1Q14, we made further advances in our investment plan announced at the end of 2012, acquiring a slaughtering and deboning plant in Janaúba, Minas Gerais State and a meat packing plant in Carrasco, Montevideo, Uruguay. With the conclusion of these acquisitions and, including BRF plants, for which the acquisition is under analysis by CADE, Minerva will increase its production capacity by approximately 40%, from 11,480 head/day to 15,880 head/day. These operations demonstrate our strategic consistency, predictability and financial discipline.

At the close of 1Q14, we also issued a perpetual bond on the international market in the amount of US$300 million with interest of 8.75% p.a. The purpose of this issue was to extend the average tenor of the Company's debt and improve its capital structure by using a different fundraising instrument. The issue saw strong investor demand of approximately four times the total issue, demonstrating the market's confidence in Minerva's long-term fundamentals. It should be noted that this is the first issue of perpetual bonds by any South American meat company.

Finally, Minerva constantly seeks to improve its governance. At the Annual General Meeting held on April 24, 2014, the controlling shareholders and other shareholders present elected new members to the Fiscal Council and Board of Directors. Through our initiatives to improve our corporate governance, strategic growth and capital discipline, we reaffirmed our commitment to transparency, consistency and predictability, always focusing on generating value for our shareholders.

Fernando Galletti de Queiroz, Chief Executive Officer

Industry Overview

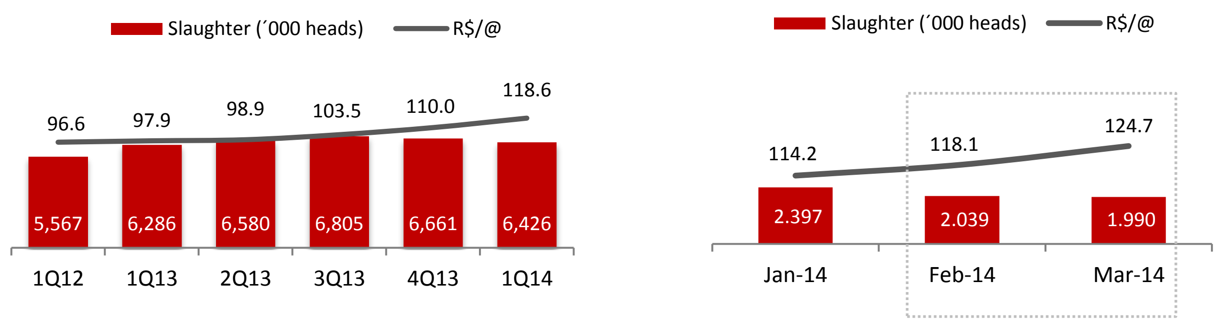
Brazil

Cattle Supply

2014 began with record slaughter volumes for a January: up 4.5% year-on-year, sustaining the pace seen during 2013, as a result of increased cattle availability, especially at the start of the harvest. Beginning in February, a long drought predominated for most of Brazil, altering the rains and causing ranchers to retain their cattle to ensure that they gained weight when the rains returned. As a result of this atypical weather for this time of year, slaughter in Brazil in 1Q14 fell 3.5% quarter-on-quarter and remained stable year-on-year.

The lack of cattle in a period that is typically one of harvest impacted the average arroba price, which was up 7.8% in the quarter as compared to the average price in 4Q13. However, as shown in the graph below, the increase in prices intensified on February and March, when cattle availability was directly affected by the drought. Higher cattle price significantly impacted the utilization capacity of the industry in February and March, as shown below in the same graph.

Figures 1 and 2 – Cattle slaughter in Brazil (thousand head) and average arroba price (R$)



Source: Ministry of Agriculture and Ranching, CEPEA/ESALQ | preliminary slaughter data for 1Q14

Exports

In 1Q14, Brazilian exports of fresh beef maintained the fast pace seen throughout 2013, with a 22% rise in exports as compared to 1Q13. Revenue totaled US$1.3 billion, up 17% year-on-year. The decline in beef production among important players as the United States and Europe, combined with the Dollar's appreciation against the Real explain the continued growth of Brazilian exports. This impact can be measured through the higher price index of beef on the international market as measured by the FAO, which reached its peak at the start of 2014, as shown in the following graph. It should be noted that the average price of Brazilian beef in Dollars in 1Q14 (US$4.4 thousand/ton) fell year-on-year (US$4.6 thousand/ton), as it reflects changes in the sales and products mix, as can be seen in the next graph.

Figure 3 - Fresh beef exports

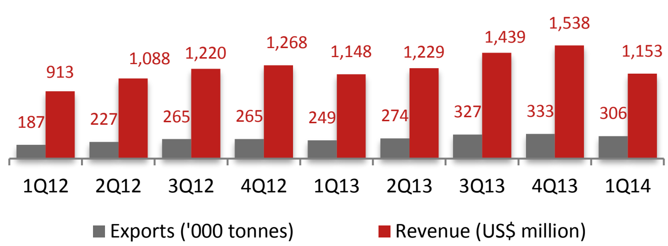
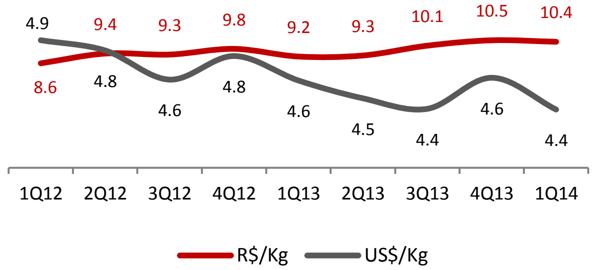
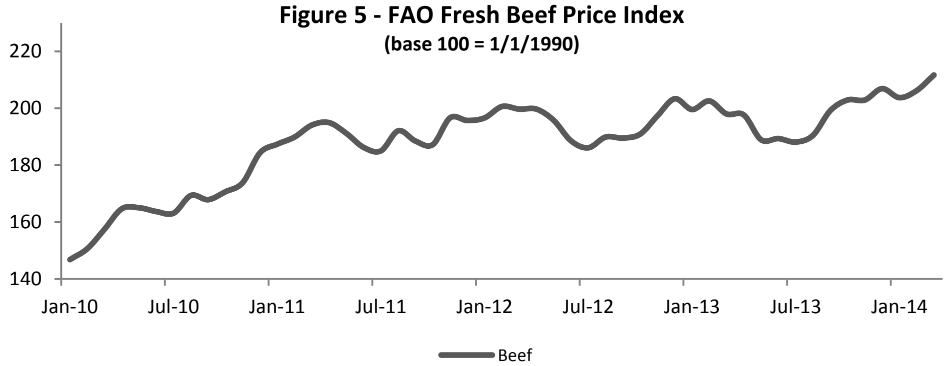


Figure 4 - Average fresh beef prices



Source: Ministry of Development, Industry and Foreign Trade and Ministry of Agriculture and Livestock

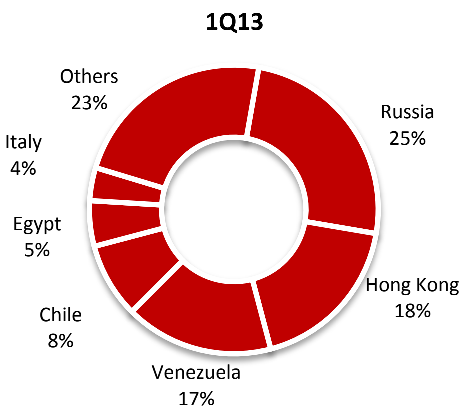
Figure 5 - FAO Fresh Beef Price Index
(base 100 = 1/1/1990)

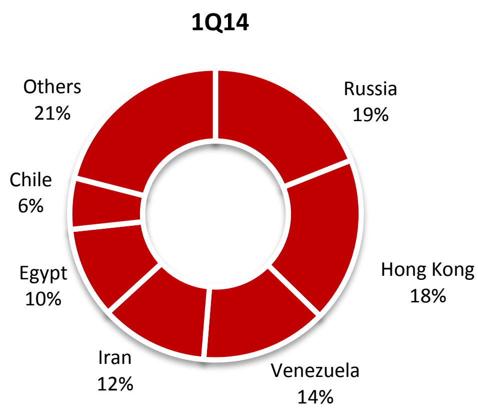


Source: Food and Agriculture Organization of the United Nations (FAO)

The strong performance of Brazilian exports in this quarter can be explained by: (i) growing demand among emerging economies, especially Egypt (up from 5% in 1Q13 to 10% in 1Q14) and Iran. For its part, Russia remained the main market at 19% of total exports, followed by Hong Kong/China, which remained stable year-on-year at 18% of total exports; (ii) weaker beef production among key players such as the United States and (iii) the 18% appreciation of the average Dollar against the Real in 1Q14 as compared to 1Q13.

Figures 6 and 7 - Destinations of Brazilian Exports (% of Revenues)





Source: Ministry of Development, Industry and Foreign Trade and Ministry of Agriculture and Livestock

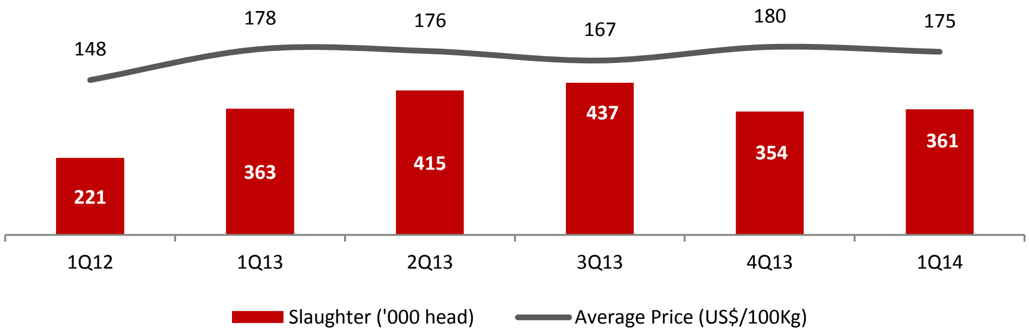
Domestic Market

Although demand for beef is seasonally weaker in the first quarter of the year, we saw atypical strong demand at the start of 2014, driven by climate impacts, which increased consumption on the Brazilian coast, especially the Northeast, and upstate São Paulo. In addition to high consumption in January, strong exports in the first two months of 2014 reduced beef supply on the domestic market which, combined with the high cost of cattle, drove average beef prices up on the domestic market in 1Q14.

Paraguay

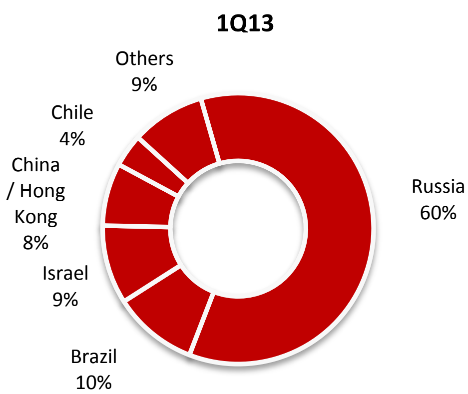
After a significant reduction in slaughter and increase in the price of cattle in Paraguay in 4Q13, compromising the profitability of the industry, we saw movement toward recovery of margins throughout 1Q14. The price of cattle fell and slaughter increased slightly. The quarter was marked by strong rains that made animal transportation more difficult, reducing cattle availability for slaughter. It should be noted that year-on-year, the resumed exports to Chile considerably minimized dependence on Russia, with exports to that country reaching 36% of the total in 1Q14, compared to 60% in 1Q13.

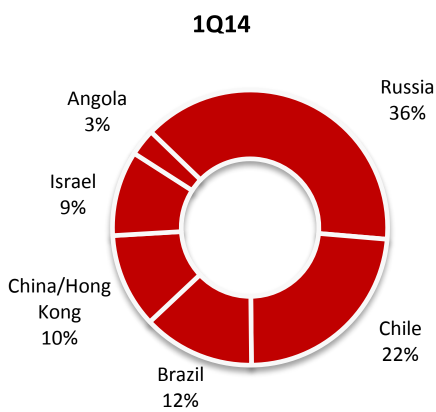
Figure 8 – Cattle Slaughter Trends and Average Cattle Prices in Paraguay



Source: SENACSA

Figures 9 and 10 – Destination of Paraguay's Exports (% of Revenues)



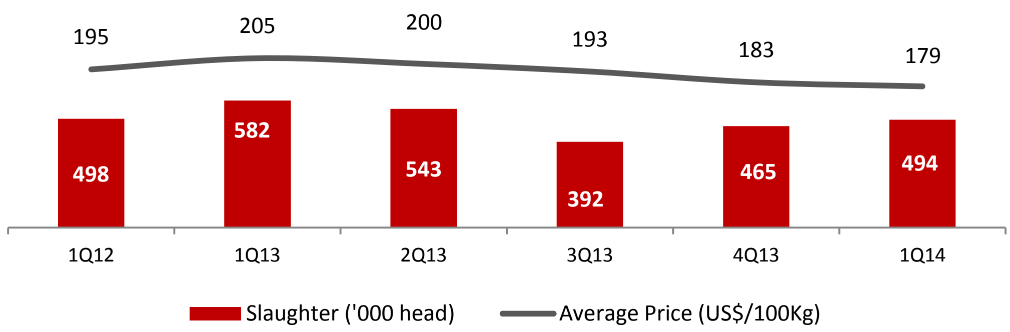


Source: SENACSA

Uruguay

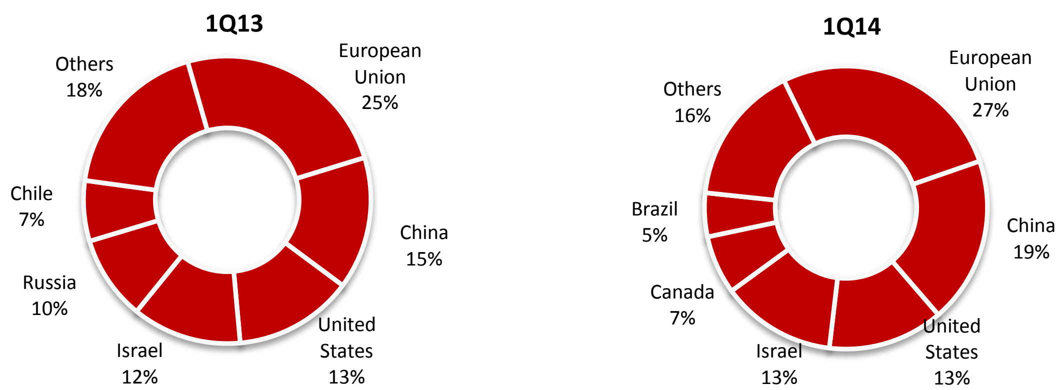
The Uruguayan industry continues to show signs of recovering operating margins, which began at the close of 2013 and was intensified in the first quarter of 2014. This good result is basically explained by 2 factors: (i) better pricing of Uruguayan beef in the international market, which has benefitted producers and exporters and helped drive up margins, and (ii) decline in the price of cattle with greater availability and improved rationality in the industry, especially since the second half of 2013. Uruguay is beginning a positive cycle with expected increased availability of cattle for slaughter in the coming years. In this scenario, the profitability of Uruguayan operations should remain high, especially considering the outstanding position of this country in the international market, with access to markets like the United States, Canada, South Korea and European niche markets at a time when the world beef supply is relatively low.

Figure 11 – Cattle Slaughter Trends and Average Cattle Prices in Uruguay



Source: INAC

Figures 12 and 13 – Destination of Uruguay's Exports (% of Revenues)



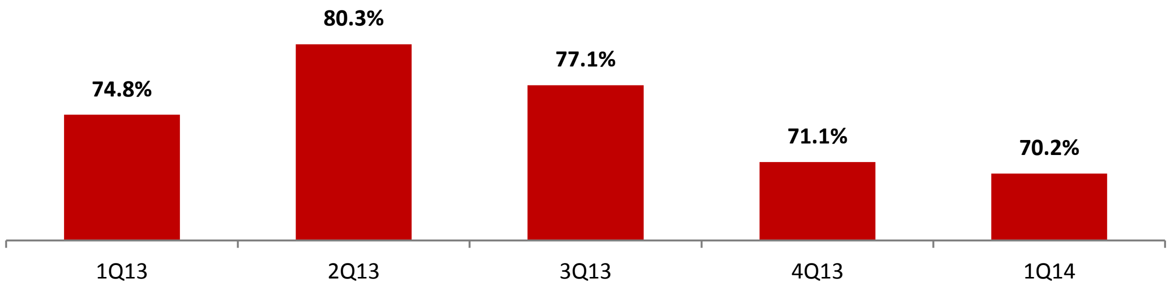
Source: INAC

Minerva – Results Analysis

Slaughter

In 1Q14, 444.1 thousand heads were slaughtered, below 4Q13 volumes (456.8 thousand heads) as a result of the drought in February and March. As a result, Minerva's utilization rate reached 70.2%. In the last 12 months, the average utilization rate was 74.7%.

Figure 14 - Slaughter Capacity Utilization



Source: Minerva

Consolidated Gross Revenue

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Gross Revenues	**1,482.4**	**1,269.9**	**16.7%**	**1,534.8**	**-3.4%**	**6,005.4**	**4,921.1**	**22.0%**
Beef Division	1,172.9	1,022.3	14.7%	1,128.5	3.9%	4,712.8	3,874.9	21.6%
Others	309.5	247.6	25.0%	406.3	-23.8%	1,295.5	1,046.2	23.5%

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Domestic Market	**469.7**	**421.8**	**11.4%**	**500.5**	**-6.1%**	**1,940.1**	**1,616.1**	**20.1%**
% Gross Revenues	31.7%	33.2%	-1.5 p.p.	32.6%	-0.9 p.p.	32.3%	32.8%	-0.5 p.p.
Beef Division	350.8	335.7	4.5%	369.0	-4.9%	1,476.1	1,308.7	12.8%
Others	118.9	86.1	38.1%	131.5	-9.6%	464.0	307.4	50.9%

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Export Market	**1,012.7**	**848.1**	**19.4%**	**1,034.3**	**-2.1%**	**4,065.2**	**3,305.0**	**23.0%**
% Gross Revenues	68.3%	66.8%	1.5 p.p.	67.4%	1.0 p.p.	67.7%	67.2%	0.5 p.p.
Beef Division	822.0	686.6	19.7%	759.6	8.2%	3,236.8	2,566.1	26.1%
Others	190.6	161.5	18.0%	274.8	-30.6%	828.5	738.9	12.1%

The Company's gross revenue totaled R$1,482.4 million, significant growth of 16.7% as compared to 1Q13 revenue. This result is partially explained by the 14.7% increase in revenue from the Beef Division (79% of Gross Revenue). In addition, revenue from the Others Division (21% of Gross Revenue) was up 25.0%, driven by growth in the Leathers, Live Cattle, Resale and MFF operations.

Figure 15 - Breakdown of Consolidated Gross Revenue 1Q13

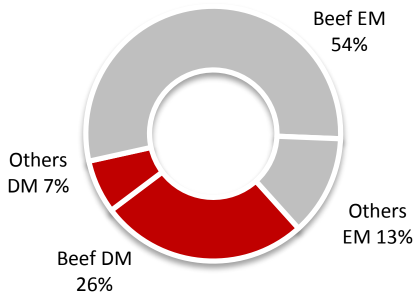
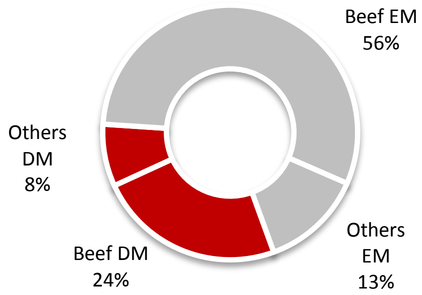


Figure 16 - Breakdown of Consolidated Gross Revenue 1Q14



Source: Minerva

In 1Q14, the Company remained one of the top beef exporters in the countries where it operates. In Paraguay, our market share reached 17% and in Uruguay, 8%. If we consider the result of the Carrasco Plant (for which the acquisition was concluded on May 1st), our participation would have increased to 14%. In Brazil, we remained the second largest exporter with a market share of 17% of beef Brazilian exports.

Figure 17 - Market Share of Exports - Brazil (% of Revenues)

Figure 18 - Market Share of Exports - Uruguay (% of Revenues)

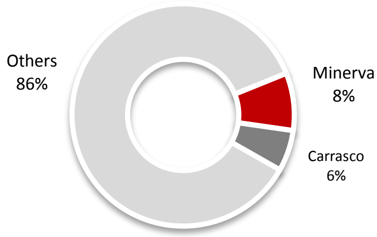
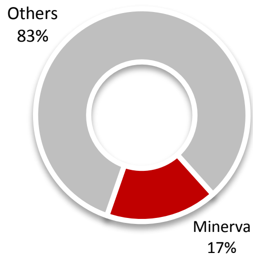


Figure 19 - Market Share of Exports - Paraguay (% of Revenues)



Source: Minerva, Secex, INAC and SENACSA

In the graphs below, we show the growth of the Company's exports by region. Due to quarterly seasonality, we show the last 12 months ended in March of 2013 and 2014, as below:

Americas: the participation of this region in the Company's export mix increased from 15.9% in LTM 1Q13 to 17.5% in LTM 1Q14. This increase is explained by increased sales to Chile with the re-opening of Paraguay in 2Q13. In addition, in the last 2 quarters, the Company increased its sales to Venezuela, where all sales are made through letters of credit confirmed by ALADI, which ultimately represents the credit risk of the Brazilian Central Bank.

Asia: this region has systematically increased its share in our exports. There was a significant increase in the period, from 8.1% in LTM 1Q13 to 12.1% in LTM 1Q14. Key highlights are China/Hong Kong and Malaysia.

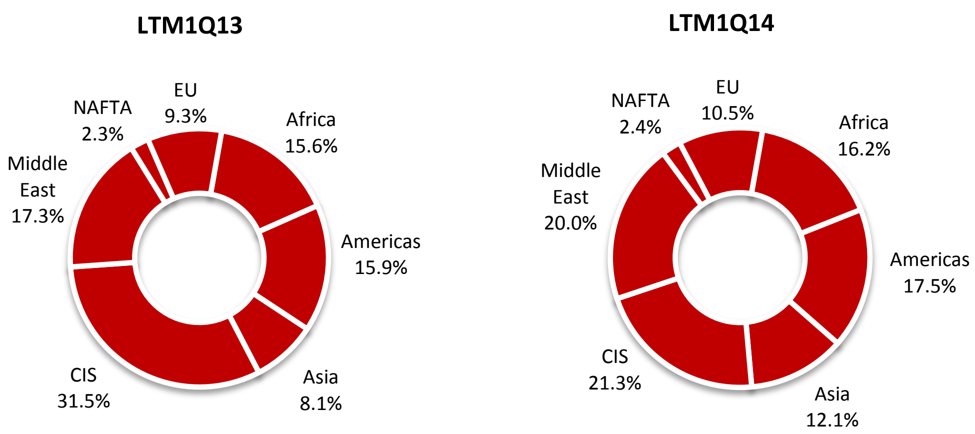
CIS: CIS (Community of Independent States) countries, particularly Russia, have historically been the top destination for our exports. In LTM 1Q14, the participation of this region in Minerva's exports was 21.3% (LTM 1Q13: 31.5%). It should be noted that in recent months, the Company has redirected part of the volume previously shipped to Russia to markets with better margins, especially Middle East.

Europe: in recent months, the Company has sought to market specific beef cuts to this region with greater profitability. As a result, the participation of this region in Minerva's total exports increased from 9.3% in LTM 1Q13 to 10.5% in LTM 1Q14.

North Africa: the participation of this region in the Company's exports increased from 15.6% in LTM 1Q13 to 16.2% in LTM 1Q14 and is associated with increased exports to Libya and Algeria, seeking to focus sales on countries with greater profitability.

Middle East: this region has been a major destination for Minerva's exports. In recent quarters, we have focused more on niche markets with ethnic cuts that have higher profitability. Based on this strategy, the participation of this region in the Company's exports increased from 17.3% in LTM 1Q13 to 20.0% in LTM 1Q14. Highlights were the increased volume to Lebanon and Iran from Brazil and to Kuwait from Paraguay.

Figure 20 and 21 - Consolidated Sales Breakdown by Region



Source: Minerva

<u>Beef Division</u>

Gross revenue was up 14.7% year-on-year in 1Q14 with 19.7% growth in the foreign market and 4.5% in the domestic market, driven by higher average prices of fresh beef. On exports, the price in dollars remained stable as compared to 1Q13 even as it grew 16.8% in Reais with the currency's depreciation against the Dollar. On the domestic market, the price of beef increased 21.5% as a result of strong demand and higher cattle price that is strongly related to the beef price on the domestic market.

Below are full details of the beef division:

Gross Revenue (R$ Million)	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Fresh Beef – EM	753.7	643.7	17.1%	720.1	4.7%	3,024.3	2,409.7	25.5%
Processed Beef – EM	0.0	5.7	-99.9%	0.0	0.0	10.2	23.4	-56.3%
Others – EM	68.3	37.2	83.8%	39.5	73.2%	202.2	133.1	52.0%
Subtotal – EM	**822.0**	**686.6**	**19.7%**	**759.6**	**8.2%**	**3,236.8**	**2,566.1**	**26.1%**
Fresh Beef – DM	295.0	269.9	9.3%	312.3	-5.5%	1,216.8	1,076.5	13.0%
Processed Beef – DM	2.2	4.8	-55.3%	6.9	-68.9%	22.1	7.3	203.2%
Others – DM	53.6	60.9	-11.9%	49.7	7.9%	237.2	224.9	5.5%
Subtotal – DM	**350.8**	**335.7**	**4.5%**	**369.0**	**-4.9%**	**1,476.1**	**1,308.7**	**12.8%**
Total	**1,172.9**	**1,022.3**	**14.7%**	**1,128.5**	**3.9%**	**4,712.8**	**3,874.8**	**21.6%**

Volume (‘000 tonnes)	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Fresh Beef – EM	62.5	62.3	0.2%	61.5	1.6%	267.6	239.0	12.0%
Processed Beef – EM	0.0	0.4	-99.8%	0.0	0.0	0.7	1.7	-59.8%
Others – EM	5.1	5.1	-0.9%	5.2	-2.5%	22.6	19.9	13.4%
Subtotal – EM	**67.5**	**67.8**	**-0.4%**	**66.7**	**1.3%**	**290.9**	**260.6**	**11.6%**
Fresh Beef – DM	30.9	34.4	-10.0%	33.1	-6.4%	141.2	132.6	6.5%
Processed Beef – DM	0.2	0.5	-58.0%	0.7	-68.0%	2.3	0.9	150.6%
Others – DM	6.0	7.9	-24.1%	7.8	-23.1%	30.1	33.4	-9.7%
Subtotal – DM	**37.1**	**42.8**	**-13.2%**	**41.5**	**-10.6%**	**173.7**	**166.9**	**4.1%**
Total	**104.7**	**110.6**	**-5.4%**	**108.2**	**-3.3%**	**464.5**	**427.5**	**8.7%**

Average Price – EM (US$/kg)	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Fresh Beef – EM	5.1	5.2	-1.0%	5.1	-0.6%	5.0	5.0	0.3%
Processed Beef – EM	4.1	7.3	-43.1%	0.0	0.0	6.7	6.9	-2.8%
Others – EM	5.7	3.6	57.1%	3.3	71.4%	4.0	3.3	19.9%
Total	5.2	5.1	1.9%	5.0	3.1%	4.9	4.9	1.1%
Average FX (source: BACEN)	2.36	2.00	18.0%	2.28	3.6%	2.25	2.01	11.8%

Average Price – EM (R$/kg)	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Fresh Beef – EM	12.1	10.3	16.8%	11.7	3.0%	11.3	10.1	12.1%
Processed Beef – EM	9.8	14.5	-32.8%	0.0	0.0	15.0	13.8	8.6%
Others – EM	13.5	7.3	85.4%	7.6	77.6%	8.9	6.7	34.0%
Total	12.2	10.1	20.2%	11.4	6.9%	11.1	9.8	13.0%

Average Price – DM (R$/kg)	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Fresh Beef – DM	9.5	7.9	21.5%	9.4	1.0%	8.6	8.1	6.1%
Processed Beef – DM	9.6	9.0	6.4%	9.8	-2.8%	9.5	7.8	21.0%
Others – DM	9.0	7.7	16.1%	6.4	40.3%	7.9	6.7	16.8%
Total	9.4	7.8	20.4%	8.9	6.4%	8.5	7.8	8.4%

EM – Export Market, DM – Domestic Market

Others Division

Gross revenue from this division grew 25.0% year-on-year in 1Q14. This positive result was due to the strong performance of practically all of the Company's business units, especially the Live Cattle, Resale, Leathers and MFF segments.

Gross revenue from MFF increased 15% as compared to the same period of 2013 driven by the domestic market, where the main focus continues to be the food service market. The increase in capacity utilization, reaching levels greater than 85%, justifies the current investment plan for expansion, which should increase production capacity up to 3,300 ton/month by the close of 2015.

The performance of Leathers segment remained strong in the first quarter of the year, growing 39% over 1Q13, focusing on processed leathers and special niches both in the domestic market and exports.

Another segment that performed well was exports of live cattle, which grew 28.5% in revenue year-on-year.

The resale of third-party products continued to post significant increase in gross revenue in 1Q14, up more than 30% as compared to the same period of 2013 driven by the participation of food service in our client base.

Net Revenue

Net revenue totaled R$1,397.9 million in 1Q14, up 17.0% year-on-year. In the last twelve months, net revenue grew 22.0% over LTM 1Q13.

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Gross Revenues	1,482.4	1,269.9	16.7%	1,534.8	-3.4%	6,005.4	4,921.1*	22.0%
Sales Taxes and Deductions	-84.5	-74.9	12.8%	-91.0	-7.2%	-345.9	-290.3	19.1%
Net Revenues	1,397.9	1,195.0	17.0%	1,443.8	-3.2%	5,659.5	4,630.8	22.2%
% Gross Revenues	94.3%	94.1%	0.2 p.p.	94.1%	0.2 p.p.	94.2%	94.1%	0.1 p.p.

*does not include pro-forma figures from the Frigomerc operation from April to September of 2012.

Cost of Goods Sold (COGS) and Gross Margin

COGS in 1Q14 was R$1,115.1 million, equal to 79.8% of net revenue in the period, down 1.1 p.p. as compared to 1Q13's 80.9%. Despite the 21% increase in the average price of cattle as compared to 1Q13, the Company was able to reduce this impact on its COGS by using basis arbitrage (geographic arbitrage in cattle purchase) and increasing spot cattle purchases with a discount on the order of 2% over the term price. This movement, together with better price of beef on the domestic and external markets in Reais positively impacted gross margin in 1Q14, which reached 20.2%, up 1.2 p.p. over 1Q13 and representing a record for a first quarter.

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Net Revenues	1,397.9	1,195.0	17.0%	1,443.8	-3.2%	5,659.5	4,630.8	22.2%
COGS	**-1,115.1**	**-967.3**	**15.3%**	**-1,135.3**	**-1.8%**	**-4,478.6**	**-3,671.7**	**22.0%**
% Net Revenues	79.8%	80.9%	-1.1 p.p.	78.6%	1.1 p.p.	79.1%	79.3%	-0.2 p.p.
Gross Profit	282.8	227.7	24.2%	308.5	-8.3%	1,180.9	959.1	23.1%
Gross Margin	**20.2%**	**19.1%**	**1.2 p.p.**	**21.4%**	**-1.1 p.p.**	**20.9%**	**20.7%**	**0.2 p.p.**

Selling, General and Administrative Expenses

Expenses with sales represented 8.2% of net revenue in 1Q14, down 500 bps year-on-year. Administrative expenses remained stable in both periods.

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Sales Expenses	-115.0	-103.9	10.7%	-121.6	-5.4%	-491.5	-406.6	20.9%
% Net Revenues	8.2%	8.7%	-0.5 p.p.	8.4%	-0.2 p.p.	8.7%	8.8%	-0.1 p.p.
G&A Expenses	-45.7	-37.9	20.6%	-46.6	-2.0%	-174.1	-144.3	20.7%
% Net Revenues	3.3%	3.2%	0.1 p.p.	3.2%	0.0 p.p.	3.1%	3.1%	0.0 p.p.

EBITDA

1Q14 EBITDA reached R$136.3 million, up 35.8% over the same period of 2013. EBITDA margin reached 9.7% in 1Q14, up 1.4 p.p. over 1Q13.

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Net Income/Loss	**69.1**	**5.2**	**1224.7%**	**-124.6**	**-155.4%**	**-250.4**	**-126.9**	**97.4%**
(+) Deferred Income and Social Contribution Taxes	10.6	9.1	16.9%	-4.9	-317.8%	-0.2	12.8	-101.4%
(+) Reduction to recoverable asset value [1]	0.0	0.0	-	34.2	-	34.2	0.0	-
(+) Financial Result	42.7	72.0	-40.7%	233.4	-81.7%	746.2	553.4	34.8%
(+) Depreciation and Amortization	13.9	14.1	-1.3%	15.2	-8.8%	57.5	53.3	8.0%
EBITDA	**136.3**	**100.4**	**35.8%**	**153.3**	**-11.1%**	**587.3**	**492.6**	**19.2%**
EBITDA Margin	**9.7%**	**8.4%**	**1.4 p.p.**	**10.6%**	**-0.9 p.p.**	**10.4%**	**10.6%**	**-0.3 p.p.**

[1] More information – see note 13 to the Standard Financial Statements for 2013

Financial Result

Financial result in 1Q14 was negative R$42.7 million, compared to negative R$72.0 million in 1Q13. Financial expenses totaled R$109.4 million in the quarter, up 26.4% year-on-year, chiefly due to the 18% appreciation of the average Dollar (1Q14: R$2.36 and 1Q13: R$2.00) and the 325 bps rise in the CDI rate in the period. Non-cash financial revenue from foreign exchange variation on the debt denominated in foreign currency (approximately 67% of total debt) was R$62.5 million in 1Q14.

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%
Financial Expenses	-109.4	-86.5	26.4%	-100.1	9.3%
Financial Income	18.1	13.3	36.2%	14.2	26.8%
FX Variation	62.5	14.1	344.7%	-132.5	-147.2%
Other Expenses (*)	-13.8	-12.8	8.3%	-15.1	-8.3%
Financial Result	**-42.7**	**-72.0**	**-40.7%**	**-233.4**	**-81.7%**
Average Dollar (R$/US$) (Source: Bacen)	2.36	2.00	18.0%	2.28	3.6%
Closing Dollar (R$/US$) (Source: Bacen)	2.26	2.01	12.2%	2.34	-3.5%

(*) Other Expenses (R$ Million)	1Q14	1Q13	Chg.%	4Q13	Chg.%
Expenses with FX Hedge and Commodities	-3.6	0.4	-975.9%	3.1	-215.9%
Financial Discounts, Rates, Commissions, Commercial Discount and Other Financial Expenses	-10.2	-13.2	-22.6%	-18.2	-43.9%
Total	-13.8	-12.8	8.1%	-15.1	-8.5%

Net Income

In 1Q14, the Company registered net income of R$69.1 million net of income tax and social contribution. Net margin reached 4.9%. Net income adjusted for foreign exchange variation and the payment of income tax and social contribution was R$17.2 million.

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Income (Loss) before taxes	79.7	14.3	457.9%	-129.5	-161.6%	-250.6	-114.0	119.7%
Income and Social Contribution Taxes	-10.6	-9.1	16.9%	4.9	-317.8%	0.2	-12.8	-101.4%
Net (Loss) Income	**69.1**	**5.2**	**1224.7%**	**-124.6**	**-155.4%**	**-250.4**	**-126.9**	**97.4%**
Net Margin	**4.9%**	**0.4%**	**4.5 p.p.**	**-8.6%**	**13.6 p.p.**	**-4.4%**	**-2.7%**	**-1.7 p.p.**

R$ Million	1Q14	1Q13	Chg.%	4Q13	Chg.%	LTM1Q14	LTM1Q13	Chg.%
Net (Loss) Income	69.1	5.2	1224.7%	-124.6	-155.4%	-250.4	-126.9	97.4%
Reduction to recoverable asset value *	0.0	0.0	-	-34.2	-	-34.2	0.0	-
FX Variation	-62.5	-14.1	344.7%	132.5	-147.2%	320.1	217.6	47.1%
Income and Social Contribution Taxes	10.6	9.1	16.9%	-4.9	-317.8%	-0.2	12.8	-101.4%
Adjusted (Loss) Income	**17.2**	**-8.8**	**-**	**-26.3**	**-**	**35.5**	**90.8**	**-60.8%**

* More information – see note 13 to the Standard Financial Statements for 2013

Operating Cash Flow

Operating cash flow in 1Q14 was negative R$179.1 million, though LTM operating cash flow reached positive R$388.9 million. The highlight of the quarter was the working capital, which consumed R$298.7 million. This result is explained by increased spot purchases of cattle at R$122 million to ensure supply to plants, especially in March, and at the same time, increase the profitability of the operation. This movement can be measured by the number of supplier days, which fell from 29.9 days in 4Q13 to 20.6 days 1Q14.

In addition, there was a R$102 million impact on “Other Accounts Payable” that is primarily explained by the decline in the “Advances to Clients” line. As mentioned previously, the Company’s credit policy requests early payment from some clients and in some countries, according to their risk profiles. With the increase in exports in a world market of restricted beef supply, combined with South America’s privileged position as a supplier, the Company intensified requests for advances from clients in 2013. Nonetheless, in 1Q14, there was a change in the mix of exports to markets with lower risk and clients that use letters of credit as a means of payment. This alteration significantly impacted the “Advances to Clients” line, bringing greater working capital needs for operations in 1Q14.

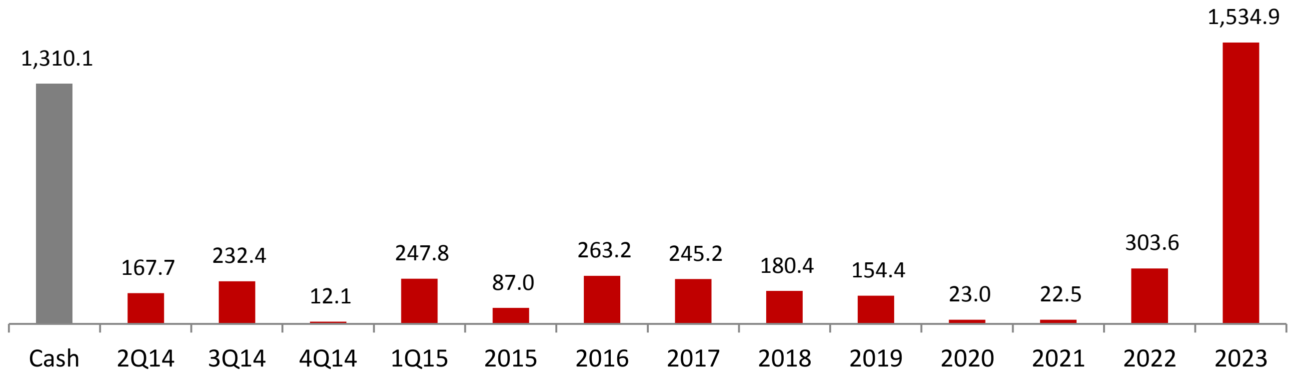
It should be noted that, considering the seasonality of the quarter, the Company opted to maintain operational profitability measured by Return on Invested Capital despite increased working capital.

R$ Million	1Q14	1Q13	4Q13	LTM1Q14
Net (Loss) Income	69.1	5.2	-124.6	-250.4
Net income adjustments	50.5	68.3	268.6	776.9
(+/-) Variation in working capital needs	-298.7	-166.7	135.2	-137.6
Operating Cash Flow	**-179.1**	**-93.3**	**279.2**	**388.9**

Capital Structure

The Company closed 1Q14 with a cash position of R$1,310.1 million, enough to amortize debt through 2018. Short-term debt corresponded to 19.0% of the total. At the end of 1Q14, approximately 67% of total debt was exposed to foreign exchange variation, as per the financial policy. Net debt/EBITDA was at 3.58x at the close of 1Q14, up 0.2x than reported at the close of 4Q13.

Figure 23 - Debt amortization schedule on 03/31/14
(R$ Million)



R$ Million	Mar-14	Mar-13	Chg.%	Dez-13	Chg.%
Short Term Debt	**659.9**	**349.3**	**88.9%**	**515.5**	**28.0%**
% Short Term Debt	**19.0%**	**14.5%**	**4.5 p.p.**	**15.0%**	**4.0 p.p.**
Local Currency	100.4	95.1	5.6%	83.5	20.2%
Foreign Currency	559.5	254.2	120.1%	432.0	29.5%
Long Term Debt	**2,814.3**	**2,062.4**	**36.5%**	**2,913.7**	**-3.4%**
% Long Term Debt	**81.0%**	**85.5%**	**-4.5 p.p.**	**85.0%**	**-4.0 p.p.**
Local Currency	818.2	343.4	138.3%	829.2	-1.3%
Foreign Currency	1,996.1	1,719.0	16.1%	2,084.5	-4.2%
Total Debt(1)	**3,474.2**	**2,411.7**	**44.1%**	**3,429.3**	**1.3%**
Local Currency	918.6	438.5	109.5%	912.7	0.6%
Foreign Currency	2,555.7	1,973.2	29.5%	2,516.5	1.6%
(Cash and Cash Equivalents)	-1,310.1	-773.9	69.3%	-1,563.8	-16.2%
Net Debt (2)	**2,102.2**	**1,539.7**	**36.5%**	**1,846.2**	**13.9%**
Net Debt/ EBITDA(x) (2)	**3.58**	**3.13**	**0.4**	**3.35**	**0.2**

(1) Total debt excluding convertible debentures
(2) Includes the subordinate FDIC quotas in the amount of R$19.8 million in 1Q14 and excludes the payment of the Janaúba plant (R$42 million)

Throughout the second semester of 2013, the Company repurchased some of its international bonds. In the table below, we show the balance of gross debt and the cash position, excluding these repurchases, considering that we do not plan to re-sell the bonds acquired. This operation did not have an impact on the Company's leverage, but it did reduce gross leverage to 5.39x.

R$ million	03/31/2014
Gross Debt	**3,474.2**
Bond buyback	305.6
2019	1.1
2022	31.6
2023	272.9
Gross Debt ex Bond Buyback	**3,168.7**
Cash ex Bond Buyback	**1,004.6**
Net Debt(1)	2,102.2
Net Debt(1)/EBITDA LTM	**3,58**
Gross Debt/EBITDA LTM	**5,39**

(1) Includes subordinate FDIC quotas and excludes the payment of the Janaúba plant

Domestic currency (R$ ´000)	Mar/14	Dec/13
1Q14	0	23,137
2Q14	55,044	24,651
3Q14	26,098	25,995
4Q14	9,819	9,713
1Q15	9,386	10,731
2015	76,945	74,559
2016	262,514	261,595
2017	191,817	191,290
2018	180,436	179,843
2019	28,663	28,381
2020	23,038	23,016
2021	22,528	22,528
2022	23,662	28,631
2023	8,607	8,607
TOTAL	**918,557**	**912,677**

Foreign currency (R$ ´000)	Mar/14	Dec/13
1Q14	0	382,791
2Q14	112,621	33,006
3Q14	206,274	2,130
4Q14	2,251	14,110
1Q15	238,401	251
2015	10,099	16,922
2016	679	1,475
2017	53,340	55,023
2018	0	0
2019	125,717	130,065
2020	0	0
2021	0	0
2022	279,951	289,407
2023	1,526,336	1,591,402
TOTAL	**2,555,670**	**2,516,582**

CAPEX

Investments totaled R$83.6 million in 1Q14, with approximately R$30 million allocated to operation maintenance, R$42 million relative to payment in full for the Janaúba plant and approximately R$12 million for expansion, especially Minerva Fine Foods. We expect to begin operations at the Janaúba plant beginning in the second half of 2014.

Subsequent Events

Perpetual Bond Issue

On March 27, the Company announced the conclusion of the perpetual bond issue on the international market in the amount of US$300 million with interest of 8.75% p.a. through its wholly-owned subsidiary Minerva Luxemburg. The issue sought to extend the average tenor of the Company's debt and improve the capital structure through the use of a different fundraising instrument, further diversifying the investor base. The settlement of the operation took place on April 3, 2014 and will impact results beginning in 2Q14.

Annual General Meeting

On April 24, Minerva held its Annual General Meeting. Among key resolutions, shareholders in attendance approved (i) the financial statements relative to the fiscal year ended on December 31, 2013, (ii) the Management's proposal for the allocation of 2013 income, (iii) the election of the members of the Company's Board of Directors, (iv) the establishment of the total annual compensation of the Management and (v) the installation of the Company's Fiscal Council.

Conclusion of the Carrasco Plant Acquisition

On April 30, the Company announced the conclusion of the acquisition of 100% of the shares of Frigorífico Carrasco, located in Uruguay. The operation was priced at a total of US$37 million, including working capital, with US$17 million paid initially and US$10 million to be paid on April 30, 2015 and an additional US$10 million that could be payable with 1,700,000 Company-issued shares (BEEF3). With the acquisition, Minerva will increase its capacity to approximately 2,400 head/day in the country and will significantly increase its market share in exports in the country. The acquisition of Frigorífico Carrasco is another step in the Company's investment plan focused on increasing production capacity in South America, recognizing the region's excellent moment in terms of production and sale of beef.

Based on recent the results reported, we present below a sensitivity analysis of the leverage using 4 scenarios of EBITDA margin, after the consolidation of the recent acquisitions (BRF cattle operations, Janaúba Plant and Carrasco Assets).

Scenarios of EBITDA Margin	BRF EBITDA (1) (R$ mm)	Janaúba EBITDA (2) (R$ mm)	Carrasco EBITDA (3) (R$ mm)	Consolidated EBITDA (4) (R$ mm)	Consolidated Net Debt(5)/ EBITDA
5,0%	59	25	17	688	3,2 x
7,5%	89	38	25	739	2,9 x
10,0%	118	50	34	789	2,8 x
12,5%	148	63	42	840	2,6 x

(1) Amounts estimated based on the revenue from BRF's assets in 2012
(2) Based on the annual net revenue estimate of R$500 million for the Janaúba Plant
(3) Considering an exchange rate of R$2.40/US$ on Frigorífico Carrasco's revenue of US$140 million in 2013
(4) Considering Minerva's LTM1Q14 EBITDA of R$ 587 million
(5) Minerva's net debt on March 31, 2014 + R$ 73 million (working capital estimates for Janaúba of R$ 35 million + 1st installment of R$ 38 million related to Carrasco's settlement, paid on April 30, 2014)

About Minerva S.A.

Minerva S.A. is one of the leading producers and sellers of beef, leather, live cattle exports and cattle byproducts in South America, and one of Brazil's three largest exporters 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 March 31, 2014, the Company had a daily slaughtering capacity of 11,480 head of cattle and daily beef deboning capacity equivalent to 14,177 head of cattle. With a presence in the states of São Paulo, Rondônia, Goiás, Tocantins, Mato Grosso do Sul and Minas Gerais, as well as in Paraguay and Uruguay, Minerva operates eleven slaughter and deboning plants, one processing plant and twelve distribution centers. In the last 12 months ended on March 31, 2014, the Company recorded net sales revenue of R$6.0 billion, growing by 22% in relation to the same period of 2013.

Relationship with Auditors

In accordance with CVM Instruction 381/03, we inform that our auditors did not provide services other than those related to the external audit in fiscal years 2010, 2011, 2012, 2013 and 1Q14.

Statement from Management

In compliance with CVM Instructions, Management declares that it has discussed, revised and agreed with the individual and consolidated accounting information related to the fiscal year ended March31, 2014, and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.

APPENDIX 1 – INCOME STATEMENT (CONSOLIDATED)

(R$ ´000)	1Q14	1Q13	4Q13
Revenue from Domestic Sales	469,743	421,785	500,498
Revenue from Exports	1,012,664	848,100	1,034,329
Gross Sales Revenue	**1,482,407**	**1,269,885**	**1,534,827**
Deductions from revenue – taxes and other	-84,503	-74,898	-91,047
Net Revenue	**1,397,904**	**1,194,987**	**1,443,780**
Cost of Goods Sold	-1,115,118	-967,259	-1,135,272
Gross Profit	**282,786**	**227,728**	**308,508**
Selling Expenses	-115,023	-103,926	-121,628
General and Administrative Expenses	-45,666	-37,873	-46,587
Other Operating Revenues (Expenses)	286	354	-2,226
Result before financial expenses	**122,383**	**86,283**	**138,067**
Financial Expenses	-109,406	-86,547	-100,089
Financial Revenues	18,066	13,264	14,248
FX Variation	62,489	14,052	-132,460
Other Expenses	-13,830	-12,766	-15,078
Financial Result	**-42,681**	**-71,997**	**-233,379**
Reduction to recoverable asset value	0	0	-34,175
Result Before Taxes	**79,702**	**14,286**	**-129,487**
Income and Social Contribution Taxes - Current	-7,351	-8,752	-2,791
Income and Social Contribution Taxes - Deferred	-3,255	-318	7,661
Net Income before Non-Controlling Interest	**69,096**	**5,216**	**-124,617**
Net Income Attributed to Controlling Shareholders	69,914	5,571	-124,755
Net Income Attributed to Non-Controlling Shareholders	182	-355	138
Net Income	**69,096**	**5,216**	**-124,617**

APPENDIX 2 – BALANCE SHEET (CONSOLIDATED)

(R$ ´000)	Mar/14	Dec/13
ASSETS		
Cash and Cash Equivalents	1,310,142	1,563,849
Accounts Receivable from Clients	216,292	184,221
Inventories	294,856	291,773
Biological Assets	89,265	79,341
Taxes Recoverable	559,032	522,030
Other assets	192,975	196,898
Total Current Assets	**2,662,562**	**2,838,112**
Related Parties	9,274	9,278
Taxes Recoverable	138,381	138,512
Deferred fiscal assets	222,313	222,313
Other assets	30,247	26,394
Judicial Deposits	12,859	11,902
Investments	0	0
Fixed Assets	1,375,587	1,305,769
Intangible	425,739	425,856
Total Non-Current Assets	**2,214,400**	**2,140,024**
Total Assets	**4,876,962**	**4,978,136**
LIABILITIES		
Loans and Financing	659,893	515,533
Convertible Debentures	2,650	504
Suppliers	255,208	376,883
Labor and tax liabilities	79,841	69,907
Other Liabilities	272,636	374,361
Total Current Liabilities	**1,270,228**	**1,337,188**
Loans and Financing	2,814,333	2,913,726
Convertible Debentures	87,389	116,166
Labor and tax liabilities	24,600	26,351
Provision for Contingencies	37,319	36,607
Provisions for losses in investments	0	0
Related Parties	8	109
Accounts Payable	34,706	36,503
Deferred Tax Liabilities	70,821	67,858
Total Non-Current Liabilities	**3,069,176**	**3,197,320**
Shareholders' equity		
Capital Stock	774,142	744,142
Capital Reserves	253	253
Revaluation Reserves	70,171	70,737
Profits Reserve	0	0
Accumulated profit (loss)	-286,825	-356,596
Treasury Stock	0	0
Equity pick-up adjustments	-21,105	-15,647
Total shareholders' equity attributed to controlling shareholders	**536,636**	**442,889**
Non-Controlling Interest	922	739
Total shareholders' equity	**537,558**	**443,628**
Total liabilities and shareholders' equity	**4,876,962**	**4,978,136**

APPENDIX 3 – CASH FLOW (CONSOLIDATED)

(R$ ´000)	1Q14	1Q13	4Q13
Cash Flow from Operating Activities			
Net Income (Loss)	69,096	5,216	-124,617
Reconciliation of Net Income to Net Cash			
provided by Operating Activities:			
Depreciation and Amortization	13,901	14,083	15,234
Net Income Attributed to Non-Controlling Shareholders	-182	355	-138
Fair Value of Biological Assets	-6,603	-2,973	-1,158
Realization of Deferred Taxes – Temporary Differences	3,255	318	-7,661
Reduction to recoverable asset value	0	0	34,175
Financial Charges	108,498	85,789	96,671
FX Variation – Not Realized	-69,117	-30,059	128,875
Contingency Allowances	712	749	2,614
Accounts Receivable from Clients and Other Receivables	-32,001	-113,717	64,912
Inventories	-3,083	-22,590	-19,401
Biological Assets	-3,321	4,772	30
Taxes Recoverable	-36,817	-21,648	-15,169
Judicial Deposits	-957	-525	-993
Suppliers	-121,675	16,618	41,518
Labor and Tax Obligations	8,183	17,381	-4,996
Provisions for losses in investments	0	0	0
Other Accounts Payable	-108,981	-47,026	69,338
Payment of interest on loans and financing			
Net Cash Flow from Operating Activities	**-179,146**	**-93,257**	**279,234**
Cash Flow from Investments			
Acquisition of Intangible Assets	5	-233	-696
Acquisition of Fixed Assets	-83,607	-36,453	-52,598
Net Cash Flow from Investments	**-83,602**	**-36,686**	**-53,294**
Cash Flow from Financing Activities			
Loans and Financings	318,273	194,196	241,362
Loans and Financings Settled	-312,687	-504,469	-149,549
Convertible Debentures	-26,631	3,637	-30,171
Related Parties	-97	-43,581	7,792
Variation in Minority Interest	183	-631	153
Capital payment in cash	30,000	2,927	28,231
Treasury Stock	0	-37,030	0
Net Cash from Financing Activities	**9,041**	**-384,951**	**97,818**
Net Cash / Cash Equivalent Decrease	**-253,707**	**-514,894**	**323,758**
Cash and Cash Equivalents			
Beginning of Period	1,563,849	1,288,754	1,240,091
End of Period	1,310,142	773,860	1,563,849
Reduction in Cash and Cash Equivalents	**-253,707**	**-514,894**	**323,758**