



## **MINERVA S.A.**

Publicly-held Company  
Corporate Taxpayer's ID (CNPJ): 67.620.377/0001-14  
Company Registry (NIRE): 35.300.344.022

## **MATERIAL FACT**

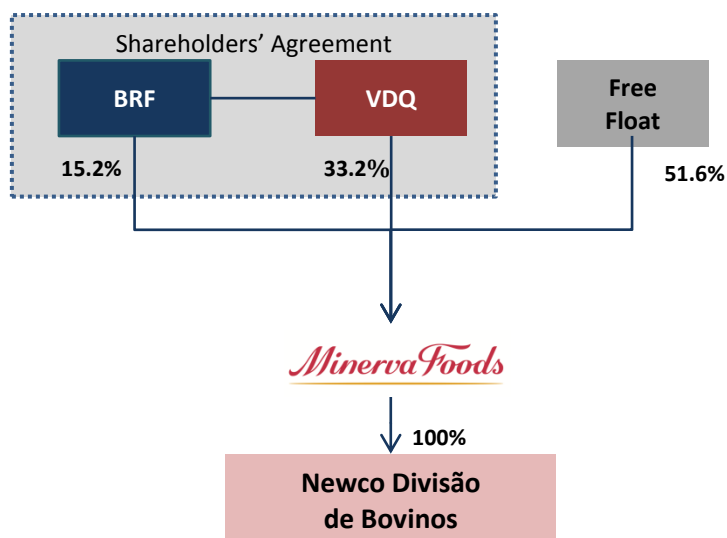
Minerva S.A. ("Minerva" or "Company"), a leader in South America in the production and sale of fresh beef, live cattle and cattle byproducts, pursuant to the applicable legislation, hereby informs its shareholders and the market in general, that Minerva, its controlling shareholder VDQ Holdings S.A. ("VDQ") and BRF S.A. ("BRF"), have entered into an investment agreement on this date, regulating the terms and conditions for the acquisition by Minerva of assets and slaughtering and deboning operations owned by BRF in the plants of Várzea Grande and Mirassol D'Oeste, both located in the state of Mato Grosso, with a combined slaughtering capacity of 2,600 heads/day and net revenue estimated at R\$1.2 billion in 2012 ("Investment Agreement").

The Investment Agreement establishes that the plants will be acquired through the merger of shares of a pre-operational company controlled by BRF ("Newco Divisão de Bovinos"), which, in turn, will hold said assets after they are transferred by BRF ("Transaction").

As a result, Newco Divisão de Bovinos will become a wholly-owned subsidiary of Minerva. BRF, in turn, will receive 29 million new shares issued by Minerva (BEEF3). Following the Transaction and the capital increase, BRF will hold 16.8% of Minerva's total outstanding shares, or 15.2% after the conversion of all convertible debentures issued by the Company in June 2011.

Also as part of the Transaction, BRF and VDQ have undertaken to enter into a shareholders' agreement regulating their relations, agreement which establishes, besides the maintenance of Minerva's control by VDQ, and among other conditions, VDQ's right to appoint five members and BRF's right to appoint two members of Minerva's Board of Directors, which will then be composed of ten members.

Minerva's shareholding structure following the Transaction is presented below (approximate stake after the debenture conversion):



A supply agreement of industrial beef, under market conditions, was also established between Minerva and BRF, and will become fully effective, after the conclusion of the transaction, ensuring the placement of part of the production of the acquired assets.

The implementation of the Transaction is subject to approval by CADE, Brazil's antitrust authority, after which it will be submitted to the approval of Minerva's shareholders' meeting.

The conclusion of the Transaction represents another important step in Minerva's investment plan, based on a strategy of geographical diversification and a focus on generating value for its shareholders, financial discipline and the continuation of the Company's deleveraging process. With this transaction, Minerva will start to operate also in the state of Mato Grosso and will raise its slaughtering capacity to 14,080 heads/day, 23% higher than Minerva's current capacity.

Minerva will keep its shareholders, the Brazilian Securities and Exchange Commission and the market in general informed of any further developments regarding this matter.

Barretos, November 1, 2013.

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