



MINERVA S.A.

Publicly Held Company - CVM 20931-1

Corporate Taxpayer ID (CNPJ/MF): 67.620.377/0001-14

Company Registry (NIRE): 35.300.344.022

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MATERIAL FACT

Purchase Commitment of Meatpacking Plant in Uruguay

Barretos, January 18th, 2011 – Minerva S.A. (BOVESPA: BEEF3; Bloomberg: BEEF3.BZ; Reuters: BEEF3.SA), one of the market leaders in Brazil in the production and sale of fresh beef, live cattle and byproducts, with operations also in the beef, pork and poultry processing segments, announces that it signed today a Purchase Commitment Subject to Conditions Precedent (Promesa de Contratar Sujeta a Condiciones) in accordance with Uruguayan law, which stipulates the general guidelines for the acquisition of 100% of the shares representing the capital stock of PULSA S.A. (Frigorífico Pul), a corporation headquartered in Uruguay with a production unit located in the province of Cerro Largo, close to its capital Melo.

The transaction will total approximately US\$65,000,000.00, included modernization and expansion investments. Part of the payment (about US\$14 million) should be done through the issuance and transfer of 2,704,000 new BEEF3 shares at a price of R\$8.75. The acquisition is still subject to several conditions, as set forth in the Pledge of Contract Subject to conditions usual to this type of operation, including conducting due diligence in 90 days and the negotiation of definitive agreements.

Pul will have a slaughter capacity of 1,400 head per day, after some ongoing investments. It is among the three largest meatpacker in Uruguay, with projected net revenues between US\$125 million and US\$145 million in 2011 and 85% of sales directed to over 40 markets. Pro forma EBITDA, after synergies to be extracted, will reach approximately US\$13.5 million in 2011. Continuous strategy of approaching and loyalty of farmers guarantee a steady supply of cattle, one of the main advantages of the company's management. Pul is located in a privileged region of Uruguay, with access to a herd of more than 2 million head within 200 km of radius, mostly Hereford and Angus. It has ISO 9000, ISO 22000, approval of organic beef to the European Union and the United States, and permission to use the USDA seal for the United States.

According to the USDA, Uruguay is now the 15th largest beef producer worldwide and the 7th largest beef exporter in the world, exporting to over 40 markets, including some that Brazil today does not reach, such as the United States and Canada. Its herd is estimated at approximately 11 million head and it slaughtered approximately 2.3 million head in 2010. The per capita consumption is estimated at 55 kg/person/year. Uruguay is distinguished by strong coordination of the beef production chain and is a benchmark in terms of integration of production and respect to the environment.

Once more Minerva increases its international expansion steps, confirming its strategy of geographical diversification and participation in new markets. The globalization of operations offers competitive advantages for increment of businesses, mitigation of risks, and arbitrage of markets.



The Company also informs that, if concluded, the presented potential acquisition would represent a relevant investment under the scope for Article 256, Item I of Brazilian Corporation Law (Federal Law 6,404 of 1976, as amended).

The Company will keep its shareholders informed of the events related to this transaction as the due diligence and final negotiation processes advance, in order to be compliant with the current legislation including the specific rules aforementioned for relevant investments.

Investor Relations

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About Minerva S.A.

Minerva S.A. is one of the leading producers and sellers of beef, leather and live cattle exports in Brazil, and is one of the country's three largest exporters in the sector in terms of gross revenue, exporting to some 100 countries. Minerva has daily slaughter capacity of 8,940 head of cattle and beef processing capacity of 1,890 tonnes, which is equivalent to approximately 11,962 head. Present in the states of São Paulo, Rondônia, Goiás, Tocantins, Mato Grosso do Sul and in Paraguay, Minerva operates nine slaughter and deboning plants, one tannery and eight distribution centers. Minerva also operates in the food service segment through the joint venture Minerva Dawn Farms (MDF), which currently has meat processing capacity of 120 tonnes per day, producing food made from beef, pork and poultry. In the 12 months ended September 30th, 2010, the Company recorded net sales revenue of R\$3.2 billion, a growth of 36% on the same period a year earlier.