



**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  
Av. Antônio Manço Bernardes, s/nº, Rotatória Família Vilela de Queiroz, Chácara Minerva  
CEP 14781-545 – Barretos/SP

**NOTICE TO THE MARKET**

**Agreement for Acquisition Through Payment and Exchange  
of Equity Interest in Company in Paraguay**

**Barretos, September 3, 2012** – Minerva S.A. (“Company”), one of the market leaders in South America in the production and sale of fresh beef, live cattle and byproducts, with operations also in the beef, pork and poultry processing segments, informs to its shareholders and the market that it signed today a Preliminary Agreement for Purchase and Sale of Shares Subject to Conditions (*Contrato Preliminar de Compraventa de Acciones Sujeta a Condiciones*) in compliance with the Paraguayan law, establishing the guidelines for acquisition through the entire capital stock of FRIGOMERC S.A., a corporation headquartered in Paraguay that owns a beef processing and cattle slaughter plant in Asunción.

The transaction will total approximately thirty-five million dollars (US\$35,000,000.00), including investments to be made in the plant. Part of this amount may be paid through the transfer of shares of Minerva S.A. (BEEF3) held in treasury by the Company. The acquisition will be subject to several conditions and prior authorizations that are typical in this type of transaction, including due diligence and signature of final agreements. The exact amount of shares to be delivered will be determined by the time of the signature of said final agreement.

FRIGOMERC has a cattle slaughter capacity of 1,000 / 1,100 head/day, is one of Paraguay’s five largest beef exporters, with its revenue estimated at around one hundred and fifty million dollars (US\$150,000,000.00) in 2013. In addition, exports account for approximately 70% of its revenue, and its estimated a minimum pro forma EBITDA of thirteen million dollars (US\$13,000,000.00) with additional gains due to the synergies from our plant of FRIASA (a subsidiary of Minerva S.A.).

We would like to point out that FRIGOMERC’s plant in Asunción is physically adjacent to the plant of FRIASA, which will allow us to maximize synergies, especially in terms of cost reduction, production planning, cattle origination, and administrative and commercial management. The sum of these two operations will strengthen the Company’s positioning and consolidate Minerva among Paraguay’s market leaders.

Minerva has taken another step towards its international expansion, reaffirming its strategy of geographic diversification and growth in South America. The globalization of operations offers competitive advantages for expanding business, mitigating risks and market arbitration.

We further inform that Paraguay is becoming one of the major beef production platforms in South America, with high-quality and low-cost cattle due to a modern and competitive production structure. The combination of a productive and efficient industry under development inserted into an environment of competitive costs and a growing meat industry is gradually consolidating Paraguay as a key player in the global beef scenario.



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# Minerva Foods

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The Company will maintain its shareholders informed about any further developments regarding this transaction, as due diligence is conducted and final agreements are negotiated, in compliance with the current legislation.

For more information, please contact our IR team:

## Investor Relations

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## 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 some 100 countries. It has a daily slaughtering capacity of 10,480 head of cattle and beef deboning capacity of 2,040 tonnes. Present in the states of São Paulo, Rondônia, Goiás, Tocantins, Mato Grosso do Sul, Minas Gerais and Pará, as well as in Paraguay and Uruguay, Minerva operates ten slaughter and deboning plants and ten distribution centers. It also operates in the food service segment through the joint venture Minerva Dawn Farms (MDF), whose total meat processing capacity is 160 tonnes per day, producing food made from beef, pork and poultry. In the 12 months ended June 30th, 2012, the Company recorded net sales revenue of R\$4.2 billion, up 16.2% on the same period a year earlier.



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