

Adjusted EBITDA of R\$443 million, up 25% from 1Q15

São Paulo, May 12, 2016 – Marfrig Global Foods S.A. – Marfrig (BM&FBOVESPA NOVO MERCADO: MRFG3 and Level 1 ADR: MRTTY) announces today its results for the first quarter of 2016 (1Q16). Except where stated otherwise, the following operating and financial information is presented in nominal Brazilian real, in accordance with International Financial Reporting Standards (IFRS), and should be read together with the income statement and notes to the financial statements for the period ended March 31, 2016 filed at the Securities and Exchange Commission of Brazil (CVM).

HIGHLIGHTS

- Marfrig posted **Net Revenue** of **R\$4.9 billion** in 1Q16, **expanding 16.1%** from 1Q15.
- In 1Q16, **Marfrig Global Foods** posted **Adjusted EBITDA** of **R\$443 million, up 25.3%** from 1Q15. Adjusted EBITDA **margin** was **9.0%**, expanding approximately 60 bps.
- Keystone posted **Adjusted EBITDA** of **US\$57 million** in 1Q16, **17.4% higher** from 1Q15.
- **Marfrig Beef** recorded **Adjusted EBITDA** of **R\$222 million** in 1Q16, an **increase of 3.4%** over the same period of last year.
- In 1Q16, the **operating cash flow** of Marfrig Global Foods was **R\$298 million, up 28.5%** from the first quarter of 2015.
- As part of its **Liability Management** process, in April, the Company cancelled senior notes at the face value of US\$72 million.
- The risk-rating agency **Fitch** published a report on March 30, 2016, in which it reaffirmed Marfrig's rating of B+, with a **stable outlook**.

GUIDANCE 2016

	Target 2016 ⁽¹⁾	1Q16
Revenue	R\$22 to R\$24 billion	R\$4.9 billion
Adjusted EBITDA Margin ⁽²⁾	8.5% - 9.5%	9.0%
Capex	R\$450 to R\$600 million	R\$108 million
Free Cash Flow to shareholders ⁽³⁾	R\$100 to R\$250 million	R\$(122) million

(1) Assumptions based on the exchange rate of R\$4.10/US\$1.00.

(2) Excludes non-recurring items.

(3) Operating cash flow after capital expenditure, interest expenses and income tax.

First quarter results are in line with the guidance attainment in all metrics, including EBITDA and cash flow.

Free cash flow was negative in R\$122 million, and is within the expected for the first quarter of the year. Besides the seasonal effect, the result was impacted by the financial expenses, which despite the decrease when measured in US dollars, was negatively affected by the 36.6% average Brazilian real depreciation in 1Q16 compared to 1Q15.

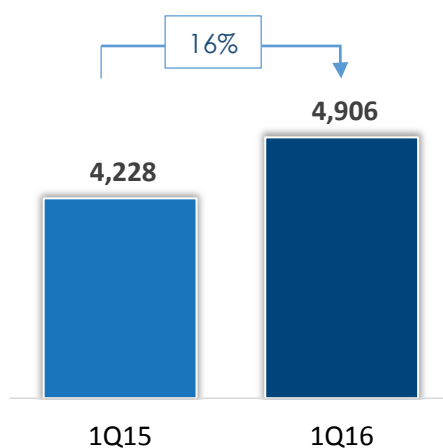
Marfrig, however, recorded **operating cash flow** of **R\$298 million** in 1Q16, up 28.5% from 1Q15. Keystone's continued solid performance was partially offset by Marfrig Beef results, negatively influenced by the quarterly seasonality of the sector.

CONSOLIDATED RESULTS

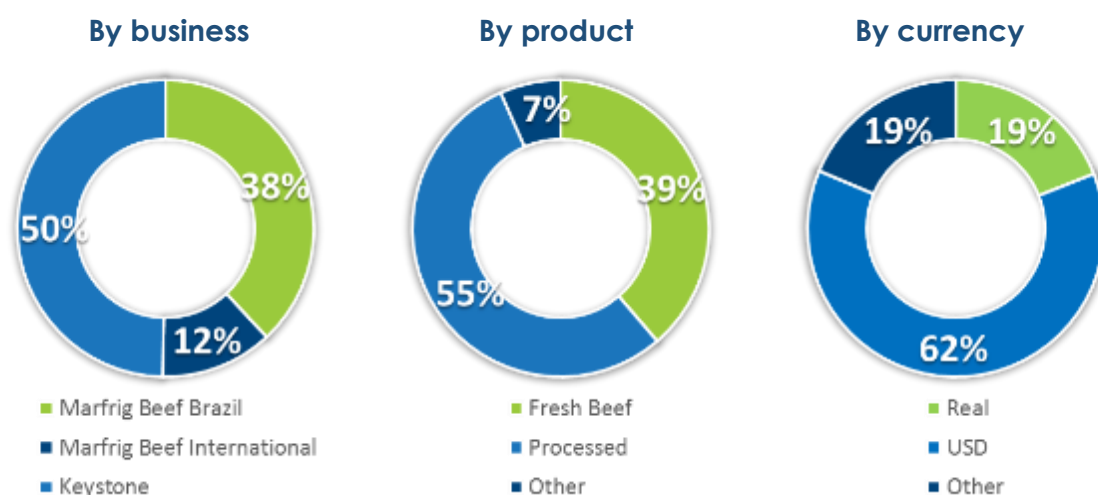
Net Revenue

Consolidated net revenue in 1Q16 was R\$4.9 billion, up 16.1% from 1Q15, which is mainly explained by the effect from the 36.6% appreciation of the U.S. dollar against the Brazilian real on revenue from the international units and from Brazilian exports. It is important to remember that Marfrig is a global company, in which a relevant part of its revenues comes from other currencies – in the first quarter, 81% of Marfrig's revenues was denominated in foreign currency.

Net Revenue (R\$ million)



Revenue Breakdown 1Q16

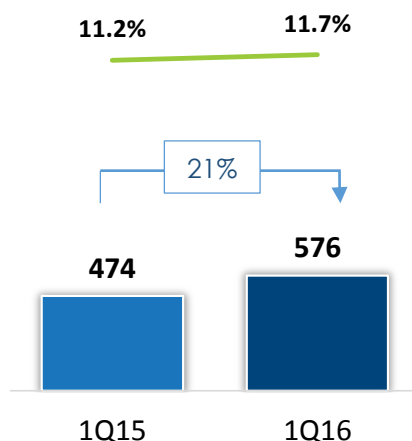


- **62%** of net revenue came from the **international operations** (Keystone and Beef International);
- **81%** of sales was linked to currencies **other than the BRL**.

Gross Profit and Gross Margin

Consolidated gross profit in 1Q16 was R\$576 million, a growth of 21.5% compared to 1Q15, also benefitting from the weaker Brazilian real. Gross margin stood at 11.7%, expanding 50 bps from 1Q15, primarily explained by the gross margin expansion at Keystone.

Gross Profit (R\$ million) and Gross Margin (%)

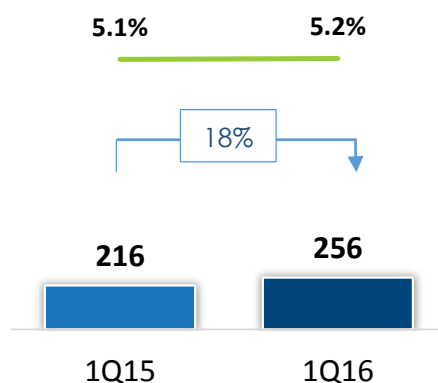


Selling, General and Administrative Expenses (SG&A)

In the quarter, SG&A expenses as a ratio of net revenue (SG&A/NOR) stood at 5.2%, virtually stable compared to 1Q15. In nominal terms, SG&A expenses increased R\$39.5 million, explained by the effect from exchange variation on the translation into Brazilian real of amounts from the international units.

Compared to 4Q15, SG&A/NOR posted a slight decrease of 20 bps, which is primarily explained by the lower administrative expenses at both business units.

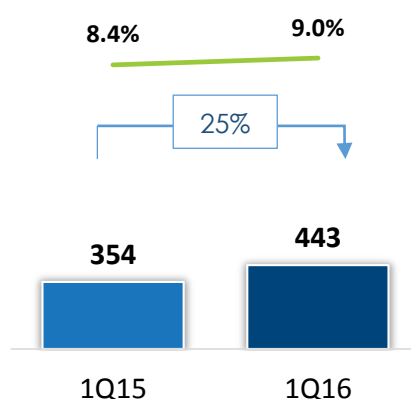
SG&A Expenses (R\$ million) and SG&A/NOR (%)



Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA in 1Q16 was R\$443 million, an increase of 25.3% from 1Q15. Adjusted EBITDA margin stood at 9.0%, increasing 60 bps from the same period of last year. The margin expansion at Keystone was partially offset by the margin compression at Marfrig Beef, whose operations followed the trend of the overall industry.

Adjusted EBITDA (R\$ million) and Adjusted EBITDA Margin (%)



In the quarter, Keystone accounted for 50% of Marfrig Global Foods Adjusted EBITDA, increasing its contribution by 110 bps compared to 1Q15.

Financial Result

The net financial result in 1Q16 was an expense of R\$423 million, compared to an expense of R\$1,019 million in 1Q15. The positive R\$596 million variation was primarily driven by (i) the gain on exchange variation line between the periods; and (ii) the gross debt reduction resulting from the Liability Management process.

Compared to 4Q15, which was an expense of R\$439 million, the improvement was 3.5%.

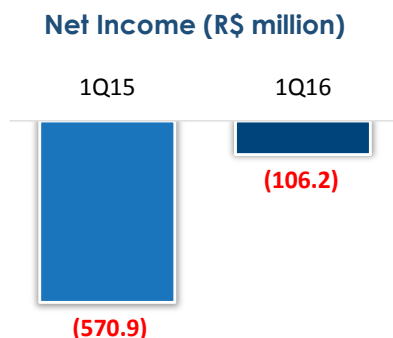
Excluding exchange variation effects, the financial result was an expense of R\$460 million, improving R\$59 million from 1Q15.

	1Q16	1Q15	4Q15
	R\$	R\$	R\$
FINANCIALS REVENUES	160.8	81.1	223.0
Interest income, income from marketable securities	33.1	20.8	34.6
Market transactions	124.3	67.1	39.4
Other revenues	3.4	(6.8)	149.0
FINANCIALS EXPENSES	(620.8)	(599.6)	(616.9)
Interests provisioned, debentures and lease	(324.8)	(293.1)	(335.2)
Market transactions	(89.8)	(171.1)	(30.7)
Bank fees, commissions, finance. disc. and other	(206.2)	(135.5)	(250.9)
EXCHANGE VARIATION	36.8	(500.8)	(44.8)
NET FINANCIAL RESULT	(423.2)	(1,019.4)	(438.7)

Note: it's important to notice that any exchange variation on debt contracted by operational subsidiaries abroad, whose functional currency differs from that of the parent company, is recorded under shareholders' equity.

Net Income (Loss)

In 1Q16, Marfrig posted a net loss of R\$106 million, an improvement of R\$465 million from the same period last year. The highlights were the improvement in operational performance and financial result.



Indebtedness and Debt Profile

Given that most of Marfrig's indebtedness is highly exposed to U.S. dollars, for analyses purposes, the variations here explained consider the Company's debt in U.S. dollar.

On March 31 2016, Marfrig recorded gross debt of US\$3.3 billion, a decrease of 21.3% from 1Q15, explained by the assets divestments and the cancellation in senior notes repurchased in the tender offer and in the spot market from October 2015 to February 2016. In 1Q16, 4.4% of the gross debt was denominated in Brazilian real.

Compared to 4Q15, gross debt increased 5.9%, reflecting the additional withdrawal of Keystone's term loan, at better rates, renegotiated in December 2015.

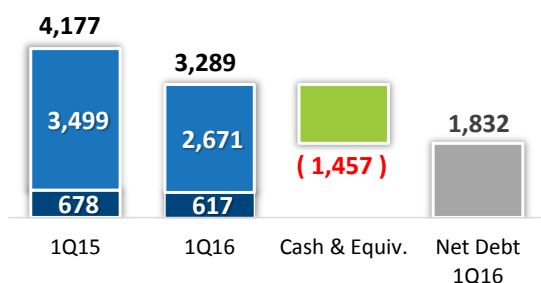
In Brazilian real, gross debt reached R\$11.7 billion, decreasing 3.4% and 12.6% from 4Q15 and 1Q15, respectively.

Cash and marketable securities amounted to US\$1.5 billion (R\$5.2 billion), increasing 13.7% compared to 4Q15, reflecting the operating moves and funding during the quarter, besides exchange translation to Brazilian real kept the end balance virtually stable.

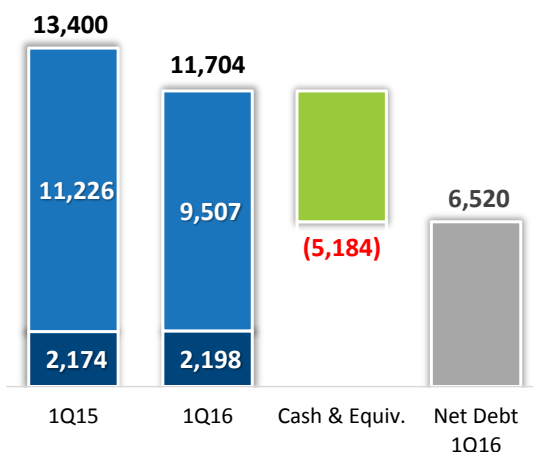
Consequently, net debt stood at US\$1.8 billion, in line with the balance at the end of 4Q15. In Brazilian real, net debt declined by 8.4%, influenced by the Brazilian real appreciation of 8.9%.

Indebtedness in US\$ million

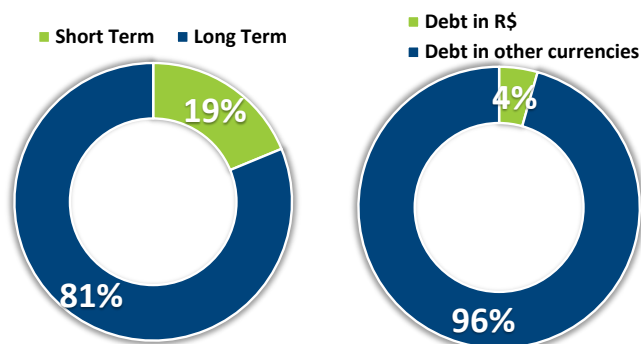
- Short Term
- Long Term



Indebtedness in R\$ million



Indebtedness in in other currencies is 96%, profile that we consider appropriate given the international currencies share in our operations.

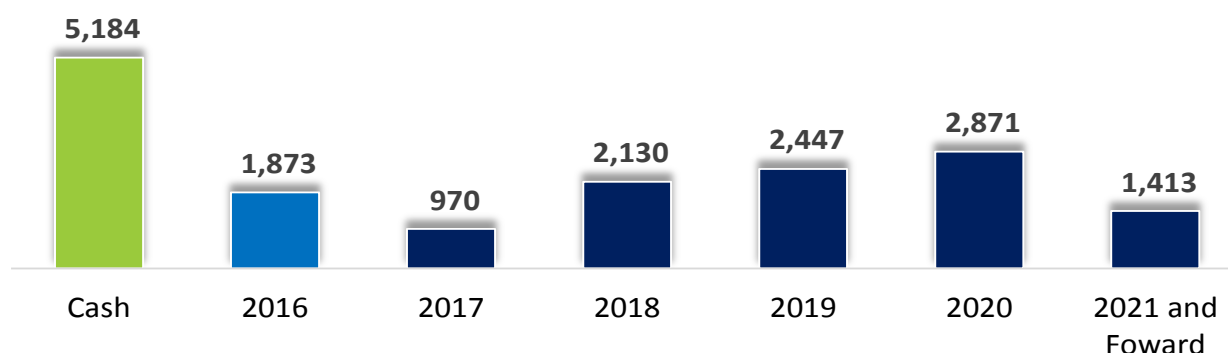


Debt Maturity Schedule (R\$ million)

On March 31, 2016, the average debt term was 4.1 years and the average debt cost was 7.64% compared to 7.88% in the prior quarter.

Only 18.8% of total debt matures in the short term. The high liquidity level ensures that cash and marketable securities cover all maturities through 2018 (approximately 3 years).

Debt Maturity Schedule (R\$ million)



Average Cost (% p.a.)	Average Term (months)	Current Liquidity	Net Debt / Total Assets	Cash & Equiv. / Short Term Debt
7.64%	50	1.77x	0.32x	2.36x

Leverage Ratios

Net Debt / Adjusted EBITDA LTM	Net Debt / EBITDA LTM-Excl. FX Var
3.47x	0.67x

Management believes that the ratio that best reflects current leverage is the ratio of net debt to Adjusted EBITDA excluding the positive effect from the capital gain derived of the assets divestiture registered in 2015. This ratio was 3.47x in 1Q16, which represents a decline of 12.6% from 4Q15.

The calculation of the **leverage ratio of bank and debt market funding transactions** includes provisions that allow for excluding exchange variation effects. Accordingly, the ratio for this purpose ended **1Q16** at **0.67x**, significantly below the ratio of 3.36x at the end of 1Q15 (for more information, see Note 33.6 to the financial statements).

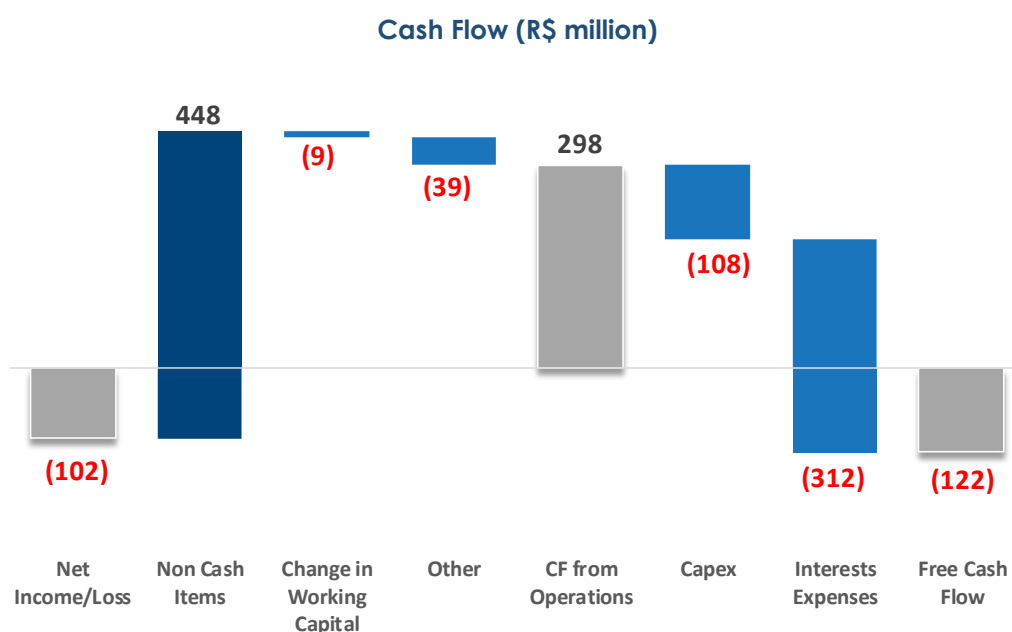
The EBITDA increase of the last twelve months, combined with the capital gain of R\$1.4 billion from assets divestiture, had a positive impact on financial leverage measured by the ratio of net debt to EBITDA LTM, which ended the quarter at 2.08x.

Cash Flow

Operating cash flow in the 1Q16 amounted to **R\$298 million** in 1Q16, a decrease of R\$177 million from 4Q15, reflecting the seasonality for the beef industry. Working capital had a negative impact of R\$8.8 million. The reduction in Inventories was offset by the negative variation in (i) accounts receivable, due to the average appreciation of the U.S. dollar; and (ii) the normalization of payment terms in accounts payable.

Free cash flow, however, was negative in R\$122 million, primarily reflecting the interest expense of R\$312 million, affected by the Brazilian real devaluation.

Compared to **1Q15**, Marfrig's **operating cash flow increased** by **R\$66 million**, reflecting the improved operational performance between the periods, as previously explained.



Capital Expenditure (CAPEX)

In order to ensure the high operational efficiency of its assets, Marfrig's capital expenditure amounted to R\$108 million in the quarter.

(R\$ Millions)	1Q16
	R\$
Investments	15.2
Investments in Fixed Assets	89.8
Fixed Assets	68.0
Breeding Stock	21.8
Investment in Intangible Assets	2.9
TOTAL	107.9

KEYSTONE

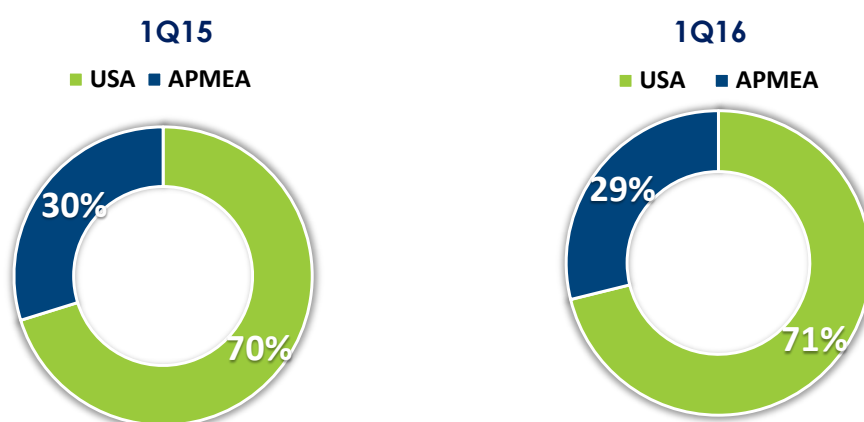
Keystone growth pillars remain (i) growth in the APMEA region, led by Thailand and China and (ii) further growth in Key Accounts globally, maintaining existing client base and further diversifying into additional food service channels. The subsidiary's result for this quarter continues to reflect its operational and strategic discipline, as well as proving the low volatility of its business model.

Net Revenue

Keystone posted net revenue of US\$623 million in 1Q16, down 5.7% from the same quarter of 2015. The decrease was driven by (i) lower meat and feed costs, which translated into lower sales prices; (ii) sales volume decrease in APMEA against a particularly strong comparison period in 1Q15 given a very high level of promotional activity, particularly in China; (iii) partially offset by the continued strong growth (22.6%) in Key Accounts in the U.S. In BRL, revenue amounted to R\$2.4 billion, 27.8% higher than 1Q15.

Compared to 4Q15 net revenue decreased by 1.9% reflecting sales mix change (including lower promotions) and lower sales prices due to commodities (Meat and Grains) as explained above, partially offset by the sales price increase of Leg Quarters (+19.5%)

Revenue Profile



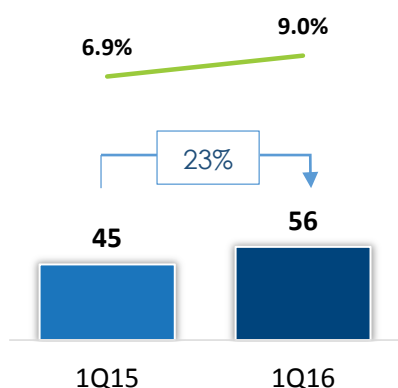
Gross Profit and Gross Margin

In 1Q16, gross profit was US\$56 million, with gross margin of 9.0%, increasing 23.3% from 1Q15 gross profit of US\$45 million and margin of 6.9%. Including the exchange variation effect, 4Q15 gross profit was R\$218 million, increasing 67% from 1Q15.

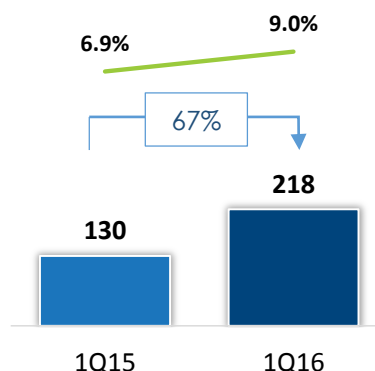
The expansion in gross margin is mainly explained by (i) lower costs in meat purchases (15.4% drop in per-ton cost) and animal feed (15.5% drop in per-ton cost) in the United States; (ii) better product mix in Key Accounts in the U.S.; (iii) better product mix in Thailand and Malaysia (iv) and an unrealized mark-to-market (MTM) gain on grain hedge contract of US\$1.4 million in 1Q16 representing a positive year-on-year variation of US\$1.8 million.

Compared to 4Q15, gross profit decreased 13.8% and gross margin went down 120 bps. The main factors were seasonal slowdown of some consumer markets and the efficiency gain of US\$4 million registered last quarter.

Gross Profit and Gross Margin
(US\$ million and %)



Gross Profit and Gross Margin
(R\$ million and %)



Selling, General and Administrative Expenses

SG&A expenses reached US\$16 million, increasing 7.7% from 1Q15. 1Q15 benefitted from US\$ 1.5 million one-time insurance related benefit. SG&A expenses as a ratio of NOR stood at 2.6%, within the historical range.

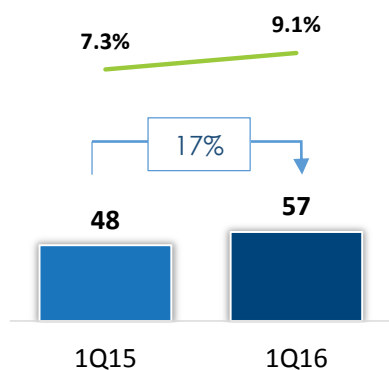
Compared to the previous quarter, which had a higher accrual of expenses, SG&A decreased US\$4.6 million.

Adjusted EBITDA and Adjusted EBITDA Margin

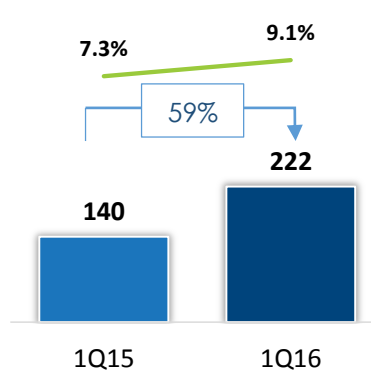
Adjusted EBITDA reached US\$57 million in 1Q16 increasing 17.4% from 1Q15. Adjusted EBITDA margin increased by 180 bps from 1Q15. These improvements reflect the Gross Profit increase as previously described. Considering the impact from exchange variation, Keystone recorded Adjusted EBITDA of R\$222 million in 1Q16, up 58.7% from 1Q15.

In comparison with the previous quarter, Adjusted EBITDA decreased 6.9% and Adjusted EBITDA margin was 50 bps lower.

Adjusted EBITDA and Adj. EBITDA Margin
(US\$ million and %)



Adjusted EBITDA and Adj. EBITDA Margin
(R\$ million and %)



MARFRIG BEEF

Marfrig Beef's main strategy continues to be capturing operating efficiency gains with higher profitability and prioritizing the sales channels with higher value-added.

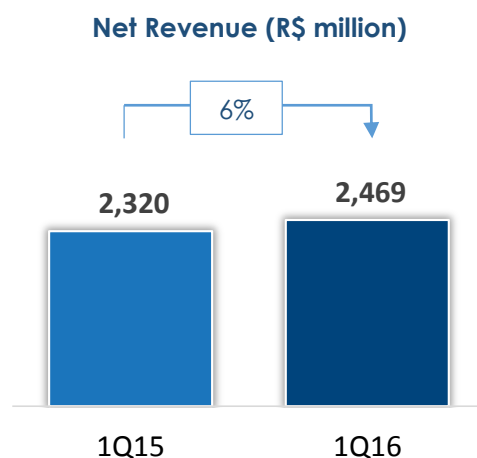
In 1Q16, cattle slaughter volume fell by 6.5% over the same period of 2015. Regarding the Brazilian operation, cattle slaughter volume fell 7.7%, which represented a reduction of 42,000 heads out of an annual authorized capacity of 2.7 million heads. Meanwhile, the Uruguay unit posted a slight reduction in cattle slaughter volume of 1.1% compared to 1Q15.

The reduction in slaughter volume reflects the Company's strategic decision to optimize its capacity in Brazil in order to adjust to the current scenario of cattle supply,

Effective capacity utilization in Brazil, which takes into account the current workforce and number of deboning lines, stood at **83.0%**, a decrease of 7.1 p.p. from 4Q15. This decrease is result of lower cattle availability, typical for a rainy season and the trading profile with cattle suppliers at this time of the year.

In line with its strategy to increase profitability and to reach the best sales mix, Marfrig Beef exports revenue accounted for 53.6% of the unit's total revenue, compared to 48.0% in 1Q15.

Net Revenue



Net revenue amounted to R\$2.5 billion in 1Q16, growing 6.4% from 1Q15. The higher average price in the Brazil's domestic market and the weaker Brazilian real offset the lower sales volume. Compared to 4Q15, net revenue contracted 9.3%.

Net revenue from the Brazilian operation came to R\$1.9 billion in the quarter, representing 76% of the unit's revenue and an increase of 4.0% from 1Q15.

The international operations posted net revenue of R\$601 million to account for 24% of Marfrig Beef total revenue.

Brazil – Domestic Market

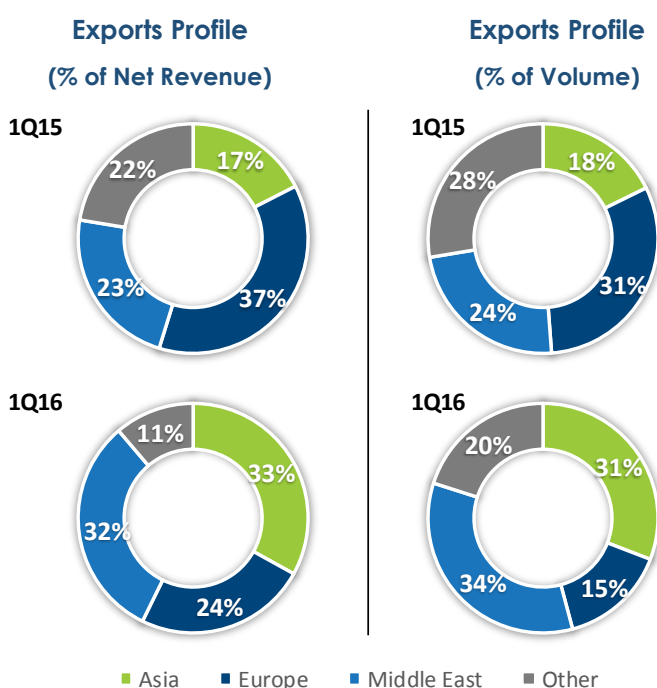
Net revenue from Brazil's domestic market came to R\$933 million, decreasing 9.1% compared to 1Q15. The lower sales volume, in line with the slowdown in the Brazilian market, was partially offset by the higher average price resulting from the successful strategy to optimize the sales mix. As a result of this strategy, the food service and small-retailer channels accounted for 40.2% of revenue in the quarter, up from 38.7% in 1Q15.

Brazil – Export Market

Net revenue from the export market amounted to R\$934 million, increasing 21.4% from 1Q15. The higher average price, benefitted from the continued weakening of the Brazilian real, offset the lower export volume. In USD, net revenue was US\$239 million, down 11.1% from 1Q15.

Moving forward with its strategy to increase profitability and achieve the optimal sales mix to improve the Business Unit's margins, in 1Q16, exports accounted for 50% of Marfrig Beef Brazil revenue, compared to 43% in 1Q15.

The following chart presents the main export destinations of Marfrig Beef Brazil, which clearly shows the growing share of exports to Asia:

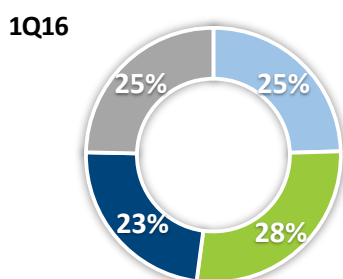
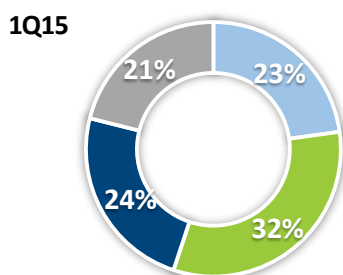


International Units

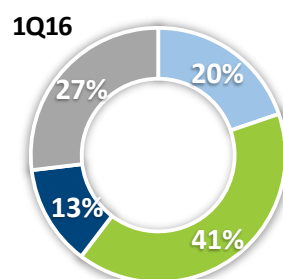
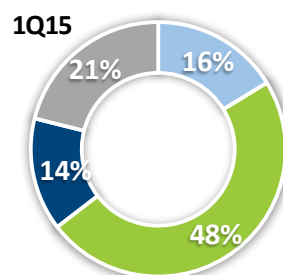
In 1Q16, consolidated net revenue from the international units amounted to US\$154 million, decreasing 15.7% from 1Q15, reflecting the lower average price, which accompanied the trend in the international market. In Brazilian real, net revenue amounted to R\$601 million, increasing 14.8% from 1Q15, given the 36.6% depreciation of the Brazilian real against the U.S. dollar between the periods.

The following chart presents the main export destinations of Marfrig Beef Uruguay:

Exports Profile
(% of Net Revenue)



Exports Profile
(% of Volume)

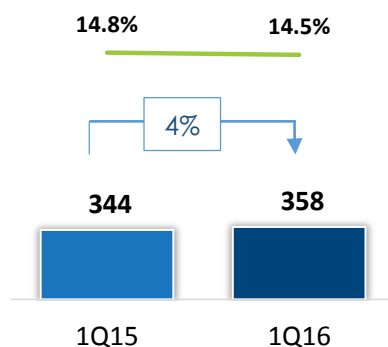


■ North America ■ Asia ■ Europe ■ Other

Gross Profit and Gross Margin

Gross profit in 1Q16 was R\$358 million, up 4.2% from 1Q15. Meanwhile, gross margin stood at 14.5%, or 30 bps lower. The improvement in margins at operation in Brazil, explained by (i) the better spreads (sales price-cattle cost) and (ii) the operating gains from capacity optimization; was offset by margin compression in the Uruguayan operation, reflecting the lower prices in US dollar in both the export and local markets, in line with the international markets trend.

Gross Profit (R\$ million) and Gross Margin (%)



Selling, General and Administrative (SG&A) Expenses

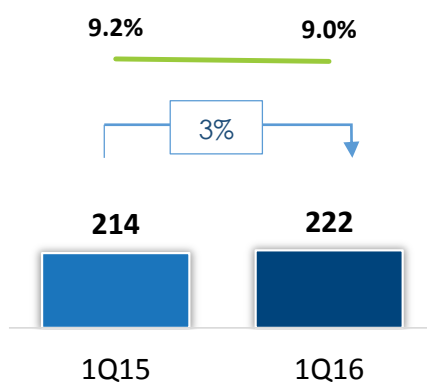
In 1Q16, SG&A expenses stood at R\$192 million and corresponded to 7.8% of net revenue, which is practically in line with 1Q15 and 50 bps higher than in 4Q15.

Compared to 1Q15, SG&A expenses increased 10.9% (or R\$19 million), mainly explained by the higher expenses with exports and the effects from exchange variation on expenses at the international units.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA amounted to R\$222 million in 1Q16 (margin of 9.0%), an increase of 3.4% from R\$214 million (margin of 9.2%) in 1Q15. The growth in adjusted EBITDA, as previously mentioned, was mainly driven by the Brazilian real depreciation, which offset (i) the lower sales volume and (ii) the lower US dollar prices in the international market.

Adjusted EBITDA (R\$ million) and Adj. EBITDA Margin (%)



OUTLOOK AND CLOSING REMARKS

The deterioration in the Brazilian economy outlook and the continued recession of Russia, which together represent around 6% of global GDP, were some of the factors that led the International Monetary Fund (IMF) to revise downward to 3.2% its forecast for world GDP growth for 2016, according to its last report. The outlook for developed countries is still for moderate growth.

In the case of China, GDP is expected to grow 6.5%, a 30 bps cut from January's estimate, due to further decreases in commodities prices, especially oil, which affects exporting industries. On the other hand, domestic demand, especially from industries linked to services and consumption, remains resilient.

In this still challenging scenario, though with various opportunities, Marfrig's strategy remains focused on capturing potential growth in the global protein industry and on maximizing value creation and returns for shareholders by maintaining its commitment to strengthening its business through:

1. Organic growth, operational improvements, productivity and margin expansion.
2. Adjustment of the Marfrig Beef business, prioritizing food service channels and growing exports.
3. Financial discipline through deleveraging and consequently reducing financial expenses and boosting free cash flow.

Accelerating growth in the Asian market by expanding Keystone's operations in the food service channel and by growing exports from the Marfrig Beef unit.

UPCOMING EVENTS

Earnings Conference Call

Date: May 12, 2016

Portuguese

2:30 p.m. (Brasília)

1:30 p.m. (US EST)

6:30 p.m. (London)

Dial-in Brazil: + 55 (11) 3193-1001
or 2820-4001

Code: Marfrig

English

12:30 p.m. (Brasília)

11:30 a.m. (US EST)

04:30 p.m. (London)

Dial-in other countries: + 1 (786) 924-
6977

Code: Marfrig

Live audio webcast with slide presentation.

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APPENDIX LIST

APPENDIX I:	Consolidated Income Statement	20
APPENDIX II:	EBITDA Calculation	21
APPENDIX III:	Income Statement - Keystone	22
APPENDIX IV:	Operating Indicators - Keystone	23
APPENDIX V:	Income Statement - Marfrig Beef	24
APPENDIX VI:	Operating Indicators - Marfrig Beef	25
APPENDIX VII:	Balance Sheet	26
APPENDIX VIII:	Cash Flow	27

APPENDIX I Income Statement

Consolidated Quarterly (R\$ million)

	1Q16 (a)		1Q15 (b)		4Q15 (c)		(a/b) Chg.		(a/c) Chg.	
	R\$	%NOR	R\$	%NOR	R\$	%NOR	R\$	%	R\$	%
Net Revenues	4,906.4	100.0%	4,227.8	100.0%	5,163.0	100.0%	678.6	16.1%	(256.6)	-5.0%
COGS	(4,330.7)	-88.3%	(3,753.8)	-88.8%	(4,479.5)	-86.8%	(576.9)	15.4%	148.8	-3.3%
Gross Profit	575.7	11.7%	474.0	11.2%	683.5	13.2%	101.7	21.5%	(107.8)	-15.8%
SG&A	(255.6)	-5.2%	(216.1)	-5.1%	(278.9)	-5.4%	(39.5)	18.3%	23.3	-8.4%
Commercial	(145.0)	-3.0%	(130.8)	-3.1%	(145.8)	-2.8%	(14.2)	10.9%	0.7	-0.5%
Administratives	(110.6)	-2.3%	(85.3)	-2.0%	(133.2)	-2.6%	(25.2)	29.6%	22.6	-17.0%
Adj. EBTIDA*	443.1	9.0%	353.7	8.4%	527.1	10.2%	89.3	25.3%	(84.0)	-15.9%
Others revenues/expenses	(19.0)	-0.4%	(21.6)	-0.5%	(47.3)	-0.9%	2.7	-12.3%	28.3	-59.9%
EBITDA	424.1	8.6%	332.1	7.9%	479.7	9.3%	92.0	27.7%	(55.6)	-11.6%
Equity Account	(2.0)	0.0%	(4.3)	-0.1%	(8.1)	-0.2%	2.3	-53.6%	6.1	-75.3%
D&A	(123.0)	-2.5%	(95.9)	-2.3%	(122.5)	-2.4%	(27.1)	28.3%	(0.5)	0.4%
EBIT	299.1	6.1%	232.0	5.5%	349.2	6.8%	67.2	29.0%	(50.1)	-14.3%
Financial Results	(423.2)	-8.6%	(1,019.4)	-24.1%	(438.7)	-8.5%	596.2	-58.5%	15.5	-3.5%
Financial revenues/expenses	(460.0)	-9.4%	(518.5)	-12.3%	(393.9)	-7.6%	58.5	-11.3%	(66.1)	16.8%
Exchange rate variation	36.8	0.8%	(500.8)	-11.8%	(44.8)	-0.9%	537.6	-107.4%	81.6	-182.1%
Minority Stake	(13.9)	-0.3%	(9.0)	-0.2%	(18.4)	-0.4%	(4.8)	53.4%	4.5	-24.7%
EBT	(137.9)	-2.8%	(796.4)	-18.8%	(107.9)	-2.1%	658.5	-82.7%	(30.0)	27.8%
Taxes	36.0	0.7%	232.1	5.5%	45.3	0.9%	(196.1)	-84.5%	(9.3)	-20.6%
Controller Shareholder Net Profit	(101.9)	-2.1%	(564.4)	-13.3%	(62.6)	-1.2%	462.4	-81.9%	(39.4)	62.9%
Descontinued Ops. + Capital Gain	(4.3)	-0.1%	(6.6)	-0.2%	(131.7)	-2.6%	2.3	-34.8%	127.5	-96.8%
Controller Shareholder Net Profit	(106.2)	-2.2%	(570.9)	-13.5%	(194.3)	-3.8%	464.7	-81.4%	88.1	-45.3%
P&L - USD x BRL	R\$ 3.91		R\$ 2.86		R\$ 3.84		1.05	36.6%	0.07	1.8%
BS - USD x BRL	R\$ 3.56		R\$ 3.21		R\$ 3.90		0.35	11.0%	-0.34	-8.8%

(*) Excludes the effects from other operating income/expenses.

APPENDIX II

EBITDA Calculation (R\$ million)

	1Q16	1Q15	4Q15
Net Profit / Loss	(101.9)	(564.4)	(62.6)
(+) Provision for income and social contribution taxes	(36.0)	(232.1)	(45.3)
(+) Non-controlling Interest	13.9	9.0	18.4
(+) Net Exchange Variation	(36.8)	500.8	44.8
(+) Net Financial Charges	460.0	518.5	393.9
(+) Depreciation & Amortization	123.0	95.9	122.5
(+) Equity Income	2.0	4.3	8.1
EBITDA	424.1	332.1	479.7
(+) Other Operacional Revenues/Expenses	19.0	21.6	47.3
Adj. EBITDA	443.1	353.7	527.1

APPENDIX III Income Statement - KEYSTONE

Quarterly (US\$ million)

	1Q16 (a)		1Q15 (b)		4Q15 (c)		(a/b) Chg.		(a/c) Chg.	
	\$	%NOR	\$	%NOR	\$	%NOR	\$	%	\$	%
Net Revenues	623.3	100.0%	660.7	100.0%	635.5	100.0%	(37.4)	-5.7%	(12.1)	-1.9%
COGS	(567.4)	-91.0%	(615.4)	-93.1%	(570.6)	-89.8%	48.0	-7.8%	3.2	-0.6%
Gross Profit	55.9	9.0%	45.3	6.9%	64.8	10.2%	10.6	23.3%	(8.9)	-13.8%
SG&A	(16.3)	-2.6%	(15.1)	-2.3%	(20.9)	-3.3%	(1.2)	7.7%	4.6	-22.0%
Commercial	(1.7)	-0.3%	(1.9)	-0.3%	(1.7)	-0.3%	0.1	-7.0%	0.0	-0.4%
Administratives	(14.6)	-2.3%	(13.3)	-2.0%	(19.2)	-3.0%	(1.3)	9.8%	4.6	-23.9%
Adj. EBTIDA*	56.8	9.1%	48.4	7.3%	61.0	9.6%	8.4	17.4%	(4.2)	-6.9%
Others revenues/expenses	(0.0)	0.0%	(0.1)	0.0%	(2.3)	-0.4%	0.1	-100.0%	2.3	-100.0%
EBITDA	56.8	9.1%	48.3	7.3%	58.7	9.2%	8.5	17.6%	(1.9)	-3.2%
P&L - USD x BRL	R\$ 3.91		R\$ 2.86		R\$ 3.84		1.05	36.6%	0.07	1.8%

(*) Excludes the effects from other operating income/expenses.

Quarterly (R\$ million)

	1Q16 (a)		1Q15 (b)		4Q15 (c)		(a/b) Chg.		(a/c) Chg.	
	R\$	%NOR	R\$	%NOR	R\$	%NOR	R\$	%	R\$	%
Net Revenues	2,437.7	100.0%	1,907.8	100.0%	2,442.6	100.0%	529.9	27.8%	(4.9)	-0.2%
COGS	(2,219.9)	-91.1%	(1,777.3)	-93.2%	(2,193.1)	-89.8%	(442.6)	24.9%	(26.9)	1.2%
Gross Profit	217.7	8.9%	130.5	6.8%	249.5	10.2%	87.3	66.9%	(31.8)	-12.7%
SG&A	(63.8)	-2.6%	(43.2)	-2.3%	(80.5)	-3.3%	(20.6)	47.6%	16.8	-20.8%
Commercial	(6.8)	-0.3%	(5.3)	-0.3%	(6.7)	-0.3%	(1.4)	26.7%	(0.1)	1.5%
Administratives	(57.0)	-2.3%	(37.9)	-2.0%	(73.9)	-3.0%	(19.1)	50.5%	16.9	-22.8%
Adj. EBTIDA*	221.5	9.1%	139.5	7.3%	234.8	9.6%	82.0	58.7%	(13.2)	-5.6%
Others revenues/expenses	(0.0)	0.0%	(0.2)	0.0%	(8.9)	-0.4%	0.2	-100.0%	8.9	-100.0%
EBITDA	221.5	9.1%	139.4	7.3%	225.9	9.2%	82.2	59.0%	(4.3)	-1.9%
P&L - USD x BRL	R\$ 3.91		R\$ 2.86		R\$ 3.84		1.05	36.6%	0.07	1.8%

(*) Excludes the effects from other operating income/expenses.

APPENDIX IV

Operating Indicators - KEYSTONE

Volume (000 Tons)	1Q16 (a)	1Q15 (b)	4Q15 (c)	(a/b) Chg.	(a/c) Chg.
USA	218.2	212.7	212.8	2.6%	2.5%
ASIA	46.3	48.3	47.3	-4.3%	-2.2%
TOTAL KEYSTONE	264.5	261.0	260.1	1.3%	1.7%

Revenues (US\$ Million)	1Q16 (a)	1Q15 (b)	4Q15 (c)	(a/b) Chg.	(a/c) Chg.
USA	443.4	463.9	444.8	-4.4%	-0.3%
ASIA	179.9	196.9	190.6	-8.6%	-5.7%
TOTAL KEYSTONE	623.3	660.7	635.5	-5.7%	-1.9%

Average Price (US\$/Kg)	1Q16 (a)	1Q15 (b)	4Q15 (c)	(a/b) Chg.	(a/c) Chg.
USA	2.03	2.18	2.09	-6.8%	-2.8%
ASIA	3.89	4.07	4.03	-4.6%	-3.5%
TOTAL KEYSTONE	2.36	2.53	2.44	-6.9%	-3.5%

Revenues (R\$ Million)	1Q16 (a)	1Q15 (b)	4Q15 (c)	(a/b) Chg.	(a/c) Chg.
USA	1,734.7	1,343.0	1,709.5	29.2%	1.5%
ASIA	703.0	564.8	733.1	24.5%	-4.1%
TOTAL KEYSTONE	2,437.7	1,907.8	2,442.6	27.8%	-0.2%

Average Price (R\$/Kg)	1Q16 (a)	1Q15 (b)	4Q15 (c)	(a/b) Chg.	(a/c) Chg.
USA	7.95	6.31	8.03	25.9%	-1.0%
ASIA	15.19	11.68	15.49	30.0%	-1.9%
TOTAL KEYSTONE	9.22	7.31	9.39	26.1%	-1.8%

APPENDIX V

Income Statement - MARFRIG BEEF

Quarterly (R\$ million)

	1Q16 (a)		1Q15 (b)		4Q15 (c)		(a/b) Chg.		(a/c) Chg.	
	R\$	%NOR	R\$	%NOR	R\$	%NOR	R\$	%	R\$	%
Net Revenues	2,468.7	100.0%	2,320.0	100.0%	2,720.4	100.0%	148.8	6.4%	(251.7)	-9.3%
COGS	(2,110.8)	-85.5%	(1,976.4)	-85.2%	(2,286.4)	-84.0%	(134.3)	6.8%	175.7	-7.7%
Gross Profit	358.0	14.5%	343.5	14.8%	434.0	16.0%	14.4	4.2%	(76.0)	-17.5%
SG&A	(191.8)	-7.8%	(172.9)	-7.5%	(198.4)	-7.3%	(18.9)	10.9%	6.5	-3.3%
Commercial	(138.3)	-5.6%	(125.4)	-5.4%	(139.1)	-5.1%	(12.8)	10.2%	0.8	-0.6%
Administratives	(53.6)	-2.2%	(47.5)	-2.0%	(59.3)	-2.2%	(6.1)	12.8%	5.7	-9.7%
Adj. EBTIDA*	221.5	9.0%	214.2	9.2%	292.3	10.7%	7.4	3.4%	(70.7)	-24.2%
Others revenues/expenses	(19.0)	-0.8%	(21.4)	-0.9%	(38.4)	-1.4%	2.5	-11.6%	19.4	-50.6%
EBITDA	202.6	8.2%	192.7	8.3%	253.9	9.3%	9.8	5.1%	(51.3)	-20.2%
P&L - USD x BRL	R\$ 3.91		R\$ 2.86		R\$ 3.84		1.05	36.6%	0.07	1.8%

(*) Excludes the effects from other operating income/expenses.

APPENDIX VI

Operating Indicators - MARFRIG BEEF

Volume (000 Tons)	1Q16 (a)	1Q15 (b)	4Q15 (c)	(a/b) Chg.	(a/c) Chg.
Local Market	155.5	180.2	179.5	-13.7%	-13.4%
Fresh Beef	55.7	75.1	65.7	-25.8%	-15.2%
Further Processed	8.5	5.3	5.7	61.3%	48.2%
Other	91.3	99.9	108.1	-8.6%	-15.5%
Export Market	84.4	87.9	94.1	-4.0%	-10.3%
Fresh Beef	69.3	62.0	69.2	11.8%	0.1%
Further Processed	4.6	8.8	11.4	-47.7%	-59.9%
Other	10.5	17.2	13.5	-38.7%	-21.7%
TOTAL MARFRIG BEEF	239.9	268.2	273.6	-10.5%	-12.3%

Revenues (R\$ Millions)	1Q16 (a)	1Q15 (b)	4Q15 (c)	(a/b) Chg.	(a/c) Chg.
Local Market	1,145.6	1,205.9	1,250.8	-5.0%	-8.4%
Fresh Beef	742.7	872.3	881.9	-14.9%	-15.8%
Further Processed	174.4	82.9	123.0	110.5%	41.7%
Other	228.5	250.7	245.9	-8.9%	-7.1%
Export Market	1,323.2	1,114.0	1,469.7	18.8%	-10.0%
Fresh Beef	1,157.2	823.3	1,212.1	40.5%	-4.5%
Further Processed	68.9	141.1	134.2	-51.2%	-48.7%
Other	97.1	149.6	123.4	-35.1%	-21.3%
TOTAL MARFRIG BEEF	2,468.7	2,320.0	2,720.4	6.4%	-9.3%

Average Price (R\$/kg)	1Q16 (a)	1Q15 (b)	4Q15 (c)	(a/b) Chg.	(a/c) Chg.
Local Market	7.37	6.69	6.97	10.1%	5.7%
Fresh Beef	13.33	11.62	13.43	14.8%	-0.7%
Further Processed	20.57	15.77	21.52	30.5%	-4.4%
Other	2.50	2.51	2.28	-0.3%	10.0%
Export Market	15.67	12.67	15.61	23.7%	0.4%
Fresh Beef	16.70	13.29	17.51	25.7%	-4.6%
Further Processed	15.03	16.09	11.73	-6.6%	28.1%
Other	9.21	8.70	9.16	5.9%	0.5%
TOTAL MARFRIG BEEF	10.29	8.65	9.94	18.9%	3.5%

APPENDIX VII

Balance Sheet

(R\$ million)

ASSETS	1Q16	4Q15	LIABILITIES AND SHAREHOLDER EQUITY	1Q16	4Q15
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	2,520,594	1,630,368	Trade accounts payable	1,560,859	1,818,991
Marketable securities	2,663,878	3,373,842	Accrued payroll and related charges	318,869	338,015
Trade accounts receivable - domestic	527,982	528,010	Taxes payable	361,454	182,961
Trade accounts receivable - foreign	374,763	475,707	Loans and financing	2,151,629	,772,411
Inventories of goods and merchandise	1,276,120	1,496,964	Notes payable	222,664	323,645
Biological assets	147,163	160,174	Lease payable	33,328	38,166
Recoverable taxes	1,262,427	1,289,571	Interest on debentures	45,980	236,807
Prepaid expenses	184,327	197,733	Advances from customers	340,754	378,304
Notes receivable	73,615	48,034	Mandatory deed convertible into shares	2,127,972	-
Advances to suppliers	25,567	45,274	Liabilities related to held-for-sale assets	113,626	163,711
Assets held or sale	278,670	529,981	Other payables	162,881	153,638
Other receivables	60,067	66,797		7,440,016	5,406,649
	9,395,173	9,842,455			
NON-CORRUNT ASSETS			NON-CURRENT LIABILITIES		
Marketable securities	896	911	Loans and financing	9,506,721	10,112,889
Court deposits	53,589	50,834	Taxes payable	730,761	699,116
Notes receivable	349,857	360,868	Taxes payable	582,389	607,153
Deferred income and social contribution taxes	2,243,189	1,969,812	Provisions for contingencies	96,219	46,219
Recoverable taxes	1,555,775	1,595,672	Lease payable	19,512	23,520
Other receivables	35,182	53,036	Debentures payable	-	-
	4,238,488	4,031,133	Notes payable	815,267	931,474
			Mandatory deed convertible into shares	-	2,129,720
			Other	125,124	115,577
				11,875,993	14,665,668
			NON CONTROLLING INTEREST	195,614	200,374
			CONTROLLING SHAREHOLDER'S EQUITY		
Investments	21,519	26,024	Share Capital	5,276,678	5,276,678
Property, plant and equipment	4,135,479	4,311,263	Share issue expenses	(108,210)	(108,210)
Biological assets	55,291	59,804	Capital reserve	184,642	184,642
Intangible assets	2,491,119	2,645,270	Profit reserves	40,122	39,580
	6,703,408	7,042,361	Other comprehensive income	(782,923)	(1,083,142)
			Equity amounts related to assets held for sale	(105,404)	(90,887)
			Accumulated losses	(3,573,275)	(2,989,381)
			Net income (loss) for the year	(106,184)	(586,022)
				1,021,060	843,632
TOTAL ASSETS	20,337,069	20,915,949	TOTAL LIABILITY AND SHAREHOLDER EQUITY	20,337,069	20,915,949

APPENDIX VIII

Cash Flow (R\$ million)

	1T15	4T15	1T16
Net Income/Loss	(564.4)	(62.6)	(101.9)
(+/-) Non cash items	669.9	435.4	448.1
(+/-) Change in working capital	(47.2)	(18.6)	(8.8)
Account Receivable	52.5	(166.4)	(43.7)
Inventories	2.1	(46.2)	167.3
Suppliers	(101.8)	194.1	(132.3)
(+/-) Other	173.6	120.3	(39.5)
(=) CF from Operations	231.9	474.5	298.0
(-) Capex	(99.7)	(113.9)	(107.9)
(-) Interest expenses	(278.1)	(317.6)	(312.2)
Free Cash Flow	(145.9)	43.0	(122.1)