Marfrig's Adj pro forma EBITDA grows 87% and reaches R$918 million

São Paulo, August 14, 2018 *– Marfrig Global Foods S.A. – Marfrig (B3 Novo Mercado: MRFG3 and Level 1 ADR: MRRTY) announces today its results for the second quarter of 2018 (2Q18). 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 June 30, 2018 filed at the Securities and Exchange Commission of Brazil (CVM). The asset in Argentina (Villa Mercedes Unit), as determined by the accounting policy, was reclassified to "Continuing operations" and the financial statements for 2017 were restated to include the results of said operation.*

HIGHLIGHTS

With the conclusion, in June, of the National Beef acquisition, Marfrig's results will be presented and identified as pro forma, except where otherwise stated.

- On June 6, the Company announced the conclusion of its acquisition of a controlling interest in National Beef.
- Primary processing reached 1,791 thousand head of cattle in the quarter.
- Pro forma Net Revenue was R$9.9 billion in the quarter, 21% higher than in 2Q17.
- In 2Q18, pro forma Adjusted EBITDA ("Adj EBITDA") was R$918 million, with margin of 9.2%.
- On a pro forma basis the leverage measured by the net debt and EBITDA Aj ratio of the last 12 months was 4.20x. This ratio was affected by the difference of 6,9% between the closing exchange rate of R$ 3.86/US$, used to translate the net debt, and the average exchange rate of the quarter of R$ 3.61/US$, is highlighted. Excluding from the analysis this exchange variation the leverage would be 3.92x.
- Keystone's sales process continued to progress and, upon receipt of binding offers, is in the negotiation phase.

EXECUTIVE SUMMARY

Following the strong start to the year, the second quarter was marked by the announcement of restrictive trade measures by the U.S. government and their potential impact on the recovery of the global economy.

Despite the tension caused in foreign markets, the U.S. economy, boosted by robust consumption, continued to expand, with GDP growth of over 4% in 2Q18.

China, despite its GDP growth of 6.7% in the quarter, still faces a challenging scenario. In addition to higher tariffs on its exports, the Chinese are facing higher credit constraints, which are affecting its construction sector and level of investments.

In Brazil, the outlook for a recovery in household spending and in industrial production was adversely affected by the higher level of unemployment, by the truck drivers' strike and by growing uncertainty in the political scenario.

The global scenario for the beef industry remained positive.

An ample supply of cattle combined with strong domestic and international demand supported margins in the United States. According to data from the USDA, the cutout ratio (average beef price divided by average cattle cost) stood at 1.85, increasing 8.6% from 2Q17.

In Brazil, the higher cattle supply supported growth in primary processing volume to 5.7 million head of cattle, or 4% more than in the prior-year period (source: Ministry of Agriculture and Livestock). The export spread (average sales price less average cattle cost) increased 20%, positively affected by the average Brazilian real depreciation in the period. In the domestic market, continued competition among proteins and weaker economic activity led to margin contraction in the industry.

In Uruguay, the drier summer spurred producers to anticipate primary processing to the first quarter of the year, which reduced the supply of animals in the second quarter, helping to increase the average cattle cost, which stood at US$3,44/kg (source: Inac) in the quarter. The average sales price, however, accompanied the trend, keeping margins stable in relation to 2Q17.

In this context, Marfrig reported Adj EBITDA of R$918 million, up 87% on 2Q17.

It is important to note that the Company is still undergoing a period of integration and transition. Marfrig completed the National Beef acquisition in June and in the quarter advanced another step in Keystone's sales process.

Participation in FUNRURAL

In May, Marfrig decided to participate in the Special Rural Tax Amnesty Program ("PRR") for its withholding liabilities under FUNRURAL. Despite the Company's understanding that these liabilities are the responsibility of farmers, recent court decisions declared their constitutionality, and future uncertainty on this subject, besides the incentives offered under the PRR led the Company to take this decision.

The Company registered in the program liabilities of R$1.1 billion, of which R$450 million already had been reported in the note on tax contingencies of its financial statements. And, under the rules established by the program (reduction of fines and interest), the final impact on the "other income and expenses" was R$616 million. The liabilities were settled primarily using credits from tax losses, resulting in a cash impact of R$26 million. The decision ends any future dispute on the topic and the consequent adverse impact on the Company's cash position and results.

NATIONAL BEEF GOVERNANCE

On June 5, 2018, Marfrig completed the acquisition, through its wholly-owned subsidiary NBM US Holdings, Inc. ("NBM"), of 51% of the total and voting capital of National Beef. The remainder of the capital is held by Jefferies Financial Group, ("Jefferies," formerly Leucadia Investments), which holds 31% of the total and voting capital, and by minority shareholders, which hold 18% of the capital.

On the same date, National Beef, NBM, Jefferies and the other minority members entered into a shareholders' agreement ("LLC Agreement"). Some of the provisions of the agreement are:

Board of Directors: composed of nine members, of which five are nominated by NBM, including the Chairman, 2 by Jefferies, 1 by U.S. Premium Beef and 1 is to be the CEO of National Beef.

Approval of decisions: by majority vote of those present, except for certain specific matters that require joint approval by NBM and Jefferies (such as borrowings in amounts that exceed existing credit facilities on the agreement date).

Dividend Distributions: quarterly dividend distributions of 54% of estimated taxable income, plus an annual distribution of any Excess Cash as defined in the LLC Agreement

Lock-up Period: 5 years.

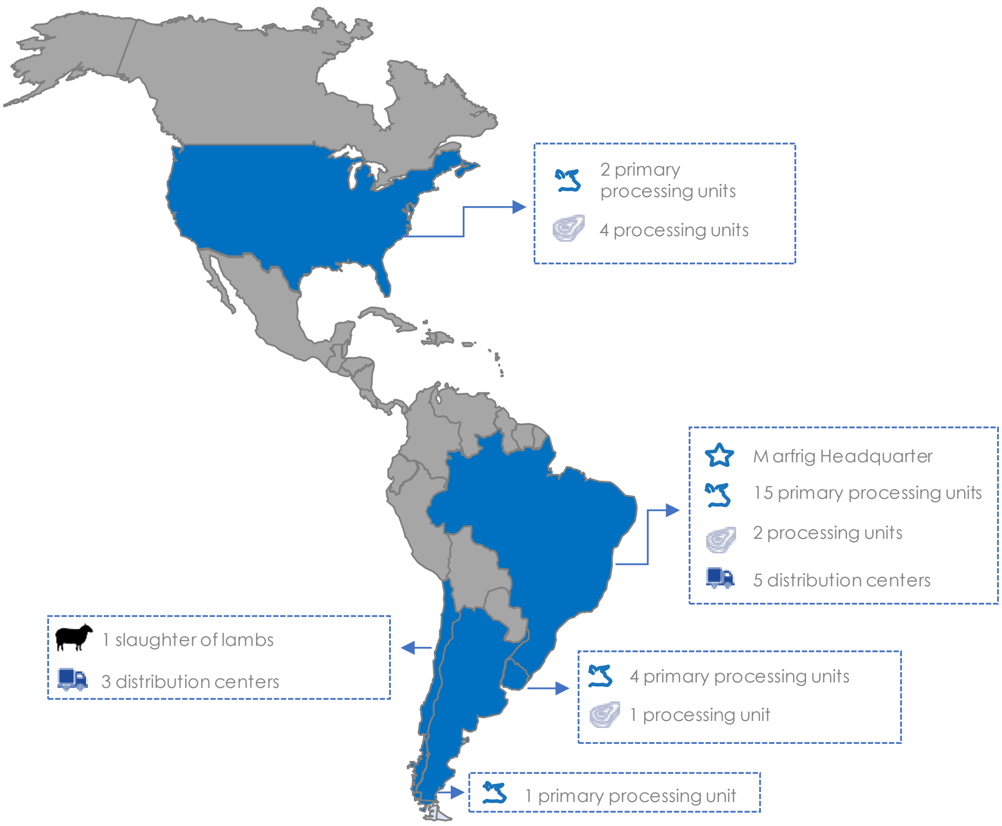
MARFRIG after strategic projects

With the redirection of its strategic focus to beef, Marfrig is now the world's 2nd largest beef producer in slaughtering capacity. With a diversified production platform on the Americas, the Company currently serves the world's most important and profitable consumer markets.

COUNTRY	Primary processing units (cattle)	Effective slaughtering capacity (day)	Further Processing Units
United States	2	12,000	4
BRAZIL	15	16,000	2
URUGUAY	4	3,700	1
ARGENTINA	1	800	-

In addition to the 22 primary processing units, Marfrig has 7 further processing units and 8 distribution centers, as well as sales offices in South America, North America and Asia.

In Chile, the Company is the country's leading beef importer. Locally the Company has slaughter of lambs, whose annual capacity is 605,000 head. Marfrig also has two lines for slaughtering lamb in Uruguay.



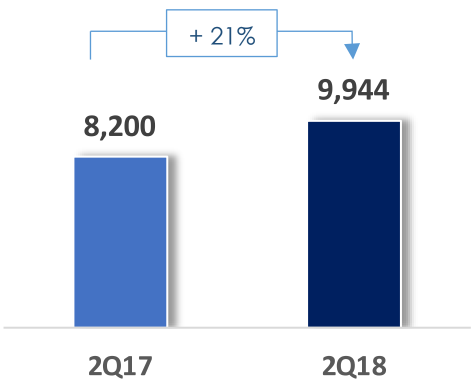
In this new context, and for this integration phase, Marfrig has decided to revisit its model for reporting its business activities. The Company will begin reporting its revenue divided into two regions:

- **North America**: responsible for primary processing and deboning (primal and portioned cuts) of beef cattle from the United States. The products are sold internally through retail, wholesale and food service channels as well as exported to various markets. The business also includes the sale of ancillary/complementary products and sub products from the process, the tannery and logistics operations and direct online sales to consumers.
- **South America:** responsible for the primary processing and deboning (primal and portioned cuts) of beef cattle from Brazil, Uruguay and Argentina; and for the production of further processed products, such as canned meat, beef jerky, sauces, sachets and more. The products are sold internally through retail, wholesale and food service channels as well as exported to various markets. The business also includes sales of ancillary/complementary products and sub products from the process and the distribution and sale of products in Chile.

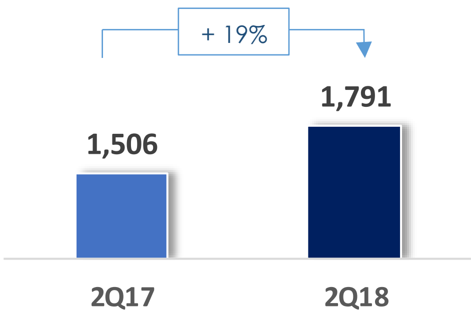
NET REVENUE | Pro forma

Pro forma Net Revenue in 2Q18 was R$9.9 billion, up 21% from 2Q17. The increase is explained by (i) sales volume growth, which supported net revenue growth of R$1,292 million; and (ii) the depreciation in the Brazilian real against the U.S. dollar, which generated a gain of R$929 million, which partially offset (iii) the lower average sales price, which produced a negative effect of R$478 million.

Revenue (R$ million)



Slaughter ('000 head)



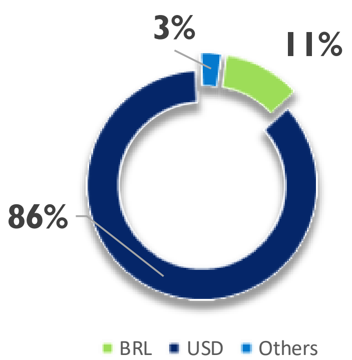
Total cattle kill was 1,791 thousand head, up 19% from 2Q17, explained by the reopening of idled plants in Brazil and the higher cattle supply in both Brazil and the United States.

Note that, despite the good result, the truck drivers' strike that hit Brazil in May affected the Company's results. Even with the operation's rapid adjustment to this adverse scenario, primary processing volume was adversely affected by an estimated 80,000 head of cattle.

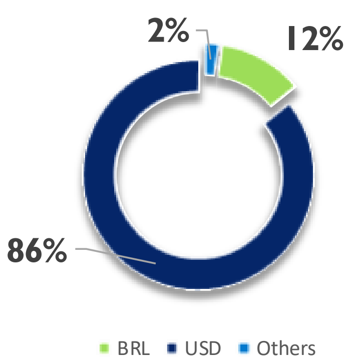
Marfrig is a highly internationalized company, therefore, a large portion of its sales is pegged to currencies other than the Brazilian real. In 2Q18, net revenue denominated in foreign currency accounted for 88% of total revenue.

Revenue by currency (%) – R$ million

2Q17



2Q18



Revenue by region

	2Q17	2Q18	Chg.
North America (US$ '000)	1,874	1,943	3.6%
South America (R$ '000)	2,180	2,900	33%

North America

Net revenue from the North America business amounted to US$1.9 billion, increasing 3.6% from 2Q17, which is explained mainly by the growth in primary processing in the United States and Brazil.

The higher primary processing volume, which contributed US$113 million to net revenue, was partially offset by the lower sales price and lower prices of sub products, which produced a negative impact of US$45 million.

The growth in primary processing is explained by the higher cattle supply, reflecting the positive phase of the cattle cycle in the country, coupled with the strong demand for beef protein at the global level. The good performance of the U.S. economy and the higher competitiveness of beef helped to drive domestic consumption.

Sales prices accompanied market dynamics, with the USDA price references for sales of primal cuts (cutout prices) and sub products (drop prices) decreasing on average by 4.5% and 21%, respectively.

In Brazilian real, net revenue amounted to R$7,044 million, up 17%, reflecting the average depreciation in the Brazilian real against the U.S. dollar in the comparison period.

South America

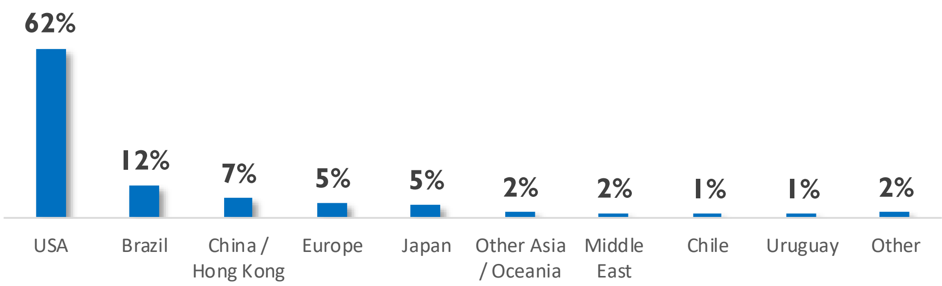
In the operations in South America, net revenue advanced 33% compared to 2Q17, to R$2.9 billion. This performance is explained by (i) the 32% growth in sales volume, which had a positive impact of R$883 million; which offset (ii) the lower average price, which had a negative impact of R$315 million. The effect from Brazilian real depreciation on exports contributed R$151 million to the result.

This volume growth in South America reflected Marfrig's strategy to expand the production of its Brazilian operation against the expectation of increased demand for beef at the global level; which offset the lower availability of cattle available for slaughtering in Uruguay, due to climatic issues, as already mentioned. The continued good performance in Chile and the recovery of the sector in Argentina also contributed positively to this growth.

In relation to the Brazilian operation, volume expansion influenced the price level. In the domestic market, the selling price was pressured by (i) demand weakness - affected by the decline in consumer confidence and increase unemployment rate; (ii) the higher supply of beef; and (iii) a fierce competition between proteins, especially chicken and pork. In the case of exports, there has been an increase in the sales mix for countries with lower value added, since certifications of the reopened plants for more noble markets are still in the approval process. Even in this environment, it is worth noting the increase of R$58 million in revenues from industrialized products (grow +40% *vs* 2Q17), explained (i) by the expansion of corned beef to premium markets such as the United States and England; (ii) as well as the greater volume of cooked meat to the North American market.

Regarding new certifications from other South American countries, there has been progress in the negotiations between the Government of Japan and Uruguay have continued to advance and the certification model is under review by the competent authorities. In the case of Argentina, the country is in the process of qualifying for the export of meat with bone to China.

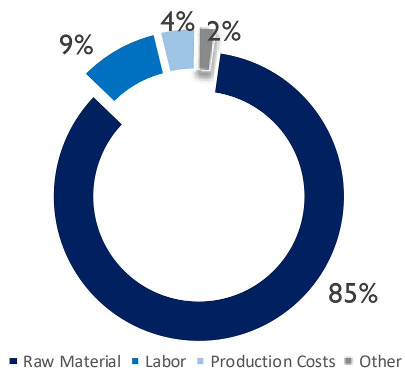
Consumer Markets (%) – R$ million



The new sales profile of Marfrig stands out, with supply to the key consumer markets of the world.

COST of GOODS SOLD ("COGS") | Pro forma

In 2Q18, Marfrig's pro forma cost of goods sold was R$8,598 million, up 16% from the year-ago period. The growth in primary processing volume, the higher cattle cost in the South American operations and the impact from the truck drivers' strike in Brazil were partially offset by lower cattle costs in the United States. The 12% average appreciation in the USD generated a negative impact of R$719 million.



Around 85% of COGS are related to cattle purchases.

In Brazil, the ESALQ São Paulo reference price for fed cattle averaged R$139/*arroba* in 2Q18, up 5.7% from the same period of 2017, when prices were influenced by events external to the industry. Compared to the prior quarter, the average cattle price decreased 4.7%.

In the United States, the USDA KS Steer price reference averaged US$117/cwt[1], decreasing 13% from 2Q17 (US$132/cwt), reflecting the higher cattle supply in the U.S. market in the comparison period.

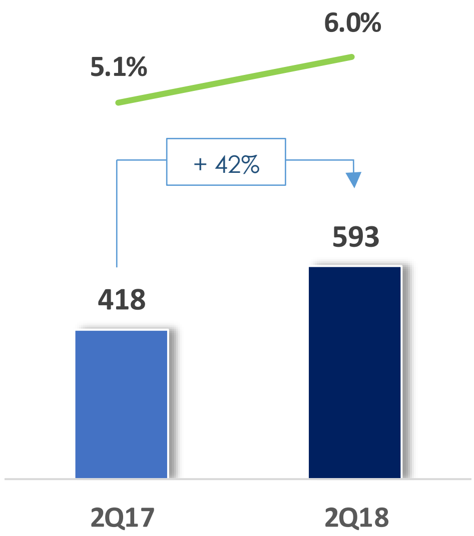
In Uruguay, the Inac price reference increased 13% compared to 2Q17, averaging US$3.44/kg. The price increase was influenced by the lower cattle supply due to weather conditions, which led cattle processing activities to be brought forward to the first quarter of the year.

In Argentina, the cattle price reference stood at US$2.66/kg, down around 21%, with a positive impact from the depreciation of the Argentina peso in relation to the U.S. dollar.

SELLING, GENERAL & ADMINISTRATIVE EXPENSES | Pro forma

SG&A expenses amounted to R$593 million, which is explained by the effects from the translation into Brazilian real of amounts from the international operations, with an impact of R$59 million, and by the higher sales volume. As a ratio of net revenue (SG&A/NOR), SG&A expenses stood at 6.0%, increasing from 2Q17, due to the one-off expenses that affected the quarter.

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



Selling Expenses in the quarter were R$434 million, increasing 36% from 2Q17. The increase is explained by the higher sales volume and by the consequent increase in selling expenses, the higher market expenses and the Brazilian real depreciation.

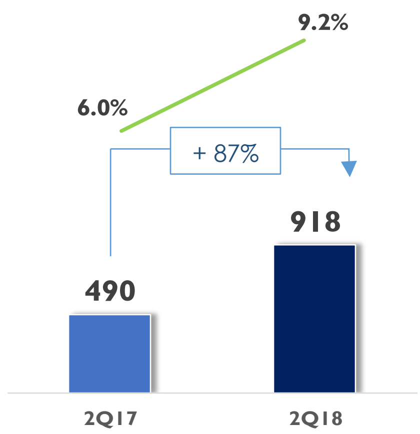
General and Administrative Expenses came to R$159 million in 2Q18, increasing R$60 million from 2Q17, explained by the depreciation of the Brazilian real and by the timely adjustment of provisions in the quarter.

[1] A hundredweight, abbreviated Cwt, is a unit of measurement for weight used in certain commodities trading contracts. In North America, a hundredweight is equal to 100 pounds.

ADJUSTED EBITDA | Pro forma

Adj EBITDA amounted to R$918 million, growing 87% compared to 2Q17. Adj. EBITDA margin stood at 9.2%. The highlights of this performance were (i) the solid performance in North America and Conesul; (ii) the depreciation of the real against the U.S. dollar; and (iii) the continued good performance of industrialized products.

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



FINANCIAL RESULT | Continuing Operation

The net financial result in 2Q18 was an expense of R$517 million, representing an increase of 9.9% in relation to 1Q18.

Excluding the effect from exchange variation, the financial result was an expense of R$442 million, or 5.5% higher than in 1Q18, which is explained by (i) the temporary increase in interest expenses, mainly due to the bridge loan for the acquisition of National Beef; and (ii) the effects from exchange variation on the translation of interest expenses from USD to BRL; with these factors partially offset by (iii) the lack of costs related to Liability Management actions, which were incurred in the first quarter of the year.

	2Q18	1Q18	Chg.	
	R$	R$	R$	%
Net Interest Provisioned	(234)	(182)	(52)	-
Market Transactions Net Result	(4)	(3)	(1)	-
Other Financial Revenues and Expenses	(204)	(235)	30	-
FINANCIAL RESULT EX-EXCHANGE VAR.	**(442)**	**(420)**	**(23)**	**5%**
Exchange Variation	**(75)**	**(51)**	**(24)**	**-**
NET FINANCIAL RESULT	**(517)**	**(471)**	**(46)**	**10%**

Note: the effects from currency translation on liabilities contracted by subsidiaries abroad, whose functional currency differs from that of the parent company, are recorded under shareholders' equity.

NET INCOME (LOSS) | Continuing Operations

In 2Q18, the result of the continuing operation before the non-recurring impact of Funrural, and with only one month of the North American operation, was negative in R$175 million. This result was affected by the impact of the appreciation of the U.S. dollar (16%) on interest and debt, by about R$100 million, and by the still high level of financial expenses, which will be reduced with the completion of Keystone's sale process.

Considering the effect of Funrural, Marfrig recorded a net loss from the continuing operation of R$ 582 million.

NET DEBT | Pro forma + Keystone

The analysis of debt and financial leverage contemplates:

- the bridge loan of acquisition and pro forma EBITDA Aj of the last 12 months;

- the data for the Keystone Division, which since 1Q18, has been classified as an asset available-for-sale; and

- the resumption of the operation in Argentina.

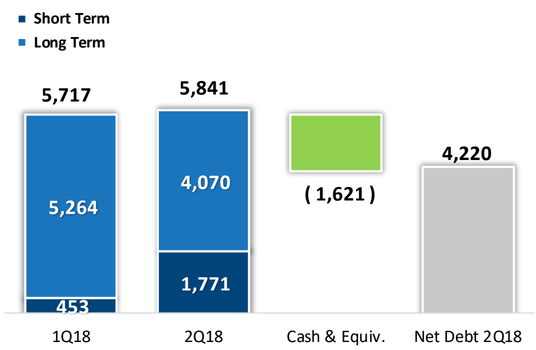
Because a large portion of Marfrig's debt is denominated in U.S. dollar (debt denominated in USD or currencies other than the BRL ended the quarter at roughly 1% of total debt), the variations discussed in this section are based on the amounts in U.S. dollar.

At June 30, the Company's gross debt stood at US$5,841 million (R$22,520 million), up 2% from the end of the prior quarter.

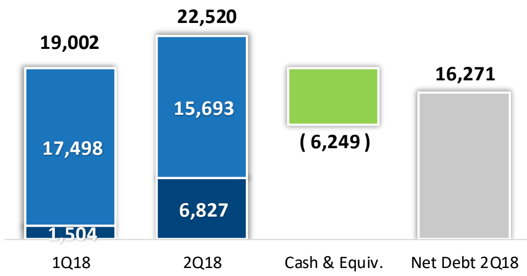
The balance of cash and marketable securities stood at US$1,621 million, down 16% from 1Q18, which is explained by the settlement of a bond due in 2018 and higher working capital needs.

Accordingly, Marfrig's net debt ended the quarter at US$4,220 million (R$16,271 million).

Debt in US$ million



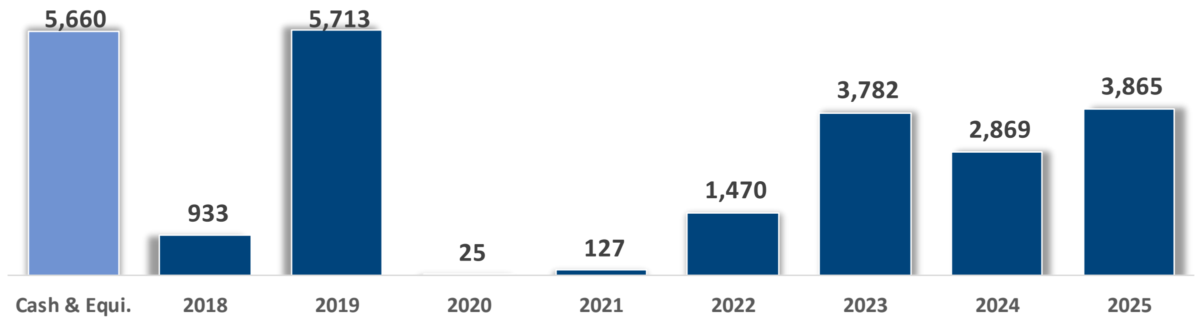
Debt in R$ million



At June 30, 2018, the average debt term was 3.9 years and 35% of total debt was maturing in the short term. The average annual cost was 6.57%.

Debt Maturity Schedule | Continuing Operation

(R$ million)



Indicators 2Q18

Average Cost (% p.a.)	Average Term (year)	Current Liquidity	Net Debt / Adj EBITDA LTM
6.57%	3.93	1.12	4.20x

The leverage ratio, calculated by the ratio between net debt after transaction and pro forma EBITDA Adj LTM (last 12 months) was 4.20x. This index was also impacted by the 6.9% gap between the 2Q18 closing exchange rate (R$ 3.86 /US$), used to translate the net debt, and the average exchange rate in the quarter (R$ 3.61/US$). Excluding from the analysis this exchange effect, the leverage would be 3.92x.

The calculation of the leverage ratio for the covenants of bank financing operations and capital markets includes contractual provisions that allow for the exclusion of the effects of exchange variation. Therefore, the index calculated for this purpose reached 3.38x at the end of 2Q18 (for more information, see note 20.3 in the financial statements).

CASH FLOW | Continuing Operation

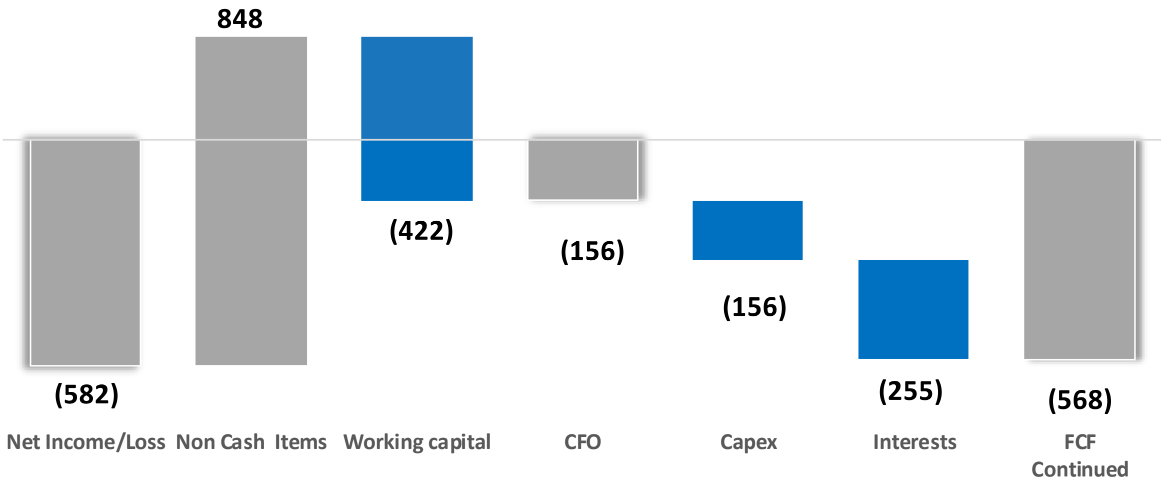
In the quarter, Marfrig's operating cash flow was negative by R$156 million. The working capital consumption was R$422 million, mainly due to the increase in the inventory level, negatively affected (i) by the truck drivers' strike, with an estimated a range impact of R$ 80 to R$ 100 million, and (ii) by the the North American operation.

In the quarter, investments totaled R$3,812 million, of which 96% related to the acquisition of the National Beef control. The remaining balance of R$ 156 million is related to (i) the acceleration of some maintenance expenses, taking advantage of the plant shutdown due to the truck drivers' strike; and (ii) the beginning of modernization projects (e.g. new tunnel freeze in Promissão unit) and improvement of productivity of slaughter plants.

The interest line totaled R$255 million. The strong appreciation of the dollar between the periods and the one-off increase of the debt, as already explained, stand out.

The sum of these factors led to a negative free cash flow of R$4,225 million from continuing operations in the quarter. Excluding from the analysis the acquisition value, cash flow was negative by R$568 million in the quarter.

Cash Flow (R$ million)



INVESTMENTS (CAPEX) | Continuing Operation

Marfrig's capital expenditures amounted to R$3,813 million in 2Q18, 96% of which was allocated to the acquisition, as mentioned above. The other R$153 million was allocated primarily to the maintenance and improvement of existing assets.

(R$ Millions)	2Q18	1S18
	R$	R$
Investments	**3,657**	**3,657**
Investments in Fixed Assets	**153**	**263**
Fixed Assets	153	263
Investment in Intangigle Assets	**3**	**6**
TOTAL	**3,813**	**3,926**

MARFRIG'S COMPETITIVE ADVANTAGES

Strategic Partnership – Embrapa

Marfrig and the Brazilian Agricultural Research Corporation (Embrapa) forged a strategic partnership to promote the adoption of more sustainable cattle production practices with a view to creating more value in the chain. The initiative encourages the Carbon-Neutral Beef (CNB) and Low-Carbon Beef (LCB) production concepts developed by Embrapa to certify beef produced in systems that neutralize or reduce the methane gas emitted by the animals.

The partnership is another breakthrough in the industry's value chain and reinforces its commitment to a sustainable production system. Carbon neutral beef (CNB) is produced using integrated systems that feature planted trees, which are responsible for sequestering carbon and for potentially neutralizing the methane emissions from the grass-fed animals, while also providing thermal comfort for the cattle. Meanwhile, low carbon beef (LCB) can be produced using non-integrated systems, and, with proper pasture management, stocks carbon in the soil, enabling the system to reduce or mitigate animal emissions.

OUTLOOK & CLOSING REMARKS

According to the latest report from the International Monetary Fund (IMF), forecasts for world economic growth remained stable at 3.9% p.a. for 2018. However, the growth forecast is proving less uniform among mature and developing economies.

While the forecast for U.S. GDP growth remained positive, forecasts for the Euro zone, Japan and the United Kingdom were revised downwards. Among emerging markets, growth expectations were lowered for Brazil, Argentina and India, while the forecasts for oil exporting nations remained strong.

For the global beef industry, the outlook remains positive.

In Brazil, the outlook for the cattle supply in the second half of the year remains favorable. In addition to the higher seasonal supply associated with the start of the dry season and with pasture quality, the reduction in primary processing in the second quarter due to the truck drivers' strike should boost supply. With regard to domestic demand, the scenario is of uncertainty, since the downward revision in the GDP growth forecast should weigh on the potential growth in consumption.

Also in Brazil, in the second quarter the country was recognized by the World Organization for Animal Health (OIE) as free of foot-and-mouth disease through vaccination. This certification could expand the possibilities for accessing new international markets, such as selling bone-in beef to China.

For the United States, the expectation is for the industry to continue benefiting from the ample cattle supply in the coming months, while maintaining good margins. In terms of demand, the outlook remains positive, reflecting the higher consumer confidence and lower unemployment.

The risk factors to this scenario are related to a slowdown in world economic growth, accentuated by the higher trade restrictions on G20 countries, and to sharper depreciation in the currencies of emerging countries, which could lead to a contraction in consumption. Specifically, about the protein industry, disease remains a key risk factor for the business.

Marfrig's strategy will remain focused on capturing potential growth in the global animal protein industry and on creating value for shareholders by maintaining its commitment to strengthening its business through:

1. Improved footprint to capture opportunities in the global beef market.

2. Operational improvements and productivity gains and consequently margin gains.

3. Focus on profitability by maximizing the use of assets and prioritizing the most resilient sales channels.

4. Financial discipline with a focus on deleveraging and free cash flow generation.

UPCOMING EVENTS

Earnings Conference Call

Date: August 15, 2018

Portuguese	**English**
1 p.m. (Brasília) 12:00 p.m. (US EST) 5 p.m. (London)	12 p.m. (Brasília) **11 a.m. (US EST)** 4 p.m. (London)
Dial in Brazil: +55 (11) 3193-1001 or 2820-4001	Dial in Other countries: +1 (646) 828-8246
Code: Marfrig	Code: Marfrig

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APPENDIX LIST

APPENDIX I
Income Statement

Consolidated Quarterly | Continuing Operation
(R$ million)

	2Q18 (a)		2Q17 (b)		1Q18 (c)		(a/b) Chg.		(a/c) Chg.	
	R$	%NOR	R$	%NOR	R$	%NOR	R$	%	R$	%
Net Revenues	**5,115**	**100%**	**2,180**	**100%**	**3,063**	**100%**	**2,935**	**135%**	**2,052**	**67%**
COGS	(4,360)	-85%	(1,907)	-87%	(2,690)	-88%	(2,454)	129%	(1,670)	62%
Gross Profit	**755**	**15%**	**273**	**13%**	**373**	**12%**	**481**	**176%**	**381**	**102%**
SG&A	**(393)**	**-8%**	**(180)**	**-8%**	**(253)**	**-8%**	**(213)**	**119%**	**(140)**	**55%**
Commercial	(262)	-5%	(115)	-5%	(189)	-6%	(146)	127%	(72)	38%
Administratives	(131)	-3%	(64)	-3%	(63)	-2%	(67)	104%	(68)	107%
Adj. EBTIDA*	**461**	**9%**	**154**	**7%**	**182**	**6%**	**307**	**199%**	**279**	**154%**
Others revenues/expenses	(646)	-13%	(68)	-3%	(28)	-1%	(577)	0%	(618)	0%
EBITDA	**(185)**	**-4%**	**86**	**4%**	**154**	**5%**	**(270)**	**0%**	**(338)**	**-220%**
Equity Account	0	0%	0	0%	0	0%	0	0%	0	0%
D&A	(99)	-2%	(60)	-3%	(61)	-2%	(39)	65%	(38)	62%
EBIT	**(284)**	**-6%**	**25**	**1%**	**92**	**3%**	**(309)**	**0%**	**(376)**	**0%**
Financial Results	**(517)**	**-10%**	**(477)**	**-22%**	**(471)**	**-15%**	**(40)**	**8%**	**(46)**	**10%**
Financial revenues/expenses	**(442)**	**-9%**	**(412)**	**-19%**	**(420)**	**-14%**	**(30)**	**7%**	**(23)**	**5%**
Exchange rate variation	**(75)**	**-1%**	**(65)**	**-3%**	**(51)**	**-2%**	**(10)**	**16%**	**(24)**	**46%**
Minority Stake	**(148)**	**-3%**	**0**	**0%**	**0**	**0%**	**(148)**	**0%**	**(148)**	**0%**
EBT	**(949)**	**-19%**	**(452)**	**-21%**	**(379)**	**-12%**	**(498)**	**110%**	**(571)**	**151%**
Taxes	**367**	**7%**	**190**	**9%**	**131**	**4%**	**177**	**94%**	**236**	**180%**
Continued Op. - Controller Shareholder Net Profit	**(582)**	**-11%**	**(262)**	**-12%**	**(247)**	**-8%**	**(320)**	**122%**	**(335)**	**135%**
Descontinued Ops. + Capital Gain	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
Controller Shareholder Net Profit	**(582)**	**-11%**	**(262)**	**-12%**	**(247)**	**-8%**	**(320)**	**122%**	**(335)**	**135%**
P&L - USD x BRL	**R$ 3.61**		**R$ 3.21**		**R$ 3.24**		**0.39**	**12%**	**0.36**	**11%**
BS - USD x BRL	**R$ 3.86**		**R$ 3.31**		**R$ 3.32**		**0.55**	**17%**	**0.53**	**16%**

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

APPENDIX I
Income Statement

Consolidated Accumulated | Continuing Operation
(R$ million)

	1S18 (a)		1S17 (b)		(a/b) Chg.	
	R$	%NOR	R$	%NOR	R$	%
Net Revenues	**8,178**	**100%**	**4,334**	**100%**	**3,844**	**89%**
COGS	(7,051)	-86%	(3,802)	-88%	(3,248)	85%
Gross Profit	**1,128**	**14%**	**532**	**12%**	**596**	**112%**
SG&A	**(645)**	**-8%**	**(376)**	**-9%**	**(269)**	**72%**
Commercial	(451)	-6%	(254)	-6%	(196)	77%
Administratives	(194)	-2%	(122)	-3%	(73)	60%
Adj. EBTIDA*	**643**	**8%**	**275**	**6%**	**369**	**134%**
Others revenues/expenses	(674)	-8%	(106)	-2%	(568)	0%
EBITDA	**(31)**	**0%**	**168**	**4%**	**(199)**	**-118%**
Equity Account	0	0%	0	0%	0	0%
D&A	(161)	-2%	(119)	-3%	(42)	35%
EBIT	**(191)**	**-2%**	**49**	**1%**	**(241)**	**0%**
Financial Results	**(989)**	**-12%**	**(992)**	**-23%**	**4**	**0%**
Financial revenues/expenses	**(862)**	**-11%**	**(911)**	**-21%**	**49**	**-5%**
Exchange rate variation	**(126)**	**-2%**	**(81)**	**-2%**	**(46)**	**56%**
Minority Stake	**(148)**	**-2%**	**0**	**0%**	**(148)**	**0%**
EBT	**(1,328)**	**-16%**	**(943)**	**-22%**	**(385)**	**41%**
Taxes	**498**	**6%**	**339**	**8%**	**159**	**47%**
Continued Op. - Controller Shareho	**(830)**	**-10%**	**(604)**	**-14%**	**(226)**	**37%**
Descontinued Ops. + Capital Gain	**0**	**0%**	**0**	**0%**	**0**	**0%**
Controller Shareholder Net Profit	**(830)**	**-10%**	**(604)**	**-14%**	**(226)**	**37%**
P&L - USD x BRL	**R$ 3.42**		**R$ 3.18**		**0.25**	**8%**
BS - USD x BRL	**R$ 3.59**		**R$ 3.24**		**0.35**	**11%**

APPENDIX II

EBITDA Calculation | Continuing Operation
Quarterly
(R$ million)

RECONCILIATION OF ADJUSTED EBITDA (R$ million)	2Q18	2Q17	1Q18
Net Profit / Loss	**(582)**	**(262)**	**(247)**
(+) Provision for income and social contribution taxes	(367)	(190)	(131)
(+) Non-controlling Interest	148	0	0
(+) Net Exchange Variation	75	65	51
(+) Net Financial Charges	442	412	420
(+) Depreciation & Amortization	99	60	61
(+) Equity Income	0	0	0
EBITDA*	**(185)**	**86**	**154**
(+) Other Operacional Revenues/Expenses	646	68	28
Adj. EBITDA	**461**	**154**	**182**

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

APPENDIX II

EBITDA Calculation | Continuing Operation
Accumulated
(R$ million)

RECONCILIATION OF ADJUSTED EBITDA (R$ million)	1S18	1S17
Net Profit / Loss	**(830)**	**(604)**
(+) Provision for income and social contribution taxes	(498)	(339)
(+) Non-controlling Interest	148	0
(+) Net Exchange Variation	126	81
(+) Net Financial Charges	862	911
(+) Depreciation & Amortization	161	119
(+) Equity Income	0	0
EBITDA*	**(31)**	**168**
(+) Other Operacional Revenues/Expenses	674	106
Adj. EBITDA	**643**	**275**

APPENDIX III

Income Statement | Pro forma
(R$ million)

	2Q18 (a)	
	R$	%NOR
Net Revenues	**9,944**	**100%**
COGS	(8,598)	-86%
Gross Profit	**1,346**	**14%**
SG&A	**(593)**	**-6%**
Commercial	(434)	-4%
Administratives	(159)	-2%
Adj. EBTIDA*	**918**	**9%**
Others revenues/expenses	(643)	-6%
EBITDA	**275**	**3%**
Equity Account	0	0%
D&A	(165)	-2%
EBIT	**110**	**1%**
Financial Results	**(571)**	**-6%**
Financial revenues/expenses	**(496)**	**-5%**
Exchange rate variation	**(75)**	**-1%**
Minority Stake	**(337)**	**-3%**
EBT	**(798)**	**-8%**
Taxes	**346**	**3%**
Continued Op. - Controller Shareholder Net Profit	**(451)**	**-5%**
Descontinued Ops. + Capital Gain	**0**	**0%**
Controller Shareholder Net Profit	**(451)**	**-5%**
P&L - USD x BRL	**R$ 3.61**	
BS - USD x BRL	**R$ 3.86**	

APPENDIX IV
Balance Sheet
(R$ '000)

ASSETS	2Q18	4Q17
CURRENT ASSETS		
Cash and Marketable Securities	5,659,885	4,402,353
Trade accounts receivable	1,507,012	924,998
Inventories of goods and merchandise	2,299,597	1,759,871
Biological assets	8,472	119,621
Recoverable taxes	2,092,704	2,089,129
Prepaid expenses	60,247	111,913
Notes receivable	113,716	24,108
Advances to suppliers	73,933	50,012
Held-for-sale assets	6,189,259	161,860
Other receivables	166,108	94,783
	18,170,933	**9,738,648**
NON CURRENT ASSETS		
Court deposits	49,422	72,922
Notes receivable	362	93,899
Deferred income and social contribution taxes	2,220,704	2,227,316
Recoverable taxes	1,779,083	1,763,641
Other receivables	193,025	50,968
	4,242,596	**4,208,746**
Investments	13,785	21,064
Property, plant and equipment	4,928,469	4,435,194
Biological assets	0	54,758
Intangible assets	5,257,447	2,843,389
	10,199,701	**7,354,405**
TOTAL ASSETS	**32,613,230**	**21,301,799**

LIABILITIES	2Q18	4Q17
CURRENT LIABILITIES		
Trade accounts payable	1,650,975	2,159,031
Supply chain finance	170,542	195,041
Accrued payroll and related charges	508,268	251,071
Taxes payable	336,797	312,131
Loans and financing	6,615,915	1,846,164
Notes payable	184,955	165,550
Lease payable	3,802	11,963
Advances from customers	1,023,978	795,783
Liabilities related to held-for-sale assets	5,465,149	82,232
Other payables	224,189	202,203
	16,184,570	**6,021,169**
NON CURRENT LIABILITIES		
Loans and financing	12,168,352	10,581,034
Taxes payable	875,569	948,442
Deferred income and social contribution taxes	27,108	251,088
Provisions for contingencies	93,079	88,828
Lease payable	3,128	19,819
Notes payable	340,292	378,085
Advances from customers	385,580	330,800
Other	88,129	47,824
	13,981,237	**12,645,920**
Non-controlling interest	**1,811,937**	**242,178**
CONTROLLING SHAREHOLDER´S EQUITY		
Share Capital	7,319,467	7,319,467
Capital reserve	179,928	181,224
Profit reserves	37,784	38,362
Other comprehensive income	-1,444,138	-425,222
Accumulated losses	-5,457,555	-4,721,299
	635,486	**2,392,532**
TOTAL LIABILITIES	**32,613,230**	**21,301,799**

APPENDIX V

Cash Flow

(R$ million)

	2Q18	1Q18	1S18
Net Income/Loss	(582)	(247)	(830)
(+/-) Non cash items	848	275	1,122
(+/-) Account Receivable	99	83	182
(+/-) Inventories	(317)	64	(252)
(+/-) Suppliers	(192)	(183)	(374)
(+/-) Other	(12)	(22)	(34)
(=) Operational Cash Flow	(156)	(30)	(186)
(-) Total Capex	(3,813)	(113)	(3,926)
(-) Capex	(3,657)	0	(3,657)
(-) Investments in Fixed Assets	(153)	(110)	(263)
(-) Investment in Intangigile Assets	(3)	(3)	(6)
(-) Interest expenses	(255)	(203)	(458)
Continued Free Cash Flow	**(568)**	**(346)**	**(913)**
Continued Free Cash Flow With the Acquisition	**(4,224)**	**(346)**	**(4,570)**