

MARFRIG GLOBAL FOODS S.A.
Publicly Held Corporation
Corporate Taxpayer ID (CNPJ/MF) 03.853.896/0001-40
(B3: MRFG3)

MATERIAL FACT

São Paulo, August 20, 2018 - Marfrig Global Foods S.A. (“Marfrig” or “Company” – B3: MRFG3 and ADR Level 1: MRRTY), pursuant to article 157, paragraph 4, of the Brazilian Corporations Law and CVM Instruction 358/02, hereby informs its shareholders and the market, according to and complementing the previous Notice to the Market issued on July 6, 2018, that its subsidiary Keystone Foods Holdings Limited (“Keystone Foods”) has entered into an agreement to sell the totality of its equity interest in McKey Luxembourg Holdings, S.a.r.l. and MFG (USA) Holdings, Inc., entities that control the companies operating the Keystone Foods business to Tyson Foods, Inc. (“Transaction”).

I. RATIONALE

The Transaction is anticipated to improve Marfrig’s capital structure and is aligned with the objective to strongly reduce its financial leverage.

II. TRANSACTION

The total enterprise value was approximately US\$2.4 billion, of which US\$1.4 billion represent the “equity value” to Marfrig (after debt settlement and other customary adjustments).

All assets of Keystone Foods will be sold, except for the beef patty processing plant located in North Baltimore, Ohio, which is one of the largest hamburger plants in the United States, with capacity to process 91 thousand tons of processed beef per year.

Marfrig’s continued ownership of the North Baltimore plant is aligned with the Company’s strategy to focus on the beef business including Marfrig’s recent

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acquisition of a controlling interest in National Beef Packing Company's portfolio, which was closed in June 2018.

The closing of the Transaction is subject to the fulfillment of customary conditions precedent for transactions of this nature, including approval by the applicable antitrust authorities. The Transaction is also subject to the approval by BNDES Participações S.A. – BNDESPar.

The Company's Board of Directors approved the Transaction on August 17, 2018.

J.P. Morgan Securities LLC and Rabo Securities USA, Inc. have acted as Marfrig's financial advisors. Linklaters LLP has acted as transaction counsel and Lefosse Advogados has acted as Brazilian counsel to Marfrig.

The Company will keep its shareholders and the market timely and adequately informed about any material event related to the Transaction.

III. TELECONFERENCE

Marfrig will hold teleconferences to the public today, in Portuguese at 08:30am (Brasília time) / 07:30am (New York time) and in English at 09:30am (Brasília time) / 08:30am (New York time). The numbers to access the conference calls are available at the Marfrig Investor Relations website at: www.marfrig.com.br/ir.

José Eduardo de Oliveira Miron

Chief Financial and Investor Relations Officer

Marfrig Global Foods S.A.

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