



**International Conference Call  
Marfrig Global Foods S/A  
Extraordinary Call – New CEO and Directors  
September 4th, 2018**

**Operator:** Good Morning ladies and gentlemen. At this time, we would like to welcome everyone to Marfrig Global Foods S.A. conference call to present and discuss the election of the New CEO and Directors

The audio for this conference is being broadcast simultaneously through the Internet in the website [www.marfrig.com.br/ir](http://www.marfrig.com.br/ir). In that address you can also find the slideshow presentation available for download.

We inform that all participants will only be able to listen to the conference call during the Company's presentation. After the Company's remarks are over there will be a Q&A period. At that time further instructions will be given. Should any participant need assistance during this conference please press star zero for an operator.

Before proceeding, let me mention that forward-looking statements are being made under the Safe Harbor of the Securities Litigation Reform Act of 1996. Forward-looking statements are based on the beliefs and assumptions of Marfrig's management, and on information currently available to the Company.

Forward-looking statements are not guarantee of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future.

Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of Marfrig and could cause results to differ materially from those expressed in such forward-looking statements.

Now I will turn the conference over to Mr. Marcos Molina, Chairman of the Board of Marfrig Global Foods.

Please Mr. Molina you may now begin the conference.

**Mr. Marco Molina:** Good morning. Thank you all for attending another conference call. We have announced last night our new structure: Eduardo Miron replaces Martín Secco as CEO; we have also reinforced our finance area with Marco Spada and Fabio Vasconcelos; and we have unified Brazil, Uruguay, Argentina and Chile into a single division; and we brought Miguel Goulart to lead this and work aligned with Miron, as well as Tim Klein from National Beef.



They have as their main goal keep a low indebtedness level and the focus on financial discipline, and the operational excellence and integration with National Beef, consolidate Marfrig as a sustainable company as far as all businesses I mentioned.

I'd like to transfer the word to Martín Secco, but before that on behalf of the whole board, I'd like to thank for his contribution and dedication over these past 12 years, and especially in these last 4 years as the CEO, when he had us to achieve important goals under the Focus to Win plan. Thank you, Martín.

**Mr. Martín Secco:** Thank you Marcos. I finish today a long story at the beef business that started more than 30 years ago at Tacuarembó and 12 years ago at Marfrig. In 2006, I assumed a compromise with Marcos at Marfrig to help in international expansion, but the last compromise was in 2015 when they invited me to finish the agenda of Focus to Win that we made in 2013. I think that we achieved all the agenda that we made, and I believe in the renovation, new ideas and etc., but in this case with a long-experienced team at Marfrig and the industry.

I would like to thank Marcos and the board for the support and all the employees of Marfrig, all of them helped me a lot in my time at Marfrig. Of course, a special thanks to you to follow all the calls and the relationship with Marfrig during these years.

I pass the call to Eduardo Miron.

**Mr. Eduardo Miron:** Thank you, Martín. Good morning everyone. First, I want to thank the board for the trust and confidence demonstrated with my nomination. I joined Marfrig in 2010 and the company has undergone major changes and important evolutions over the years. We have taken many difficult decisions, we have made divestments that have improved our capital structure and allowed us to look now to the future and to pursue sustainable growth with financial discipline.

We still have a lot to do, but I'd like to stress that my commitment is to sustainable growth with value creation. We plan to accelerate the integration of the operation in North America by leveraging our sales platform in the United States and our export to Japan and South Korea, and on the production front we will work to improve our operational efficiency and productivity indicators. In South America, we will focus on operational excellence by sharing best practices in management and operating efficiency and on our positioning at existing channels.

And to support me in this challenge with the departure of Martín Secco, who also worked as CEO of the South America operation, we are bringing on a new team member.



Turning on to slide number 4, I will color in a little bit more details the new macro structure of Marfrig Global Foods. This new structure is based on our objective of being simple and focused. In summary, the financial areas shall be focused on planning and metrics, as well as to the external relationship with market, and 2 operations led by 2 experienced CEOs in its specific regions.

So today, Marfrig is a leading global beef producer with its producing platform concentrated in the Americas divided into North America and South America operations.

The North America operations will remain under the leadership of Tim Klein – Tim, who joined National Beef in 1997 has been its CEO since 2009. To help at the South America operation, Miguel Goulart joined our team yesterday. Miguel, which has more than 37 years of experience in the industry, will have the challenge of creating a single management platform in South America, from both the commercial and operational standpoint.

In the corporate area, Eraldo Geres will continue to serve as chief legal and HR officer. Fabio Vasconcelos, currently head of finance at Keystone in the United States and global controller of Marfrig, will become chief planning and management officer. His challenge will be to integrate the operations and to implement improvements in the management and performance of operating and financial indicators.

And Marco Spada, who has served as treasure director since 2013, will serve as chief financial and investor relations officer. Marco will have the challenge of keeping the company focused on cash generation and maintaining low leverage levels and on improving the company's relations with banks and investors.

Let me go to the last slide, please. This is a snapshot of the key pillars that we have defined for creating sustainable value at Marfrig. On the operational front, the highlight is accelerating the sales platform between North and South America operations and share its best practices in business management and food safety; a topic where we will be creating a global committee for exchanging best practices until the end of this year.

In the sustainability area, we will continue pursuing the best partnerships in the value chain. In other words, the producer processor relationship will be one of our priorities. National Beef's relation with its cattle suppliers is a good model that we will have as a reference. In Brazil, as an example, we have just signed a strategic and pioneering partnership with the Research Agency Embrapa to promote the carbon neutral beef and low-carbon beef.

Finally, we will reinforce our focus on this topic by creating, before the end of the year, a global sustainability in animal welfare committee. Marfrig remains committed to adopting the best corporate governance practices and we will continue making improvements in this area. The combination of all these efforts



should support improvements in results, consistent free cash flow generation, taking Marfrig to whole new level in terms of profitability and in creating value for our stakeholders.

That concludes today's presentation. So let's go now to the Q&A session.

### **Question and Answer Session**

**Operator:** Ladies and gentlemen, we will now begin the question-and-answer session. To pose a question, please press the star key followed by the 1 key on your touchtone phone. To remove yourself from the questioning queue press star 2.

Again, to ask a question, please press star 1.

This concludes today's question-and-answer session. I would like to invite Mr. Eduardo Miron to proceed with his closing statements. Please, go ahead Sir Mr.

**Mr. Eduardo Miron:** I'd like to finish this call thanking everyone for attending this call and... well, I think we have a question, so let me step back and let's take this question first.

**Operator:** The question comes from David Montoya, Las Francasse.

**Mr. Montoya:** Hello? Can you hear me?

**Mr. Eduardo Miron:** Yes, hello.

**Mr. Montoya:** Hello, sorry, I wasn't able to hear. So my question is basically... first, I want to congratulate you for all the transactions you recently made, and I wanted to understand better the idea of why Martín Secco is leaving the company because he was doing for me, like, a good job, good transactions. So, I want to understand if he's continuing to another company or more the rationale inside.

**Mr. Eduardo Miron:** I'm really sorry, the quality of sound is not great. Could you repeat the question?

**Mr. Montoya:** Yes. So, first of all I wanted to congratulate you for all transactions, and second of all I wanted to understand why you are changing Martín Secco or he's leaving the company, as for me he was doing a good job until the moment.

**Mr. Eduardo Miron:** Okay.

**Mr. Montoya:** Hello?



**Mr. Eduardo Miron:** First of all, thank you for your question. And, yes, great process during Martín's period in the company. I think Martín is the best person to answer this question for you.

**Mr. Martín Secco:** Okay, thank you for the question. As I mentioned in the call, I assumed a different compromise with Marfrig, with the board of Marfrig, and the last one was to finish the Focus to Win agenda with the procedure of the CEO in 2015.

I'm living the company for personal reasons because I decided to move here to Brazil in 2015, but it was not the plan that we have for me and for my family for the future, and for that we have talked to Marcos during the last month following the best moment for Marfrig in order the compromise we assumed in 2015.

But also, as I mentioned, I think Marfrig is going a new phase and I think it's very good for the company to make a renovation in the team. Of course, I will follow Marfrig very closely in the future, my relation with the company is extremely good and I'm going back to Uruguay and wait for the new future of Marfrig.

**Mr. Montoya:** Thank you very much for your clarification.

**Operator:** I would like to invite Mr. Eduardo Miron to proceed with his closing statements.

**Mr. Eduardo Miron:** Yes, so I'd like to first thank everyone for attending this call and I'd like to finish thinking very much Martín Secco for all the contribution to the company and welcome in Miguel and the rest of the team that are embarking now in a new journey for Marfrig. So thank you all and have a great day.

**Operator:** Thank you. That does conclude our Marfrig's conference call. Thank you very much for your participation and have a nice day.