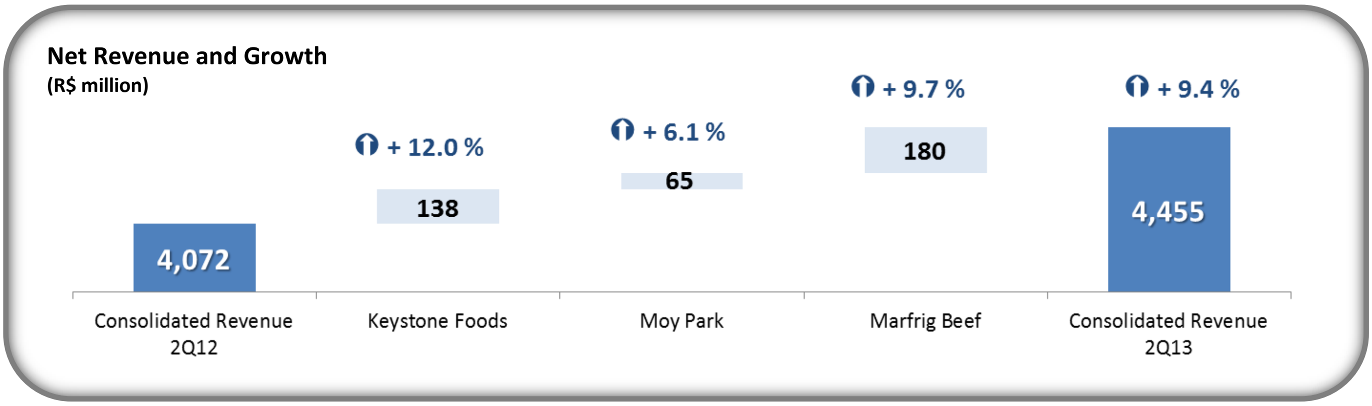
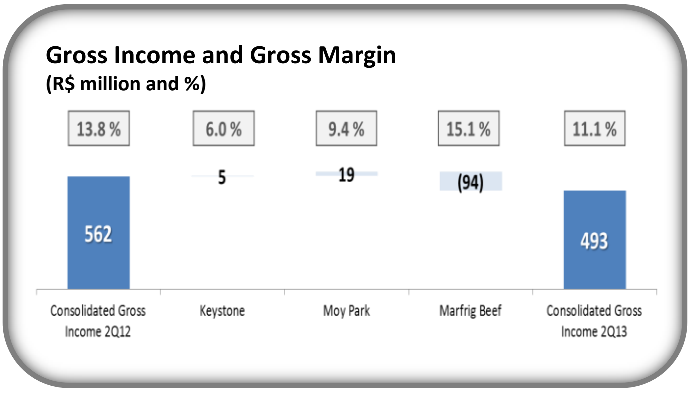
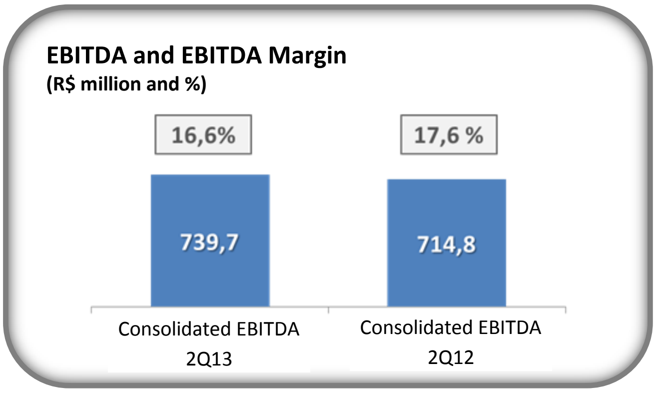
MARFRIG REPORTS EARNINGS FOR SECOND QUARTER 2013

São Paulo, August 8, 2013 *– Marfrig Alimentos S.A. – Marfrig (BM&FBOVESPA: MRFG3 and ADR Level 1: MRTTY) announces today its results for the second quarter of 2013 (2Q13). Except where stated otherwise, the following operating and financial information is presented in nominal Brazilian real, in accordance with the International Financial Reporting Standards (IFRS), and should be read together with the financial reports for the quarter ended June 30, 2013 filed at the Securities and Exchange Commission of Brazil (CVM).*

HIGHLIGHTS:







- Consolidated Net Revenue grew 9.4% (2Q13 vs. 2Q12), driven by improvements at Marfrig Beef Brazil in both domestic sales in the Food Service segment as well as exports. The result also benefited from the solid performance of Moy Park, led by the Agri-Fresh and Convenience Foods UK segments;
- EBITDA from continued operations of R$739.7 million in 2Q13 with EBITDA margin of 16.6%, growing 3.5% from 2Q12 (R$714.8 million and EBITDA margin of 17.6%);
- Financial Leverage (Net Debt/EBITDA) stood at 3.8 times in 2Q13, down from 4.4 times at the end of 1Q13; and
- Divestment of Seara Brasil and Zenda for R$5.85 billion, to be concluded in the second half of the year (after approval by governmental agencies).

DIVESTMENT OF SEARA BRASIL AND ZENDA

Transaction Overview:

Price/Payment conditions:

- JBS assumes R$5.85 billion in debt from Marfrig/Seara/Zenda, of which approximately R$3.0 billion is still to be transferred.

Debt transfer:

- Maturities between 2013 and 2017;
- Transfer of the bulk of Marfrig's short- and long-term bank debt;

Note: the Senior Notes (Bonds) remain at Marfrig.

Settlement:

- Expected within next months of signing (subject to approval by CADE).

Price adjustments:

- Post-settlement adjustments limited to variations in working capital; and
- BRL-denominated debt restated by the CDI overnight rate and foreign-denominated debt locked in at the BRL/USD exchange rate of 2.12.

Transaction Rationale:

- **Reduction** in the scale and complexity of the Corporation;
- **Focus** on food service operations: Brazil, USA, Europe and Asia; and
- Commitment to growth and **delivering** better leverage levels, higher margins and cash flow.

Goals Reached:

- Rapid and significant reduction in indebtedness: much higher than the R$2.0 billion anticipated to the market during the first quarter reporting season;
- Maintenance of one of the two major growth drivers and divestment of those requiring significant marketing investment and CAPEX over the next five years;
- Execution risk: in the current scenario, it could become more difficult to sustain price and volume growth;
- Leverage ratio of 3.8x in 2Q13; and
- Strong demonstration of corporate governance.

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2Q13 HIGHLIGHTS

MOY PARK

- Strong sales revenue growth (Moy Park +6.1%) compared to the same period last year;
- Sizeable increase in fresh poultry sales (Moy Park +19.6%) through successfully securing new clients and underlying market growth;
- Material increase in EBITDA and EBITDA margin through higher sales volumes, improved efficiencies and successfully offsetting higher feed costs;
- Strong year on year cash generation underpinning continued investment in meeting customer and consumer expectations while driving further growth and improving efficiencies and effective working capital control;
- Successful re-organization and integration of Marfrig's business units in Europe (Moy Park, Keystone Europe and Marfrig Beef) under the leadership of Moy Park, creating a stronger platform to grow Marfrig's international sales in Europe; and
- The UK market is presently characterized by a stated ambition by key retailers to source more meat and poultry from a local supply base, which we believe presents positive opportunities in the market.

KEYSTONE

- NOR growth of 12.0% from 2Q12, which is partially explained by the BRL depreciation against the USD; and
- Higher average price in the U.S. driven by new client growth and the resulting change in the product mix.

MARFRIG BEEF

- NOR growth of 9.7% compared to 2Q12, led by the 3.3% increase in cattle slaughter volume (capacity utilization in the quarter was 71%);
- Conclusion of the temporary closure of 2 production units in Argentina and gradual reduction in the feedlot infrastructure in Brazil, Argentina and Uruguay, aiming to optimize costs and expenses.

CORPORATE

- Divestment of Seara Brasil and Zenda for R$5.85 billion, with the transaction to be concluded possibly in the third quarter of the year (following approval by Brazil's antitrust agency CADE);
- Increased transparency with disclosure of the income statement broken down by business segment; and
- Change and optimization of Marfrig Beef's Corporate Structure (see Marfrig Beef section for more details); and
- Commitment to present to the market, in 3Q13, the Corporation's Long-Term Strategic Plan.

OUTLOOK FOR 2H13:

- Stronger focus by Marfrig Beef on the food service industry and small/midsized retailers.
- Reduction in costs and expenses through rigorous control of expenses.
- Moderate supply of cattle in Brazil in certain regions, but with a higher number of feedlot cattle than in the previous year;
- Export growth supported by the current parity in the USD/BRL exchange rate;
- The good performance of European units could indicate a gradual improvement in the region's economy; and
- Keystone Foods to focus on ramping up the operations in Asia.

INCOME STATEMENT - MARFRIG CONSOLIDATED (R$ '000)	2Q13	2Q12	2Q13 vs. 2Q12
NET OPERATING REVENUE	4,455.3	4,071.5	9.4%
(-) COGS	(3,962.6)	(3,509.3)	12.9%
GROSS INCOME	492.7	562.2	-12.4%
(%) GROSS MARGIN	11.1%	13.8%	*-270 bps*
SG&A	(330.9)	(322.2)	2.7%
(%) SG&A/NOR	-7.4%	-7.9%	*50 bps*
OTHER OPERATING INCOME AND EXPENSES	124.9	38.1	227.8%
SELLING EXPENSES	(189.1)	(169.3)	11.7%
GENERAL AND ADMINISTRATIVE	(141.8)	(152.9)	-7.3%
OTHER OPERATING INCOME/EXPENSES	455.8	360.3	26.5%
EBITDA(*)	**739.7**	**714.8**	**3.5%**
(%) EBITDA MARGIN	16.6%	17.6%	*-100 bps*
ADJUSTED EBITDA (**)	**283.9**	**354.5**	**-19,9%**
(%) ADJUSTED EBITDA MARGIN	6.4%	8.7%	*-230 bps*
NET INCOME OF CONTINUED OPERATIONS ATTRIBUTABLE TO CONTROLLING SHAREHOLDER	**(159.9)**	**172.2**	**n/a**

(*) 2Q13 and 2Q12 EBITDA include gain from sale of assets

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

CONSOLIDATED FINANCIAL HIGHLIGHTS

Net Operating Revenue: the growth of 9.4% from the year-ago period is explained by: (i) Marfrig Beef – Increases of 1.3% in volume and 8.3% in average price compared to 2Q12; (ii) Keystone Foods – 13.5% reduction in sales volume at Keystone, explained by adjustments to the U.S. operations (see below) and avian influenza outbreaks in Asia. However, the average price increased 29.5%, due to the increased diversification of channels with more Food Service clients; (iii) Moy Park – stable sales volume and 6.6% increase in the average price compared to 2Q12; and (iv) the depreciation in the Brazilian real against the U.S. dollar of 16%, which had a positive impact on the currency translation of results from international operations and on Beef exports in the period.

Gross Income and Gross Margin: consolidated gross income of R$492.7 million in 2Q13, decreasing 12.4% from R$562.2 million in 2Q12, basically explained by margin compression in the Beef and Keystone Asia operations (avian flu in China). Gross margin was 11.1%, decreasing 270 bps from 2Q12.

Selling, General and Administrative Expenses: SG&A expenses amounted to R$330.9 million in 2Q13, up 2.7% from R$322.2 million in 2Q12. Selling expenses were R$189.1 million in 2Q13, increasing 11.7% from R$169.3 million in 2Q12, pressured by the R$15.5 million increase in logistics expenses in the period. The efforts to reduce G&A expenses yielded a decline of 7.3% in 2Q13 to R$141.8 million, compared to R$152.9 million in 2Q12.

Other Operating Income/Expenses: This line was impacted by a nonrecurring gain of R$483.0 million from the divestment of Zenda, which was transferred to JBS already in 2Q13.

EBITDA and EBITDA Margin: EBITDA amounted to R$739.7 million in 2Q13 (considering only the continued operations, i.e., excluding Seara Brasil and Zenda), with EBITDA margin of 16.6%, which represents growth of 3.5% from 2Q12 (R$714.8 million and EBITDA margin of 17.6%).

Excluding nonrecurring effects (other operating revenue/expenses), EBITDA in 2Q13 was R$283.9 million. On the same basis, EBITDA margin was 6.4%, down 230 bps from 8.7% in 2Q12.

Financial Result: The financial result excluding currency translation effects was an expense of R$417.9 million in 2Q13, compared to the expense of R$222.8 million in 2Q12, impacted by the loss from currency swaps (financial hedge) of R$87.7 million. Exchange variation, **which is noncash**, generated a loss of R$427.5 million, compared to a loss of R$342.9 million in 2Q12.

FINANCIAL INCOME AND EXPENSES (R$ thousand)	2Q12	1Q13	2Q13	2Q13 vs. 2Q12	2Q13 vs. 1Q13
FINANCIAL INCOME	**116,092**	**67,487**	**125,603**	**8.19%**	**86.11%**
- Derivative income	46,850	15,474	97,150	107.36%	527.82%
- Interest income, income from marketable securities	68,706	50,997	28,404	-58.66%	-44.30%
- Discounts, other	536	1,016	49	-90.84%	-95.16%
EXCHANGE GAIN	**77,513**	**130,690**	**152,990**	**97.37%**	**17.06%**
TOTAL FINANCIAL INCOME	**193,605**	**198,177**	**278,593**	**43.90%**	**40.58%**
FINANCIAL EXPENSES	**338,937**	**373,378**	**-543,569**	**60.37%**	**45.58%**
- Interests Provisioned, Debentures and Lease	280,966	-322,777	-288,350	2.63%	-10.67%
- Derivative expense	-30,482	-4,512	-183,580	502.26%	3968.57%
- Bank fees, commissions, finance. disc. and other	-27,489	-46,089	-71,639	160.60%	55.44%
EXCHANGE LOSS	**420,437**	**-120,869**	**-580,470**	**38.06%**	**380.25%**
TOTAL FINANCIAL EXPENSES	**-759,374**	**-494,248**	**-1,124,039**	**48.02%**	**127.42%**
NET FINANCIAL RESULT	**-565,769**	**-296,070**	**-845,446**	**49.43%**	**185.56%**

GROSS DEBT AND DEBT PROFILE:
The leverage ratio (net debt/EBITDA) stood at 3.8 times, down from 3.7 times in 2Q12 and 4.4 times in 1Q13.

Leverage Summary:

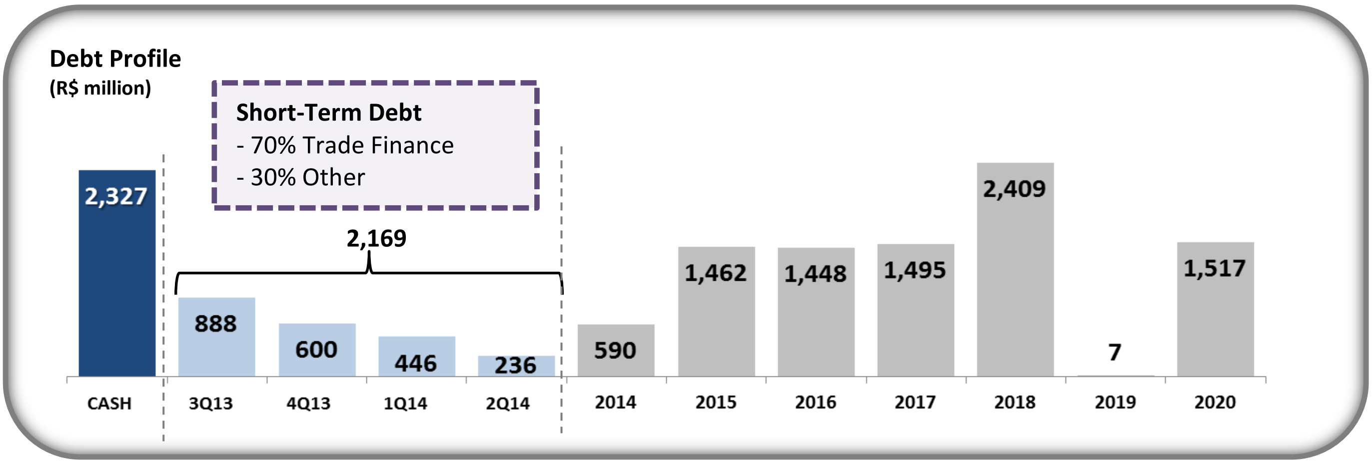
Indebtedness (R$ million)	06/30/2013 Current	06/30/2013 Non-current	06/30/2013 Total	06/30/2012 Current	06/30/2012 Non-current	06/30/2012 Total
Domestic currency (BRL)	943	1,055	1,998	1,314	1,540	2,854
Foreign currency	1,227	7,872	9,099	1,790	7,109	8,899
Consolidated Debt	**2,169**	**8,928**	**11,097**	**3,103**	**8,649**	**11,752**
Cash and equivalents			2,327			3,028
Net debt			**8,770**			**8,724**
LTM EBITDA			2,288			2,337
Net Debt/LTM EBITDA			**3.8x**			**3.7x**

The Corporation's consolidated gross debt stood at R$11,097 million at the end of 2Q13, while net debt stood R$ 8,770 million. Of the total debt, 19.5% matures in the short term and 80.5% in the long term.

Of the total debt, 18.0% was denominated in BRL and 82.0% in other currencies. At the end of 2Q13, the weighted average cost of our consolidated bank debt was 7.82% p.a., compared to 7.76% p.a. at the end of 1Q13.

At the end of the quarter, the Company held R$2.33 billion in cash and investments in continued operations.

The remaining debt to be transferred from the continued operations amounts to approximately R$3 billion and is well balanced between currencies (USD and BRL) and maturities, with approximately 40% Short Term and 60% Long Term.



CASH FLOW:

CASH FLOW (R$ million)	1H13	1H12
Net Income	**(219.5)**	**244.5**
(+) Items not affecting cash	652.9	414.0
(+) Working capital variation	**(501.8)**	**(196.7)**
Trade accounts receivable	(260.6)	223.1
Inventories	(136.6)	243.9
Trade accounts payable	(104.6)	(663.7)
(+) Other Variations in Equity	**(137.8)**	**(450.2)**
Other	213.0	(387.5)
Taxes	(350.8)	(62.7)
1. Operating Cash Flow from Continued Operations	**(206.2)**	**11.6**

CAPITAL EXPENDITURE: Investments in continued operations amounted to R$202.7 million in 2Q13, increasing 26.0% from R$160.5 million in 1Q13. The increase is explained by the investments made at Marfrig Beef Brazil to optimize plants, the investments in Asia to complement the ongoing logistics investments in the JV with COFCO and the expansion of certain lines of ready-to-eat meals and prepared products in Europe at Moy Park.

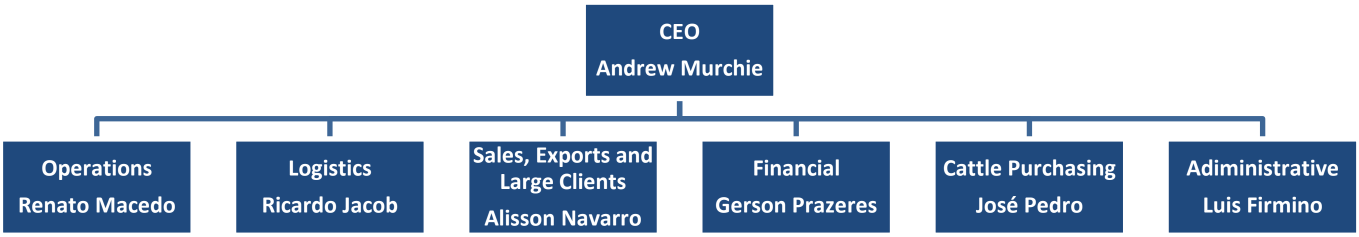
Investing activities (R$ million)	1Q13	2Q13
Investments in fixed assets	**158.6**	**202.3**
Fixed assets	120.3	171.8
Breeding stock	38.3	30.5
Investments in intangible assets	**1.9**	**0.4**
Investments in the period	**160.5**	**202.7**

MARFRIG BEEF SEGMENT

The Marfrig Beef business segment comprises the industrial operations for producing fresh and processed products made from beef and lamb, leather and other manufactured goods for consumption in the domestic and export markets. The Beef segment is divided into the Brazil Operations and the International Operations (Argentina, Uruguay and Chile).

As of September 1, 2013, Marfrig Beef will be structured as follows: **Andrew Murchie** will remain CEO of **Marfrig Beef Brazil,** while **Martín Secco** will become **CEO of Marfrig Beef Southern Cone** (Argentina, Chile, Uruguay and Rio Grande do Sul – Pampeano).

Therefore, as of September 1, 2013, Marfrig Beef Brazil will have the following structure:



Andrew Murchie: has over 20 years of experience in the beef industry, ten of which at the Marfrig Group. Previously he worked at companies such as Anglo Alimentos S.A., BF Alimentos and Grupo Friboi. He currently serves as CEO of Marfrig Beef Brazil, having previously served as Commercial Director of Marfrig Beef Brazil.

Renato Macedo: holds a bachelor’s degree in Veterinary Medicine from the Federal University of Pelotas and a Graduate Degree in Business Administration from the Getúlio Vargas Foundation (FGV). He has 28 years of experience in the animal protein industry and currently serves as Industrial Operations Director of Marfrig Beef Brazil. Previously he served as Operations Director at Marfrig Brazil (2001 to 2006), Operations Director for the Uruguay operations (2006 to 2008) and Operations Director for the Argentina operations (2008 to 2013).

Ricardo Jacob: holds a bachelor’s degree in Food Engineering from the Mauá Engineering School and an MBA in Business Management from the Getúlio Vargas Foundation (FGV). He has vast experience in the food industry, having worked at companies such as Sadia S.A., Buona Itália Alimentos and Tok Take Alimentos. In 2008, he joined the Marfrig Group through Frigorífico Mabella as Process Manager and since 2010 he has served as Supply Chain Director at Seara Brasil.

Alisson Navarro: holds a bachelor’s degree in business administration with a major in Business from Faculdade de Engenharia Industrial (FEI) and an MBA in International Business from the Getúlio Vargas Foundation (FGV) at Santo André. She is responsible for the Export Sales (fresh and processed products) department and for wholesale distribution in the domestic market. Previously she served as general manager at Weston Importers, the unit responsible for absorbing and distributing Marfrig Beef products in the United Kingdom. She joined the Marfrig Group in 2004 and her career is grounded in solid experience gleaned from export, administration, finance and commercial projects.

Gerson Prazeres: holds bachelor's degrees in Business Administration and Accounting from the University of Vale do Itajaí (Univale) and a graduate degree in Production Engineering and Marketing from the same university. He has 28 years of experience in accounting, finance, controllership and taxation at manufacturers of food products (Ceval, Seara and Moy Park-UK) and wall and floor tiles (Portobello S.A.). For 10 years he was a professor in the Business Administration and Accounting programs at Univale.

José Pedro Crespo: holds a bachelor's degree in Zootechny from Pontifical Catholic University of Rio Grande do Sul (PUC-RS) and has served at the company for 2 years, where he is currently Feedlot and Cattle Purchasing Director at Marfrig Beef. He holds 22 years of experience in the food industry, with vast expertise in the agribusiness chain, where he also worked in the export sales area.

Luiz Firmino: holds a bachelor's degree in Accounting Sciences from Moura Lacerda University and concluded a non-degree specialization program in Business Restructuring at Veloza Lawyers. He has served at Marfrig for 3 years. Previously he worked at Anglo Alimentos and JBS group companies in Brazil and Argentina, where he served in various positions in the financial area, including controller and CFO. He is currently Administrative Director and Controller at Marfrig Beef, where he is responsible for managing the division's administrative, planning and controllership departments.

INCOME STATEMENT - MARFRIG BEEF (R$ thousand)	2Q13	2Q12	2Q13 vs. 2Q12
NET OPERATING REVENUE	**1,667.5**	**1,553.8**	**7.3%**
NOR FOOD SERVICE BRAZIL	**370.4**	**303.6**	**22.0%**
NET OPERATING REVENUE - TOTAL	**2,037.9**	**1,857.4**	**9.7%**
(-) COGS	(1,729.3)	(1,455.6)	18.8%
GROSS INCOME	**308.6**	**401.8**	**-23.2%**
(%) GROSS MARGIN	*15.1%*	*21.6%*	*-650 bps*
SG&A	(195.5)	(208.5)	-6.2%
(%) SG&A/NOR	*-9.6%*	*-11.2%*	*160 bps*
OTHER OPERATING INCOME AND EXPENSES	**273.6**	**(102.0)**	**n/a**
SELLING EXPENSES	(127.7)	(122.9)	3.9%
GENERAL AND ADMINISTRATIVE	(67.8)	(85.5)	-20.7%
OTHER	469.1	106.3	341.3%
EBITDA	**614.6**	**331.7**	**85.3%**
(%) EBITDA MARGIN	*30.2%*	*17.9%*	*1230 bps*
ADJUSTED EBITDA (*)	**145.5**	**225.4**	**-35.4%**
(%) ADJUSTED EBITDA MARGIN	*7.1%*	*12.1%*	*-500 bps*

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

Net Operating Revenue: NOR in 2Q13 amounted to R$2.04 billion and grew 9.7% from R$1.86 billion in 2Q12, which basically reflects the solid performance of the operations in Brazil (Food Service, Retail and Export) and which was adversely affected by the operations in Argentina, where we closed temporarily 2 plants in the quarter.

Brazil Operations –

Domestic Market – Sales volume growth of 3.8% in 2Q13 compared to 2Q12, with sales volume growth of 8.0% in Food Service and 3.8% in other markets. In addition to sales volume growth, the average price also increased in the quarter, by 12.9% in Food Service and 15.7% in other markets.

Export Market – Export revenue grew 7.8%, of which 4.6% came from sales volume growth and 3.1% from price increases. The average export price decreased in the period, given the local currency depreciation of approximately 16% between the periods.

International Operations –

Argentina – Two slaughter plants were temporarily closed in the quarter, as announced in the 1Q13 earnings release, which adversely affected the results of this operation. The operations in the country remain challenging, with results not converging to the level of those in Brazil.

Uruguay – Revenue from domestic sales in the quarter compared to 2Q12 grew 35.9% (7.1% from volume and 26.9% from price), while export sales grew 12.2% (6.3% from volume and 5.6% from price). Part of the price impact in Uruguay was due to the depreciation in the BRL against the USD in the period, as mentioned previously.

GROSS INCOME AND GROSS MARGIN: Gross income in 2Q13 was R$308.6 million (gross margin of 15.1%), decreasing 23.2% from R$401.8 million (gross margin of 21.6%) in 2Q12. The decrease in gross margin is explained by: (i) Argentina, which is still subject to price controls in the domestic market, caps on export volumes, high cattle cost and low cattle supply, all of which adversely affected results in the quarter, combined with the temporary closure of 2 plants in the quarter; (ii) Uruguay, which continues to face difficulties related to cattle shortages and high costs; and (iii) the operations in Brazil, which this quarter suffered from irrationality in the market, with the higher slaughter volume in the quarter pressuring prices in both the export and domestic markets.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES: SG&A expenses in 2Q13 corresponded to 9.6% of NOR, compared to 11.2% in 2Q12. The reduction is due to the exposure of the business to Argentina (with the closure of 2 plants, as announced in 1Q13), the optimization of the operations in Brazil through staff reductions and the Corporation's focus on rigorously controlling general and administrative expenses.

EBITDA and EBITDA Margin: In 2Q13, EBITDA grew by 85.3% to R$614.6 million, with EBITDA margin of 30.2%, compared to R$331.7 million and 17.9% margin in 2Q12.

Excluding nonrecurring effects (recorded in other operating income/expenses), EBITDA was R$145.5 million, down 35.4% from R$225.4 million in 2Q12. On the same basis, EBITDA margin was 7.1%, compared to 12.1% in 2Q12.

KEYSTONE FOODS

Keystone Foods - global company focused on producing and developing multi-protein foods to service large global restaurant chains, with operations in Europe and a strong presence in Asia and the United States.

INCOME STATEMENT - KEYSTONE (R$ thousand)	2Q13	2Q12	2Q13 vs. 2Q12
NET OPERATING REVENUE	**1,285.6**	**1,147.4**	12.0%
(-) COGS	(1,208.3)	(1,075.0)	12.4%
GROSS INCOME	**77.3**	**72.4**	6.8%
(%) GROSS MARGIN	*6.0%*	*6.3%*	*-30 bps*
SG&A	(47.1)	(39.8)	18.5%
(%) SG&A/NOR	*(3.7)%*	*(3.5)%*	*-20 bps*
OTHER OPERATING INCOME AND EXPENSES	**(53.9)**	**225.2**	-123.9%
SELLING EXPENSES	(5.7)	(1.3)	331.3%
GENERAL AND ADMINISTRATIVE	(41.4)	(38.5)	7.7%
OTHER	(10.8)	265.0	n/a
EBITDA (*)	**61.3**	**335.6**	-81.7%
(%) EBITDA MARGIN	*4.8%*	*29.2%*	*-2440 bps*
ADJUSTED EBITDA (**)	**72.1**	**70.5**	-2.3%
(%) ADJUSTED EBITDA MARGIN	*5.6%*	*6.1%*	*-50 bps*

(*) 2Q12 EBITDA includes a gain from the sale of discontinued operations
(**) Excludes the effects from other operating income/expenses

Net Operating Revenue:

USA - New processed chicken products introduced in 2Q13 with strong promotional and marketing activity by clients. Revenues increased 14.5%, while volumes fell 18.9% and the average price rose 41.2% (24.1% in local currency) on the change in mix and better prices for trim chicken.

ASIA - Avian influenza (AI) in China had a detrimental effect on results for China economic growth and affected our results as well.

- **SOUTH KOREA** – 2nd chicken production line in South Korea became operational during 2Q13, while demand from clients in South Korea remained strong.
- **JAPAN** - Lower demand for imports due to the avian influenza outbreaks (China and Thailand sell to Japan).
- **THAILAND** - Due to the product mix, the Thailand operations did not operate at full capacity, a situation that should be reversed in 3Q13 given the forecast demand for this JV.
- **AUSTRALIA AND MALAYSIA** - Operations in Australia and Malaysia have increased volumes to supply processed beef products to the Middle East.

Gross Income and Gross Margin: Gross income in 2Q13 amounted to R$77.3 million (gross margin of 6.0%), increasing 6.8% from R$72.4 million (gross margin of 6.3%) in 2Q12.

Selling, General and Administrative Expenses: SG&A expenses in 2Q13 corresponded to 3.7% of NOR, compared to 3.5% in 2Q12, remaining virtually stable between the periods.

EBITDA and EBITDA Margin: In 2Q13, EBITDA was R$61.3 million (margin of 4.8%), decreasing 81.7% from R$335.6 million (margin of 29.2%).

Excluding nonrecurring effects (other operating revenue/expenses, as mentioned above), EBITDA was R$72.1 million in 2Q13, down 2.3% from R$70.5 million in 2Q12 (excluding the effect from the sale of the logistics operations recorded in the period). On the same basis, EBITDA margin was 5.6%, or 50 bps lower than the 6.1% margin posted in 2Q12.

MOY PARK

Moy Park – second largest integrated system in the United Kingdom for the production of prepared food products made from poultry. With a strong presence throughout Europe and in the food service and retail channels, it produces and distributes prepared and processed food products made from chicken, turkey, beef and pork, as well as products made from vegetables and bread, such as hamburgers, vegetarian snacks and donuts.

INCOME STATEMENT – MOY PARK (R$ thousand)	2Q13	2Q12	2Q13 vs. 2Q12
NET OPERATING REVENUE	**1,131.8**	**1,066.7**	6.1%
(-) COGS	(1,025.0)	(978.6)	4.7%
GROSS INCOME	**106.8**	**88.1**	21.3%
(%) GROSS MARGIN	*9.4%*	*8.3%*	*110 bps*
SG&A	(88.3)	(73.9)	19.4%
(%) SG&A/NOR	*(7.8)%*	*(6.9)%*	*-90 bps*
OTHER OPERATING INCOME AND EXPENSES	(90.7)	(85.0)	6.7%
SELLING EXPENSES	(55.7)	(45.0)	23.8%
GENERAL AND ADMINISTRATIVE	(32.6)	(28.9)	12.6%
OTHER	(2.4)	(11.1)	-78.2%
EBITDA	**63.9**	**47.5**	34.6%
(%) EBITDA MARGIN	*5.6%*	*4.5%*	*110 bps*
ADJUSTED EBITDA (*)	**66.3**	**58.6**	13.2%
(%) ADJUSTED EBITDA MARGIN	*5.9%*	*5.5%*	*40 bps*

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

Net Operating Revenue: NOR in 2Q13 was R$1,131.8 billion, increasing 6.1% from R$1,066.7 billion in 2Q12. NOR growth was driven primarily by the good performance of the Agri-Fresh segment, due to the combination of securing new businesses with market growth and the higher fresh poultry prices in the domestic market.

Meanwhile, the Convenience Foods UK division delivered sales in line with a particularly strong 2Q12, driven largely by high demand during the Queen Elizabeth II Jubilee celebrations.

Gross Income and Gross Margin: Gross income in 2Q13 was R$106.8 million (gross margin of 9.4%), increasing 21.3% from R$88.1 million (gross margin of 8.3%) in 2Q12. The combination of higher sales volume and better operating efficiency was sufficient to offset the increase in production costs pressured by higher grain prices compared to 2Q12.

Selling, General and Administrative Expenses (SG&A): SG&A expenses in 2Q13 corresponded to 7.8% of NOR, up from 6.9% in 2Q12. The increase is explained by the higher sales volume and associated increase in freight and marketing expenses in the period.

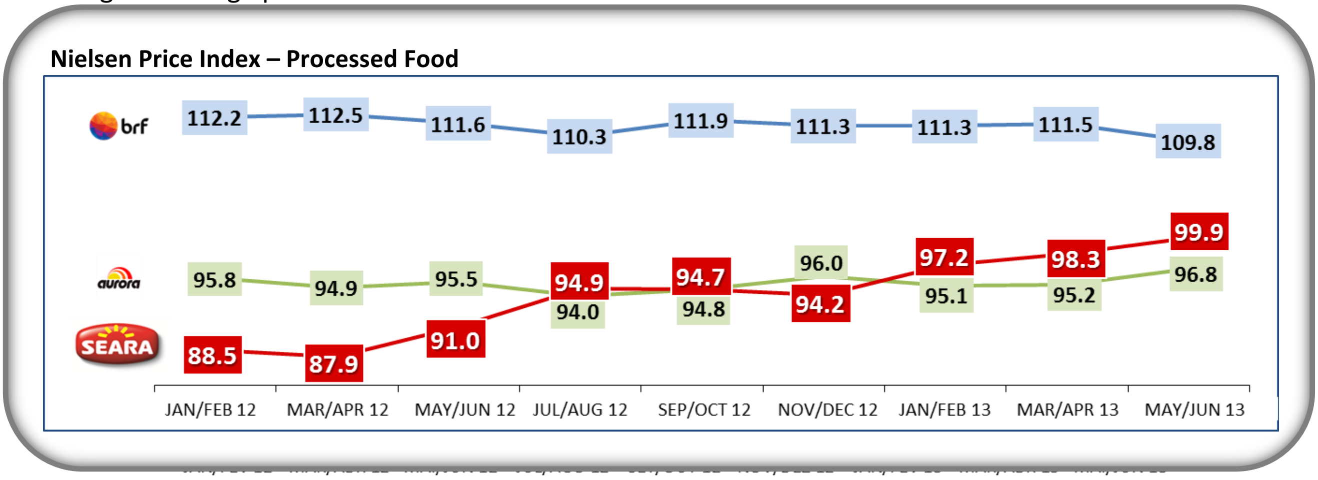
EBITDA and EBITDA Margin: Volume and price increases, operating efficiency gains and better control of expenses supported EBITDA growth in 2Q13 of 34.6% (R$63.9 million and EBITDA margin of 5.6%) in relation to 2Q12 (R$47.5 million and EBITDA margin of 4.5%).

FOLLOW-UP ON THE EVOLUTION OF SEARA BRASIL'S KPIs

The evolution in the 5 KPIs we presented in 1Q13 is presented below:

Price management:

- Seara and Rezende continued to close the gap to industry peers, though this was mainly due to the higher discounts implemented by the competition with the aim of reducing the high level of inventories amassed by the industry in the second quarter.
- At Seara, discounts per kilogram fell slightly from 1Q13, reflecting our efforts to recover margins.
- Our average price also benefited from the continuous migration to small retailers, which have a higher average price.



Channel and product mix management:

1- Processed Products Domestic Market/NOR: improvement in 2Q13.

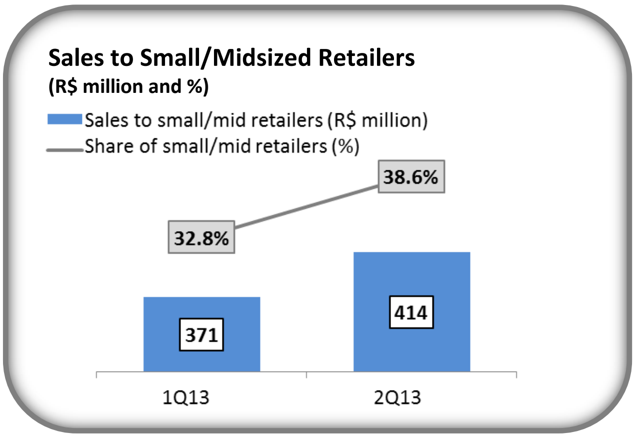
- Higher productivity at the plants ex-BRF;
- Reduction in the inventory of finished products due to the higher productivity of sales teams, which helped improve the sales mix; and
- Good sales of processed/prepared products in June 2013 due to the FIFA Confederations Cup.

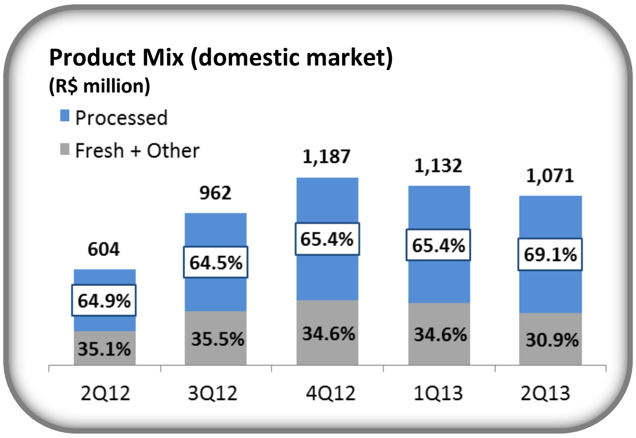
2- % Small Retailer/NOR: continued growth in the channel in 2Q13.

- The improvement in Fill Rate had a particularly significant impact on the network of small-sized clients;
- Sales team productivity (visits per day, sales per client, etc.) supported a better result among small retailers; and
- Demand/consumption at small clients was more resilient than at large chains and wholesalers.

3- <u>% NOR Domestic Market:</u> we did not meet our target, but this was basically due to a temporary and strategic change in course, given the USD/BRL exchange rate in the period, which benefitted exports. Other factors included:

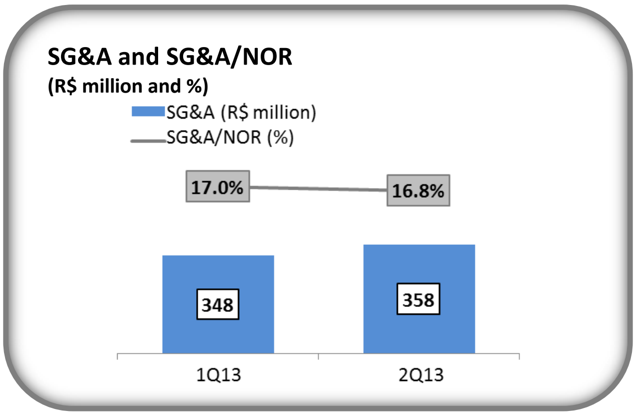
- The fact that the downward price pressure at large retailers in the domestic market resulting from the surplus inventory held by the industry could have compromised our results if we had not rapidly redirected volumes to export markets;
- Improvement in servicing demand from export plants and higher efficiency in export processes allowed us to become more competitive in exports without significantly impacting margins;
- We responded quickly to the favorable exchange rate in the second half of the quarter, already redirecting fresh chicken and pork volumes to export markets.





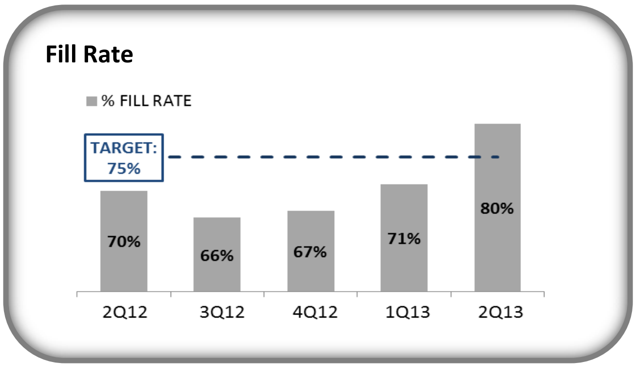
SG&A and SG&A/NOR: although the quarter's final figures are equivalent to those in 1Q13, there were a number of signs of improvement:

- The downward intra-quarter trend in expenses, with June, for example, closing down 16.0%;
- Nonrecurring events related to the restructuring in the quarter that are not likely to repeat in 3Q13, as well as one-off marketing expenses with the FIFA Confederations Cup;
- Steeper reductions are expected following approval by Brazil's antitrust agency CADE and the conclusion of the deal with JBS.



Improved Logistics: we delivered the promised target, with room for further improvement:

- The average fill rate in 2Q13 was 80%, despite the ongoing transition to the Anhanguera Distribution Center;
- More than half of the DCs already have a fill rate above 80%, with three DCs above 90%; and
- The positive trends that are continuing into July with even better numbers, particularly at Anhanguera.



EARNINGS CONFERENCE CALL:

Date: August 8, 2013

In Portuguese:
9:30 a.m. (Brasilia) / 8:30 a.m. (US EDT) / 12:30 p.m. (GMT)
Dial-in: +55 (11) 4688-6361 / 2104-8901
Access code: Marfrig

In English:
11:30 a.m. (Brasilia) / 10:30 a.m. (US EDT) / 02:30 p.m. (GMT)
Dial-in (Brazil): +55 (11) 4688-6361 / 2104-8901
Dial-in (other countries): +1 (786) 924-6977
Access code: Marfrig

Live audio webcast with slide presentation.
Replay available for download on our website: www.marfrig.com.br/ri

About Marfrig

Marfrig is a Brazilian multinational corporation with operations in the food and food service industries in Brazil and another 17 countries. It is engaged in the production, processing, marketing and distribution of food made from animal proteins (beef, pork, lamb, poultry and processed products) and in the distribution of other food products (frozen foods, cold cuts and sausages, fish, ready-to-eat meals, pastas, confectionary, margarines) and of semi-finished or finished leather products.

About this document

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Consolidated Income Statement (R$ million)	2Q13	2Q12	2Q13 vs. 2Q12
NET OPERATING REVENUE	**4,455.3**	**4,071.5**	**9.4%**
Cost of goods sold	(3,962.6)	(3,509.3)	12.9%
GROSS INCOME	**492.7**	**562.3**	**-12.4%**
% Gross Margin	*11.1%*	*13.8%*	*-280 bps*
SG&A	***(330.9)***	***(322.2)***	***2.7%***
% of Net revenue	*-7.4%*	*-7.9%*	*50 bps*
OPERATING INCOME (EXPENSES)	**124.9**	**38.1**	**227.6%**
Selling expenses	(189.1)	(169.3)	11.7%
General and administrative expenses	(141.8)	(152.9)	-7.3%
Equity In Earnings (Losses) of Subsidiaries	(4.1)	(1.2)	247.4%
Other operating income (expenses)	459.9	361.5	27.2%
OPERATING INCOME (LOSS) before financial result	**617.6**	**600.4**	**2.9%**
% Operating Margin	*13.9%*	*14.7%*	*-80 bps*
FINANCIAL RESULT	**(845.4)**	**(565.8)**	**49.4%**
Financial income	130.6	116.1	12.5%
Exchange gain	(548.6)	(338.9)	61.9%
Financial expenses	153.0	77.5	97.4%
Exchange Loss	(580.5)	(420.4)	38.1%
OPERATING RESULT	**(227.9)**	**34.6**	**-758.2%**
Provision for Income and Social Contribution taxes	70.6	141.1	**-49.9%**
Income tax	52.2	107.7	-51.5%
Social contribution tax	18.4	33.4	-44.7%
Non-controlling Interest	(2.7)	(3.5)	-23.2%
NET INCOME (LOSS)	**(159.9)**	**172.2**	**n/a**
# Shares (million)	520.7	347.0	-184.9%
EARNINGS PER SHARE - R$	(0.31)	0.50	-161.9%
EBITDA	**739.7**	**714.8**	**3.4%**
EBITDA Margin	16.6%	17.6%	-100 bps
Adjusted EBITDA	**283.6**	**354.5**	**-20.0%**
EBITDA Margin	**6.4%**	**8.7%**	**-230 bps**

	06/30/13	12/31/12		06/30/13	12/31/12
Current assets			**Current liabilities**		
Cash and cash equivalents	727,952	919,908	Trade accounts payable	1,549,234	2,580,227
Marketable securities	1,597,907	2,258,286	Accrued payroll and related charges	329,943	506,969
Trade accounts receivable - domestic	1,026,695	1,391,752	Taxes payable	104,062	187,503
Trade accounts receivable - foreign	579,996	401,563	Loans and financing	1,791,014	3,359,130
Inventories of goods and merchandise	1,945,589	2,703,732	Notes payable	656,114	352,852
Biological assets	423,412	943,832	Lease payable	37,005	38,805
Recoverable taxes	1,035,803	1,240,457	Debentures payable	199,400	199,400
Prepaid expenses	80,507	91,475	Interest on debentures	178,949	144,445
Notes receivable	161,124	77,372	Advances from customers	83,086	90,553
Advances to suppliers	54,429	51,196	Liabilities held for sale	4,587,914	-
Assets held for sale	8,511,909	-	Other payables	130,197	227,436
Other receivables	71,226	155,079			
Total current assets	**16,216,549**	**10,234,652**	**Total current liabilities**	**9,646,918**	**7,687,320**
Non-current assets			**Non-current liabilities**		
Marketable securities	786	886	Loans and financing	8,729,470	8,282,268
Court deposits	52,163	44,366	Taxes payable	81,904	252,737
Notes receivable	58,829	53,704	Deferred income and social contribution taxes	595,712	1,474,660
Deferred income and social contribution taxes	1,340,409	1,851,747	Provisions for contingencies	16,333	237,889
Recoverable taxes	961,864	1,232,640	Lease payable	96,042	107,523
Other receivables	32,944	77,807	Debentures payable	197,983	396,676
	2,446,995	**3,261,150**	Notes payable	185,315	208,492
			Mandatory deed convertible into shares	2,120,920	2,470,920
Investments	55,243	11,107	Other	113,047	165,877
Property, plant and equipment	4,438,612	7,757,259	**Total non-current liabilities**	**12,136,726**	**13,597,042**
Biological assets	99,675	253,361			
Intangible assets	2,628,637	4,071,925	**SHAREHOLDERS' EQUITY**		
	7,222,167	**12,093,652**	Share Capital	5,276,678	4,926,678
			(-) Share issue expenses	(108,210)	(108,210)
Total non-current assets	**9,669,162**	**15,354,802**	Capital reserve	184,800	184,800
			Issue of common shares	184,800	184,800
			Profit reserves	34,994	33,604
			Legal reserve	44,476	44,476
			Retained earnings	7,348	7,348
			Treasury Stock	(5,140)	(6,530)
			Treasury shares canceled	(11,690)	(11,690)
			Other comprehensive income	284,019	514,371
			Asset valuation adjustment	(317,835)	(168,805)
			Cumulative translation adjustment	601,854	683,176
			Amounts related to assets held for sale	185,631	-
			Accumulated losses	(1,868,223)	(1,395,005)
			Controlling shareholders' equity	3,989,689	4,156,238
			Non-controlling interest	112,378	148,854
			Total shareholders' equity	**4,102,067**	**4,305,092**
Total assets	**25,885,711**	**25,589,454**	**Total liabilities and shareholders' equity**	**25,885,711**	**25,589,454**

CONSOLIDATED CASH FLOW

CASH FLOW (R$ million)	1H13	1H12
Net Income	**(219.5)**	**244.5**
(+) Items not affecting cash	652.9	414.0
(+) Working capital variation	**(501.8)**	**(196.7)**
Trade accounts receivable	(260.6)	223.1
Inventories	(136.6)	243.9
Trade accounts payable	(104.6)	(663.7)
(+) Other Variations in Equity	**(137.8)**	**(450.2)**
Other	213.0	(387.5)
Taxes	(350.8)	(62.7)
1. Operating Cash Flow	**(206.2)**	**11.6**

REVENUE BREAKDOWN (R$ MILLION)	2Q13	2Q12	2Q13 vs. 2Q12
MARFRIG BEEF	***2,037.9***	***1,857.5***	***9.7%***
MARFRIG BEEF - BRAZIL	***1,488.5***	***1,290.3***	***15.4%***
Domestic Market	***953.4***	***793.9***	***20.1%***
Fresh Meat	*494.8*	*436.4*	*13.4%*
Processed Products	*276.3*	*198.5*	*39.2%*
Lamb, Leather and Other	*182.3*	*159.0*	*14.7%*
Exports	***535.1***	***496.4***	***7.8%***
Fresh Meat	*342.7*	*354.7*	*-3.4%*
Processed Products	*105.3*	*79.2*	*33.1%*
Lamb, Leather and Other	*87.1*	*62.6*	*39.1%*
MARFRIG BEEF - INTERNATIONAL OPERATIONS	***549.4***	***567.2***	***-3.1%***
Domestic Market	***302.8***	***326.1***	***-7.1%***
Fresh Meat	*221.6*	*154.3*	*43.6%*
Processed Products	*19.5*	*116.4*	*-83.2%*
Lamb, Leather and Other	*61.7*	*55.4*	*11.4%*
Exports	***246.6***	***241.1***	***2.3%***
Fresh Meat	*215.8*	*209.7*	*2.9%*
Processed Products	*3.4*	*9.1*	*-63.0%*
Lamb, Leather and Other	*27.5*	*22.3*	***23.0%***
KEYSTONE FOODS	***1,285.6***	***1,147.4***	***12.0%***
Processed Products	*1,285.6*	*1,147.4*	*12.0%*
MOY PARK	***1,131.8***	***1,066.7***	***6.1%***
Domestic Market	***982.9***	***929.1***	***5.8%***
Fresh Meat	*427.4*	*357.5*	*19.6%*
Processed Products	*468.4*	*490.4*	*-4.5%*
Other	*87.1*	*81.3*	*7.1%*
Exports	***148.9***	***137.6***	***8.2%***
Fresh Meat	*36.6*	*32.4*	*13.0%*
Processed Products	*112.2*	*105.2*	*6.7%*
Other	*0.0*	*0.0*	*n/a*
TOTAL MARFRIG BEEF	***2,037.9***	***1,857.5***	***9.7%***
Fresh Meat	*1,274.8*	*1,155.0*	*10.4%*
Processed Products	*404.5*	*403.1*	*0.3%*
Other	*358.6*	*299.4*	*19.8%*
TOTAL KEYSTONE FOODS	***1,285.6***	***1,147.4***	***12.0%***
Fresh Meat			*n/a*
Processed Products	*1,285.6*	*1,147.4*	*12.0%*
Other			*n/a*
TOTAL MOY PARK	***1,131.8***	***1,066.7***	***6.1%***
Fresh Meat	*464.1*	*389.9*	*19.0%*
Processed Products	*580.6*	*595.5*	*-2.5%*
Other	*87.1*	*81.3*	*7.1%*
TOTAL CONSOLIDATED MARFRIG	***4,455.3***	***4,071.5***	***9.4%***
Fresh Meat	*1,738.9*	*1,544.9*	*12.6%*
Processed Products	*2,270.7*	*2,146.1*	*5.8%*
Other	*445.6*	*380.6*	*17.1%*

VOLUME BREAKDOWN (TONS)	2Q13	2Q12	2Q13 vs. 2Q12
MARFRIG BEEF	**316.4**	**312.3**	**1.3%**
MARFRIG BEEF - BRAZIL	**229.2**	**220.4**	**4.0%**
Domestic Market	**174.8**	**168.4**	**3.8%**
Fresh Meat	59.5	55.8	6.7%
Processed Products	21.1	15.4	37.5%
Lamb, Leather and Other	94.2	97.2	-3.2%
Exports	**54.4**	**52.0**	**4.6%**
Fresh Meat	35.0	35.6	-1.7%
Processed Products	8.1	6.6	22.5%
Lamb, Leather and Other	11.3	9.8	15.3%
MARFRIG BEEF - INTERNATIONAL OPERATIONS	**87.3**	**91.9**	**-5.1%**
Domestic Market	**62.4**	**67.7**	**-7.8%**
Fresh Meat	25.7	24.5	4.9%
Processed Products	2.3	10.8	-78.2%
Lamb, Leather and Other	34.4	32.5	6.0%
Exports	**24.8**	**24.2**	**2.5%**
Fresh Meat	18.9	18.9	0.1%
Processed Products	0.1	0.7	-80.5%
Lamb, Leather and Other	5.8	4.6	25.1%
KEYSTONE FOODS	**202.3**	**233.9**	**-13.5%**
Processed Products	202.3	233.9	-13.5%
MOY PARK	**160.1**	**160.9**	**-0.5%**
Domestic Market	**131.0**	**128.8**	**1.7%**
Fresh Meat	40.2	36.6	9.9%
Processed Products	38.6	41.1	-6.0%
Other	52.2	51.1	2.0%
Exports	**29.1**	**32.1**	**-9.4%**
Fresh Meat	5.6	5.5	1.8%
Processed Products	23.5	26.6	-11.6%
Other	0.0	0.0	n/a
TOTAL MARFRIG BEEF	**316.4**	**312.3**	**1.3%**
Fresh Meat	139.1	134.7	3.2%
Processed Products	31.7	33.5	-5.2%
Other	145.7	144.1	1.1%
TOTAL KEYSTONE FOODS	**202.3**	**233.9**	**-13.5%**
Fresh Meat			n/a
Processed Products	202.3	233.9	-13.5%
Other			n/a
TOTAL MOY PARK	**160.1**	**160.9**	**-0.5%**
Fresh Meat	45.8	42.0	8.9%
Processed Products	62.2	67.7	-8.2%
Other	52.2	51.1	2.0%
TOTAL CONSOLIDATED MARFRIG	**678.8**	**707.0**	**-4.0%**
Fresh Meat	184.8	176.7	4.6%
Processed Products	296.2	335.0	-11.6%
Other	197.8	195.3	1.3%

BREAKDOWN OF AVERAGE PRICE (R$)	2Q13	2Q12	2Q13 vs. 2Q12
MARFRIG BEEF	***6.44***	***5.95***	***8.3%***
MARFRIG BEEF - BRAZIL	***6.50***	***5.85***	***10.9%***
Domestic Market	***5.45***	***4.71***	***15.7%***
Fresh Meat	*8.31*	*7.82*	*6.3%*
Processed Products	*13.09*	*12.93*	*1.3%*
Lamb, Leather and Other	*1.94*	*1.64*	*18.4%*
Exports	***9.84***	***9.55***	***3.1%***
Fresh Meat	*9.80*	*9.97*	*-1.7%*
Processed Products	*12.95*	*11.93*	*8.6%*
Lamb, Leather and Other	*7.70*	*6.38*	*20.7%*
MARFRIG BEEF - INTERNATIONAL OPERATIONS	***6.30***	***6.17***	***2.0%***
Domestic Market	***4.85***	***4.82***	***0.7%***
Fresh Meat	*8.63*	*6.30*	*36.9%*
Processed Products	*8.34*	*10.82*	*-23.0%*
Lamb, Leather and Other	*1.79*	*1.71*	*5.1%*
Exports	***9.94***	***9.96***	***-0.2%***
Fresh Meat	*11.41*	*11.10*	*2.8%*
Processed Products	*24.11*	*12.71*	*89.7%*
Lamb, Leather and Other	*4.76*	*4.85*	***-1.7%***
KEYSTONE FOODS	***6.35***	***4.91***	***29.5%***
Processed Products	*6.35*	*4.91*	*29.5%*
MOY PARK	***7.07***	***6.63***	***6.6%***
Domestic Market	***7.50***	***7.22***	***4.0%***
Fresh Meat	*10.64*	*9.78*	*8.8%*
Processed Products	*12.13*	*11.94*	*1.6%*
Other	*1.67*	*1.59*	*5.0%*
Exports	***5.11***	***4.28***	***19.4%***
Fresh Meat	*6.58*	*5.92*	*11.1%*
Processed Products	*4.77*	*3.95*	*20.8%*
Other	*n/a*	*n/a*	*n/a*
TOTAL MARFRIG BEEF	***6.44***	***5.95***	***8.3%***
Fresh Meat	*9.17*	*8.57*	*6.9%*
Processed Products	*12.75*	*12.05*	*5.9%*
Other	*2.46*	*2.08*	*18.5%*
TOTAL KEYSTONE FOODS	***6.35***	***4.91***	***29.5%***
Fresh Meat	*n/a*	*n/a*	*n/a*
Processed Products	*6.35*	*4.91*	*29.5%*
Other	*n/a*	*n/a*	*n/a*
TOTAL MOY PARK	***7.07***	***6.63***	***6.6%***
Fresh Meat	*10.14*	*9.28*	*9.3%*
Processed Products	*9.34*	*8.79*	*6.2%*
Other	*1.67*	*1.59*	*5.0%*
TOTAL CONSOLIDATED MARFRIG	***6.56***	***5.76***	***14.0%***
Fresh Meat	*9.41*	*8.74*	*7.6%*
Processed Products	*7.67*	*6.41*	*19.7%*
Other	*2.25*	*1.95*	*15.6%*

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