MANAGEMENT REPORT

THIRD QUARTER RESULTS 2019

Market Capitalization
R$29.2bi – US$7.1 bi
Stock Prices
BRFS3 R$35.96 – BRFS US$8.72
Base: 07/11/2019

Shares outstanding:
812,473,246 ordinary shares
713,446 treasury shares
Base: 09/30/2019
Conference Call
Friday, 11/08/2019
10:00 a.m. BRT
8:00 a.m. EDT

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São Paulo, November 8, 2019 – BRF S.A. (B3: BRFS3; NYSE:BRF) – "BRF" or "the Company" today announced its 2019 third-quarter (3Q19) results. This report includes results recorded in Brazilian reais, which are reported in accordance with Brazilian corporate and accounting practices and in compliance with the International Financial Reporting Standards (IFRS), and are compared to the same period in 2018 where indicated. The report also reflects the adoption of IFRS16, which altered the accounting treatment for leasing. Additionally, the Company opted for a modified retrospective approach without reinstatement of comparative periods.

OPERATING HIGHLIGHTS (Continuing Operations)

• CONSOLIDATED

- **Net revenue of R$8,459 million in 3Q19** (+8.4% y-o-y);
- **Adjusted EBITDA of R$1,609 million in 3Q19** (+178.1% y-o-y); includes a net gain of R$467 million relating to tax proceedings; excluding said gain, Adjusted EBITDA would total R$1,142 million;
- **Adjusted EBITDA Margin of 19.0% in 3Q19** (+11.6 p.p. y-o-y); excluding net gain from tax proceedings, Adjusted EBITDA margin would be 13.5%;
- **Net Income of R$445.6 million in 3Q19** in continuing operations and total corporate net income of R$304.4 million in 3Q19 versus a net loss of R$812.4 million in 3Q18.

• BRAZIL SEGMENT

- **Net revenue of R$4,382 million in 3Q19** (+6.3% y-o-y);
- **Adjusted EBITDA of R$1,008 million in 3Q19** (+153.1% y-o-y); excluding net gain from tax proceedings, Adjusted EBITDA would total R$541 million;
- **Adjusted EBITDA Margin of 23.0% in 3Q19** (+13.3 p.p. y-o-y); excluding net gain from tax proceedings, Adjusted EBITDA margin would be 12.3%;

• INTERNATIONAL SEGMENT

- **Net revenue of R$3,796 million in 3Q19** (+10.6% y-o-y);
- **Adjusted EBITDA of R$678 million in 3Q19** (+193.7% y-o-y);
- **Adjusted EBITDA Margin of 17.9% in 3Q19** (+11.1 p.p. y-o-y).

FINANCIAL HIGHLIGHTS

- **Operating cash generation of R$1,364 million in 3Q19;**
- **Net leverage (net debt/Adjusted EBITDA) of 2.90x in 3Q19;**
- **Cash position of approximately R$7.7 billion at the end of 3Q19;**
- **Financial cycle of 18.1 days at the end of 3Q19**, down 10.1 days vs. 3Q18.

Disclaimer

The statements included in this report concerning the Company's prospective business, projections, and potential growth are merely forecasts based on management's expectations with regards to the future of the Company. These expectations are highly dependent on market changes and the general economic performance of the country, the industry, and the international markets, and are therefore subject to change.

MESSAGE FROM MANAGEMENT

Dear shareholders,

Our results for the third quarter of 2019 (3Q19) once again attest to the ongoing recovery, consolidation, and evolution of our business fundamentals. We reported an adjusted EBITDA of R$1,609 million and an adjusted EBITDA margin of 19%. Because a final decision was made in favor of the Company, we recorded R$467 million in tax gains related to the exclusion of ICMS tax from the PIS/COFINS calculation basis. Even excluding these gains, the adjusted EBITDA in 3Q19 would have amounted to R$1,142 million, almost twice the amount recorded in 3Q18, with an adjusted EBITDA margin of approximately 14%. Apart from the effects of the African swine fever in Asia, this result reflects the success of the Strategic Plan we announced last year to increase the profitability of our Brazil segment and focus more heavily on the international market's most profitable countries and channels. As the balance between supply and demand for protein continues to improve, average sales prices continue to grow over the year-ago period, resulting in higher operating margins.

Volumes in our Brazil segment increased 8% when compared to the second quarter of 2019 (2Q19), virtually reaching the same level of last year. Even considering a slight deceleration in domestic prices for *in natura* chicken by approximately 4% q-o-q[1], we managed to keep average sales prices stable compared to the previous quarter. Note that the *in natura* market accounts for approximately 30% of the volume sold in the domestic market, of which chicken represents 80%. With a 35% increase in the adjusted EBITDA ex-ICMS and a +12% margin in the products categories, our efforts to restore profitability in the segment by sharpening our sales strategy and strengthening our brands were successful.

After peak seasonal demand during Ramadan in the second quarter, we maintained our strong leadership position despite a slight decrease in volumes and margins compared to the previous quarter. Volumes were similar when compared to the year-ago quarter, which combined with the higher exchange rate helped us achieve an adjusted EBITDA margin of nearly 14%.

We also took action to strengthen our operations and presence in the Saudi market. We just announced to the market that we have signed a memorandum of understanding with the Saudi Arabian Government Investment Authority (SAGIA) for the construction of a chicken processing plant in Saudi Arabia. This initiative consolidates BRF's position in the Saudi market, where we have operated since the mid-1970s through our highly successful Sadia brand, a leader in the food sector in several categories. The new plant's portfolio will feature high-value products, such as breaded and marinated chicken cuts, hamburgers, and sausages among others.

In Other International Markets, particularly Asia, our volume sold was approximately 5% higher than in the same quarter of last year, remaining flat against 2Q19. Announcements of new plant permits for the Chinese market were made at the end of September, with no significant impact on 3Q19 results. Still, average sales prices grew significantly, by 32% y-o-y and 7% q-o-q, bolstering the adjusted EBITDA margin to 23% in this segment.

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[1] CEPEA/ESALQ index for whole frozen chicken in the state of São Paulo. Average of R$4.74/kg in 2Q19 to R$4.56/kg in 3Q19, respectively.

As for China, we continue to monitor the negative effects of African swine fever in Asia. Recent data[2] points to considerable annual decreases in pork stock, sow herds, and piglet supply in the country. These reductions in animal availability have caused prices of live hogs, sow herds, and Chinese piglets to fluctuate sharply. Without question, this is the worst crisis in the history of pig farming. We have been working tirelessly with Brazilian and Chinese authorities to acquire permits for new plants. As previously mentioned, in September 2019, the Chinese authorities announced the approval of permits for 25 Brazilian plants to export to that market, two of which are owned by BRF: one for swine and one for poultry. This brings us to a total of 9 plants licensed to serve China: 2 for pork and 7 for poultry. In November, the Chinese government issued permits for 7 plants to export Offals. The permits were designed for facilities located in Santa Catarina state which were previously licensed to export some kind of pork. One of these plants is BRF's Campos Novos plant. The Company remains committed to increasing the number of approved establishments and volumes shipped to the country.

The following chart shows a summary of the evolution of our operating and financial results:

Continued Op. - R$MM	**1Q18**	**2Q18**	**3Q18**	**4Q18**	**1Q19**	**2Q19**	**3Q19**
Volume (Thousand Tons)	1,085	1,083	1,120	1,153	1,006	1,090	1,104
Net Revenues	**7,031**	**7,067**	**7,802**	**8,289**	**7,359**	**8,338**	**8,459**
Gross Margin	*19.6%*	*8.4%*	*17.0%*	*18.9%*	*20.6%*	*25.1%*	*24.8%*
Adjusted EBITDA	**685**	**356**	**579**	**843**	**748**	**1,547**	**1,609**
EBITDA Adjusted Margin (%)	*9.7%*	*5.0%*	*7.4%*	*10.2%*	*10.2%*	*18.6%*	*19.0%*
Adjusted EBITDA ex-ICMS	**685**	**356**	**579**	**617**	**748**	**1,219**	**1,142**
EBITDA Adjusted Margin ex-ICMS (%)	*9.7%*	*5.0%*	*7.4%*	*7.4%*	*10.2%*	*14.6%*	*13.5%*
Net Results	**(133)**	**(1,435)**	**(860)**	**313**	**(113)**	**191**	**446**
Net Debt/Adj.EBITDA LTM	*4,44x*	*5,69x*	*6,74x*	*5,12x*	*5,64x*	*3,74x*	*2,90x*

* As per adjustments released in each of the quarters.

The adjusted EBITDA increase is also due to operational adjustments in our production chain, management optimization of our frozen raw material inventories, divestments in underperforming regions, and sales operations focused on restoring profitability. These factors, coupled with ongoing improvement efforts during the financial cycle, led to a decrease in net debt compared to the second quarter of 2019, despite the effects of the USD appreciation from R$3.83/US$ in June to R$4.16/US$ in September 2019.

Also worth mentioning is our successful liability management in September whereby we (i) redeemed and repurchased approximately US$675 million in bonds maturing between 2020 and 2024; (ii) issued new bonds in the amount of US$750 million that will mature in 10 years; (iii) negotiated the extension of approximately R$1.6 billion in financing facilities with Banco Bradesco, with average terms between 2.7 years and 6.5 years; and (iv) made a prepayment of approximately R$700 million to Banco Santander. Note the significant demand resulting from the Company's new issuance of bonds, reaching approximately 7.5 times the offer. It is worth mentioning the significant demand for our new bond issue, of roughly 7.5x the offer, reflecting investor confidence in our business fundamentals and our strong recent performance. As a result, we extended the average term of our debt from 3.2 years in June to 4.4 years in September 2019, adjusting our debt profile to our business structure and further mitigating refinancing risks. In terms of liquidity, we ended 3Q19 with a cash position of approximately R$7.7 billion.

The combination of the adjusted EBITDA increase in the last 12 months and debt restructuring had a direct impact on our net financial leverage, as measured by the net debt to adjusted EBITDA ratio, which ended 3Q19 at 2.90x, a significant reduction compared to the 6.74 times reported a year ago. Even excluding the positive effects of IFRS16 adoption on the adjusted EBITDA for the last 12 months, our net financial leverage would have reached 3.21x.

Regarding the grain scenario, we have been following the recent developments in the U.S.-China trade negotiations and their impacts on commodity markets. Each new fact in this negotiation impacts market prices, bringing volatility and uncertainty regarding price direction. We also saw weather events harming the U.S. corn crop. In Brazil, the

[2] China's Ministry of Agriculture, Boyar consulting firm, and Bloomberg - Sep 2019

2018/19 harvest presented strong yields and high harvested volume, according to October data from Brazil's National Food Supply Company (CONAB), reaching an all-time record for the Brazilian corn crop, favoring physical supply of the product. However, recent trade tensions coupled with depreciated exchange rates favored the Brazilian corn export market, pressuring domestic prices. We also faced non-recurring weather events in Brazil that delayed the sowing of the soybean crop, which might shift the ideal period for planting the corn crop to be harvested in the second half of 2020, adding slight volatility to the pricing process. The Company will maintain its conservative approach, focusing on the sustainability of future demand for commodities and using its hedge policy as an instrument to adequately guarantee physical supply of grains for its activities with no speculative purposes. Still, recent indexes for the theoretical cost of chicken and pork production[3] show annual declines of about 2% and 5%, respectively.

With regard to innovation, we continue to focus on the development and launch of new products as one of our main drivers of volume and profitability. In this quarter, we launched 4 new cuts of seasoned pork ready for cooking, under Perdigão's "Na Brasa" line. We continue to invest in our brands, increasing exposure and working on brand positioning and recognition. According to Brand Finance, an international business valuation consulting firm, Sadia was considered the most valuable Brazilian brand in the food sector, and our brands Sadia, Qualy, and Deline once again stood out in the Top of Mind award in several categories.

As for our people, in the last few months, we have held several multidisciplinary forums with both our leadership and other levels of our corporate structure, giving an opportunity for everyone to contribute to building the BRF Essence. We are positive that the elements that make up the BRF Essence will help strengthen our culture and build a high-performing organization.

We remain confident in BRF's development. We would like to thank our employees, integrated partners, and suppliers, whose commitment, energy, and dedication enable us to achieve excellent results. We would also like to thank our customers, consumers, and shareholders for their interest, support, and trust in our organization. Our commitment to safety, quality, and integrity is what drives BRF as we work to consolidate our fundamentals and generate sustainable growth and higher profitability for our business.

Lorival Nogueira Luz Jr.
Global CEO

[3] Brazil's Poultry and Swine Intelligence Center (EMBRAPA): ICPFrango/Embrapa and ICPSuíno/Embrapa - Sep 2019.

HIGHLIGHTS

Key Financial Indicators

The Company notes that it adopted CPC 06 (R2) / **IFRS16** as of 01/01/19, which had an impact of **R$141 million on the 3Q19 EBITDA**. The IFRS16 accounting standard changes the treatment of leasing, and the Company opted for a modified retrospective approach without reinstatement of comparative periods. Further details can be found in Note 3.1 of the Interim Financial Information (ITR).

Exclusion of ICMS (State VAT) from the calculation basis of PIS/COFINS (Federal Revenue Taxes): During 3Q19, the Company recorded gains, totaling R$467 million under Other Operating Income and R$515 million under Other Financial Income. These gains mainly resulted from a favorable court ruling on a lawsuit filed by Sadia S.A., which recognized the right to exclude ICMS from the calculation basis of PIS/COFINS, as detailed in Note 11 of the Interim Financial Information (ITR).

Highlights	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Volume (Thousand Tons)	1,104	1,120	(1.4%)	1,090	1.28%
Net Revenues	**8,459**	**7,802**	**8.4%**	**8,338**	**1.5%**
Average Price (R$/kg)	7.66	6.97	10.0%	7.65	0.2%
COGS	(6,364)	(6,478)	(1.8%)	(6,246)	1.9%
Gross Profit	**2,096**	**1,324**	**58.3%**	**2,092**	**0.2%**
Gross Margin	*24.8%*	*17.0%*	*7.8 p.p.*	*25.1%*	*(0.3) p.p.*
Net (Loss) Income Continued Operations	**446**	**(860)**	**n.m.**	**191**	**133.3%**
Net Margin - Continued Op. (%)	*5.3%*	*(11.0%)*	*16.3 p.p.*	*2.3%*	*3.0 p.p.*
Net (Loss) Income Total Consolidated	**304**	**(812)**	**n.m.**	**325**	**(6.3%)**
Net Margin - Total Consolidated (%)	*3.6%*	*(9.3%)*	*12.9 p.p.*	*3.7%*	*(0.1) p.p.*
Adjusted EBITDA	**1,609**	**579**	**178.1%**	**1,547**	**4.0%**
EBITDA Adjusted Margin (%)	*19.0%*	*7.4%*	*11.6 p.p.*	*18.6%*	*0.5 p.p.*
Adjusted EBITDA ex-ICMS	**1,142**	**579**	**97.4%**	**1,219**	**(6.3%)**
EBITDA Adjusted Margin ex-ICMS (%)	*13.5%*	*7.4%*	*6.1 p.p.*	*14.6%*	*(1.1) p.p.*
Cash Generation (Consumption)	**1,364**	**(318)**	**n.m.**	**1,373**	**(0.6%)**
Net Debt	(13,785)	(16,323)	(15.5%)	(13,900)	(0.8%)
Leverage (Net Debt/Adj.EBITDA LTM)	**2.90**	**6.74**	**(57.0%)**	**3.74**	**(22.5%)**

Quarter Highlights and Subsequent Events

- US$750 million Senior Notes to mature in January 2030 were issued, remunerated at 4.875% p.a., and interest rates will be paid half-yearly as of January 2020. The proceeds raised with this issue were used to partially repay debts from the 5.875% Senior Notes to mature in 2022, the 2.750% Senior Notes to mature in 2022, the 3.95% Senior Notes to mature in 2023, and the 4.75% Senior Notes to mature in 2024. In addition, the Company fully redeemed in advance the bonds to mature in 2020, with 7.250% interest rates for the total amount of approximately US$86.1 million.

- The lines of credit with Banco Bradesco at approximately R$1.6 billion were refinanced, aiming at lengthening the average term of these lines of credit from 2.7 years to 6.5 years. In addition, the Company partially prepaid lines of rural credit with Banco Santander, totaling R$700 million, to mature in early 2020.

- Two plants (poultry and swine) were licensed to export to the Chinese market, both located in Lucas do Rio Verde in the state of Mato Grosso. These plants have a daily slaughter capacity of approximately 300,000 poultries and 5,000 swine. Additionally, the Campos Novos plant, which was already qualified for pork meat exports, was also authorized to export pork offals to the country.

- Memorandum of Understanding (MOU) signed with the Saudi Arabian General Investment Authority (SAGIA) contemplating the construction and operation of a chicken product processing unit in Saudi Arabia. The Company estimates the investment's value at approximately US$ 120 million.
- Mr. Carlos Alberto Bezerra de Moura was nominated as Chief Financial and Investor Relations Officer.
- 100% shares held by BRF in SATS BRF, company responsible for food processing and distribution in Singapore, were sold for SG$17 million (Singapore dollar), or roughly R$51 million.
- Focusing on innovation as one of the key drivers of volume growth and profitability, Perdigão expanded its "Na Brasa" line of products, introducing four new marinated pork cuts for grilling.
- Brand Finance, the world's leading independent brand valuation and strategy consultancy, listed Sadia as Brazil's most valuable brand in the food industry.
- Our brands Sadia, Qualy, and Deline stood out in the Top of Mind award, Brazil's most relevant and respected award of its kind. Sadia won in the frozen food category, Qualy won in the margarine category, and Deline won in the North region category.

OPERATING PERFORMANCE

BRAZIL SEGMENT

The most valuable food brands in the country

Brazil Segment	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Volume (Thousand Tons)	**559**	**569**	**(1.7%)**	**519**	**7.7%**
Poultry (In Natura)	127	130	(2.2%)	122	4.1%
Pork and Others (In Natura)	28	30	(6.3%)	29	(3.1%)
Processed foods	404	409	(1.1%)	368	9.7%
Net Operating Revenues (R$, Million)	**4,382**	**4,123**	**6.3%**	**4,082**	**7.4%**
Average price (R$/Kg)	*7.84*	*7.25*	*8.1%*	*7.86*	*(0.3%)*
COGS	(3,305)	(3,253)	1.6%	(3,100)	6.6%
Gross Profit (R$, Million)	**1,077**	**870**	**23.7%**	**982**	**9.7%**
Gross Margin (%)	*24.6%*	*21.1%*	*3.5 p.p.*	*24.0%*	*0.5 p.p.*
Adjusted EBITDA (R$, Million)	**1,008**	**398**	**153.1%**	**790**	**27.5%**
Adjusted EBITDAMargin (%)	*23.0%*	*9.7%*	*13.3 p.p.*	*19.4%*	*3.6 p.p.*
Adjusted EBITDA ex-ICMS	**541**	**398**	**35.8%**	**462**	**17.0%**
EBITDA Adjusted Margin ex-ICMS (%)	*12.3%*	*9.7%*	*2.7 p.p.*	*11.3%*	*1.0 p.p.*

3Q19 vs. 3Q18

The Brazil segment's net revenue grew by 6.3% y-o-y in 3Q19, reflecting its strategy to improve both the operation's profitability and commercial execution, mainly by focusing on small retailers. In 3Q19, the volume sold came to 559,000 tons, a slight drop of 1.7% p.a. It is worth noting that this decrease was steeper in the *in natura* segment (-3.0% y-o-y), in which intensified initiatives to level inventories boosted the sales volume of this category in the second half of last year, thereby reducing the volume of frozen raw materials.

This favorable performance in average sales prices coupled with a better mix of channels and products more than offset the 3.3% y-o-y increase in the average unit cost related to lower production volumes during 3Q19, which impacted dilution of fixed costs and raised personnel, maintenance, and electricity expenses. Hence, the gross margin increased by 3.5 p.p. y-o-y, reaching 24.6% in 3Q19, the best result over the last three years.

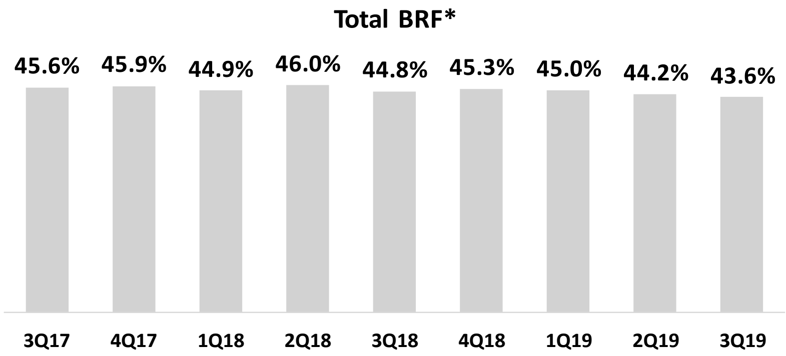
Sales, general and administrative expenses increased by 10.4% y-o-y due to higher legal expenses in the period deriving from labor lawsuits filed until 2017. It is worth noting that the Company recorded a R$467 million gain relating to the exclusion of ICMS from the calculation basis of PIS/COFINS in the Brazil segment's Adjusted EBITDA. If we exclude this effect, Adjusted EBITDA would total R$541 million (+35% y-o-y) in 3Q19, with an Adjusted EBITDA margin of 12.3% (+2.7 p.p. y-o-y). In addition, the adoption of IFRS16 had a positive accounting effect on Adjusted EBITDA of R$72 million in 3Q19.

Market Share

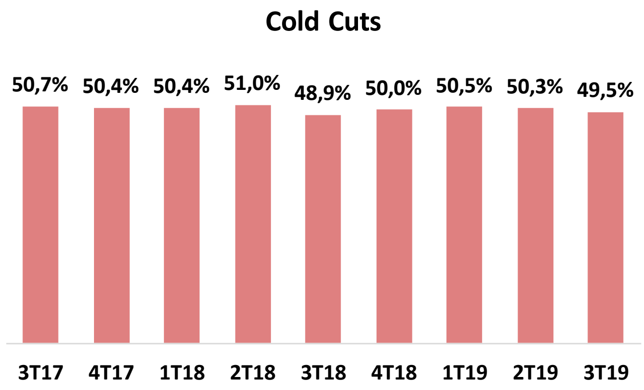
At the end of 3Q19, the Company's consolidated market share reached 43.6%, down 1.2 p.p. y-o-y, a result of its strategy to stimulate the operation's profitability by adopting a leading price transfer and reduce direct investments in the retail channel.

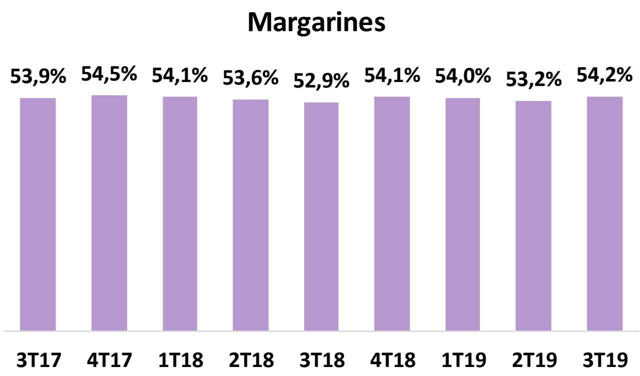
The Cold Cuts and Margarines categories were positive highlights, growing by 0.6 p.p. y-o-y and 1.3 p.p. y-o-y, respectively. The positive performance of the Cold Cuts category is due to improved commercial execution, especially in the "Rota" channel, which increased by 3.3 p.p. y-o-y. In the Margarines category, Qualy was the highlight. Despite the price repositioning carried out over the past quarters, we gained market share across all channels compared to the same period last year, reflecting the power of the brand and the assertiveness of marketing campaigns in 2019.

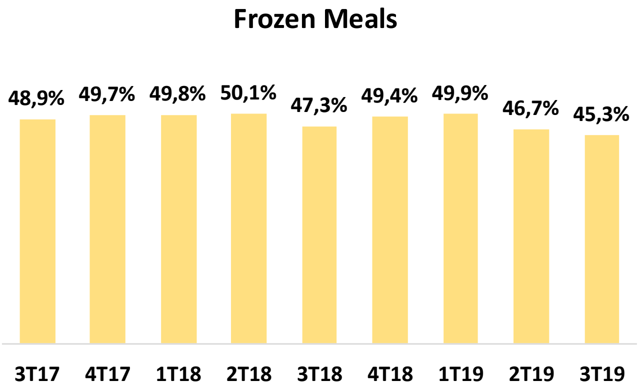
The Franks & Sausages and Frozen Meals categories were the most pressured by price repositioning, contracting 2.7 p.p. y-o-y and 2.0 p.p. y-o-y, respectively.

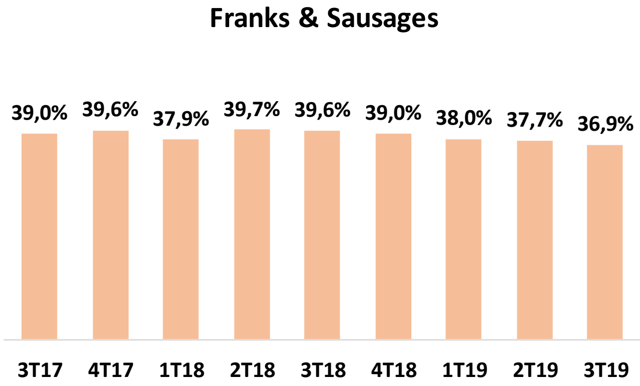


Source: Nielsen
* As of 4Q18, the Becel brand was removed from the Company's market share reading due to the end of the joint venture between Unilever Brasil and BRF.









Source: Nielsen Bimonthly Retail – Margarines and Frozen Meals (Jun/Jul reading; Filled and Cold Cuts (Jul/Aug reading).

INTERNATIONAL SEGMENT

The aggregate information from the Halal Market and Other International Markets, following the consolidation of international operations under a single International Markets Vice Presidency, is detailed below.

International Segment	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Volume (Thousand Tons)	**478**	**474**	**0.9%**	**504**	**(5.3%)**
Poultry (In Natura)	377	378	(0.4%)	403	(6.4%)
Pork and Others (In Natura)	38	33	12.2%	38	(1.1%)
Processed foods	64	62	3.0%	64	(0.5%)
Net Operating Revenues (R$, Million)	**3,796**	**3,432**	**10.6%**	**3,985**	**(4.8%)**
Average price (R$/Kg)	*7.94*	*7.25*	*9.6%*	*7.90*	*0.5%*
COGS	(2,831)	(2,852)	(0.7%)	(2,939)	(3.7%)
Gross Profit (R$, Million)	**965**	**580**	**66.3%**	**1,047**	**(7.8%)**
Gross Margin (%)	*25.4%*	*16.9%*	*8.5 p.p.*	*26.3%*	*(0.8) p.p.*
Adjusted EBITDA (R$, Million)	**678**	**231**	**193.7%**	**693**	**(2.2%)**
Adjusted EBITDA Margin (%)	*17.9%*	*6.7%*	*11.1 p.p.*	*17.4%*	*0.5 p.p.*
Volume CFR* (Thousand Tons)	**301**	**295**	**2.1%**	**317**	**(4.8%)**
% total in volume	*63.1%*	*62.3%*	*0.7 p.p.*	*62.7%*	0.3 p.p.

*Direct Export

HALAL MARKET
Largest exporter to GCC countries

Halal market	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Volume (Thousand Tons)	**275**	**281**	**(2.2%)**	**298**	**(7.8%)**
Poultry (In Natura)	236	242	(2.2%)	258	(8.3%)
Processed foods	38	39	(1.8%)	40	(4.4%)
Net Operating Revenues (R$, Million)	**2,095**	**2,210**	**(5.2%)**	**2,370**	**(11.6%)**
Average price (R$/Kg)	*7.63*	*7.88*	*(3.1%)*	*7.96*	*(4.1%)*
COGS	(1,589)	(1,646)	(3.5%)	(1,697)	(6.4%)
Gross Profit (R$, Million)	**506**	**564**	**(10.3%)**	**673**	**(24.8%)**
Gross Margin (%)	*24.2%*	*25.5%*	*(1.4) p.p.*	*28.4%*	*(4.2) p.p.*
Adjusted EBITDA (R$, Million)	**287**	**301**	**(4.6%)**	**370**	**(22.5%)**
Adjusted EBITDA Margin (%)	*13.7%*	*13.6%*	*0.1 p.p.*	*15.6%*	*(1.9) p.p.*
Volume CFR* (Thousand Tons)	**102**	**115**	**(10.9%)**	**115**	**(11.0%)**
% in total volume	*37.3%*	*41.0%*	*(3.7) p.p.*	*38.7%*	*(1.3) p.p.*

*Direct Export

3Q19 vs. 3Q18

Net revenue in the Halal Market amounted to R$2.1 billion in 3Q19 (-5.2% y-o-y). Volumes fell 2.2% y-o-y, mainly because exports to Iraq were lower, as this market was partially restricted to import products from Turkey. Such restriction gave rise to a surplus in supply in a few Gulf markets, resulting in a 3.1% price drop y-o-y. However, an enhanced operational performance and robust volume growth in Saudi Arabia partially offset the net revenue decrease.

The gross margin shrank 1.4 p.p. y-o-y due to lower operational leverage and higher freight costs. However, lower marketing expenditures and stricter control of expenses fully mitigated this loss. Thus, Halal Market Adjusted EBITDA totaled R$287 million in 3Q19, reaching an Adjusted EBITDA margin of 13.7% (+0.1 p.p. y-o-y). In addition, the adoption of IFRS16 accounted for nearly R$44 million of the Halal Market Adjusted EBITDA in 3Q19.

We ended 3Q19 with a 39.6% market share, down 1.0 p.p., maintaining broad leadership in the market. The market share in all categories according to the latest Nielsen 3Q19 reading is as follows:

(i) griller with 48.8% (+4.1 p.p. y-o-y);
(ii) chicken cuts with 50.6% (-9.4 p.p. y-o-y);
(iii) processed foods with 21.1% (-0.9 p.p. y-o-y).

In Turkey, our market share grew 0.5 p.p. y-o-y to 19.8% in 3Q19, a result of our effective strategy to strengthen the Banvit brand to the detriment of retailers' private label brands. We were able to maintain our leadership position in virtually every category in which we operate in the Turkish market.

OTHER INTERNATIONAL MARKETS (Asia, Africa, the Americas, and Europe)

Other International Markets	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Volume (Thousand Tons)	**203**	**193**	**5.3%**	**207**	**(1.6%)**
Poultry (In Natura)	140	137	2.7%	145	(3.0%)
Pork and Others (In Natura)	38	33	12.2%	38	(1.1%)
Processed foods	25	23	11.3%	24	6.0%
Net Operating Revenues (R$, Million)	**1,701**	**1,222**	**39.2%**	**1,615**	**5.3%**
Average price (R$/Kg)	*8.36*	*6.33*	*32.1%*	*7.81*	*7.0%*
COGS	(1,242)	(1,206)	3.0%	(1,242)	0.0%
Gross Profit (R$, Million)	**458**	**16**	**2789.4%**	**373**	**22.7%**
Gross Margin (%)	*26.9%*	*1.3%*	*25.6 p.p.*	*23.1%*	*3.8 p.p.*
Adjusted EBITDA (R$, Million)	**391**	**(70)**	**n.m.**	**323**	**21.2%**
Adjusted EBITDA Margin (%)	*23.0%*	*(5.7%)*	*28.7 p.p.*	*20.0%*	*3.0 p.p.*
Volume CFR* (Thousand Tons)	**199**	**180**	**10.4%**	**201**	**(1.2%)**
% in total volume	*97.9%*	*93.4%*	*4.5 p.p.*	*97.4%*	*0.4 p.p.*

*Direct Export

3Q19 vs. 3Q18

In 3Q19, net revenue totaled R$1.7 billion, up 39.2% y-o-y due to higher volumes shipped in the quarter (+5.2% y-o-y) and higher average prices in Brazilian reais (+32.3% y-o-y). The outbreak of African swine fever in several countries impacted Asia's commercial dynamics. A lower volume of swine produced in China resulted in greater demand for imported products, practically doubling the volume shipped by the Company to China in 3Q19, with prices in USD surging 77.4% y-o-y. In Japan and South Korea, the expectation of a narrower supply led the countries to begin stocking up, benefiting the volumes exported to these destinations, coupled with USD-favorable prices in these countries.

In addition to changes in the Asian countries that favored results, we reported a positive performance in the Americas, with higher volumes (+2.2% y-o-y) and prices (+20.3% y-o-y), highlighting the Mexican market, where we took advantage of the release of chicken cuts import quotas at the end of 2Q19, increasing the availability of products sent to Mexico.

Our gross profit reached R$458 million in 3Q19, with a gross margin of 26.9% (+25.6 p.p. y-o-y). Profitability was bolstered, not only by favorable commercial dynamics but by an improvement in grains costs in the period. With our Zero-Based Budget (ZBB), we kept expenses under control and reached the lowest level of expenses as a percentage of net revenue in recent years. Thus, Adjusted EBITDA totaled R$391 million in 3Q19, with a margin of 23.0% (+28.7 p.p. y-o-y). The adoption of IFRS16 represented the amount of R$26 million on Adjusted EBITDA of the Other International Markets in 3Q19.

OTHER SEGMENTS

Other Segments + Ingredients	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Volume (Thousand Tons)	**67**	**78**	**(13.6%)**	**66**	**1.1%**
Poultry (In Natura)	4	1	188.1%	2	112.0%
Pork and Others (In Natura)	0	2	(85.9%)	0	53.7%
Processed foods	1	5	(86.8%)	0	107.9%
Others Sales	63	69	(9.5%)	64	(2.5%)
Net Operating Revenues (R$, Million)	**276**	**247**	**11.8%**	**276**	**(0.2%)**
COGS	(222)	(229)	(3.0%)	(214)	3.8%
Gross Profit (R$, Million)	**53**	**17**	**209.0%**	**62**	**(13.9%)**
Gross Margin (%)	*19.3%*	*7.0%*	*12.3 p.p.*	*22.4%*	*(3.1) p.p.*
Adjusted EBITDA (R$, Million)	**34**	**(3)**	**n.m.**	**46**	**(26.8%)**
Adjusted EBITDA Margin (%)	*12.3%*	*(1.4%)*	*n.m.*	*16.8%*	*(4.5) p.p.*

Adjusted EBITDA for Other Segments stood at R$34 million in 3Q19, with a margin of 12.3%. Improved profitability is explained by a lower liquidation of raw materials in the period.

Corporate

Corporate - R$ Million	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Net Operating Revenues	**6**	**0**	**n.m.**	**(5)**	**n.m.**
Gross Profit	1	(144)	n.m.	1	(48.6%)
Adjusted EBITDA	**(111)**	**(47)**	**134.2%**	**17**	**n.m.**

Adjusted EBITDA amounted to negative R$111 million in 3Q19, which was impacted by (i) R$36 million of provisions for civil and tax contingencies; (ii) asset retirement expenses totaling R$29 million; and (iii) R$19 million provision favoring the municipality of Lucas do Rio Verde (Mato Grosso state), relating to the Housing Program – PROHAB (an incentive program for housing of employees).

FINANCIAL PERFORMANCE

Net Operating Revenue (NOR)

Volumes - Thousand Tons	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Poultry (In Natura)	506	509	(0.5%)	525	(3.6%)
Pork and Others (In Natura)	66	66	0.4%	68	(2.1%)
Processed foods	468	476	(1.6%)	432	8.3%
Others Sales	63	69	(9.2%)	64	(2.4%)
Total	**1,104**	**1,120**	**(1.4%)**	**1,090**	**1.3%**
NOR (R$ Million)	**8,459**	**7,802**	**8.4%**	**8,338**	**1.5%**
Average Price (NOR)	7.66	6.97	10.0%	7.65	0.2%

In 3Q19, the Company's consolidated NOR amounted to R$8.5 billion, up 8.40% y-o-y due to (i) +39.2% y-o-y in net revenue from Other International Markets, reflecting favorable prices (+32.3% y-o-y) and volume (+5.2% y-o-y), especially in the Asian markets; and (ii) an improved business performance in the Brazil segment, which recorded an average price increase of 8.1% y-o-y.

Cost of Sales (COGS)

COGS - R$ Million	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Cost of Goods Sold	**(6,364)**	**(6,478)**	**(1.8%)**	**(6,246)**	**1.9%**
R$/Kg	*5.76*	*5.78*	*(0.4%)*	*5.73*	*0.6%*

In 3Q19, COGS improved 0.4% y-o-y due to a nearly 2.3% drop in grain prices, which was partially offset by higher freight costs.

Gross Profit

Gross Profit - R$ Million	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Gross Profit	**2,096**	**1,324**	**58.3%**	**2,092**	**0.2%**
Gross Margin (%)	*24.8%*	*17.0%*	*7.8 p.p.*	*25.1%*	*(0.3) p.p.*

Gross margin stood at 24.8% in 3Q19, up 7.8 p.p. y-o-y due to improved operating results in both the International and Brazil segments. In 3Q19, we continued our strategy to stimulate the operation's profitability through sustainable price management, improved commercial execution, and focus on a better mix of channels and countries.

Operating Expenses

Operating Expenses - R$ Million	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Selling Expenses	**(1,177)**	**(1,135)**	**3.6%**	**(1,255)**	**(6.3%)**
% of the NOR	*(13.9%)*	*(14.6%)*	*0.6 p.p.*	*(15.1%)*	*1.1 p.p.*
General and Administrative Expenses	**(142)**	**(147)**	**(3.8%)**	**(136)**	**4.1%**
% of the NOR	*(1.7%)*	*(1.9%)*	*0.2 p.p.*	*(1.6%)*	*(0.0) p.p.*
Operating Expenses	**(1,318)**	**(1,283)**	**2.8%**	**(1,391)**	**(5.2%)**
% of the NOR	*(15.6%)*	*(16.4%)*	*0.9 p.p.*	*(16.7%)*	*1.1 p.p.*

In 3Q19, total operating expenses were up 2.8% y-o-y in 3Q19 due to higher legal expenses relating to labor lawsuits in the Brazil segment. However, total expenses as a percentage of net revenue improved 0.9 p.p. y-o-y, reflecting the higher margins generated.

Other Operating Results

Other Operating Results - R$ Million	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Other Operating Results	**289**	**(65)**	**n.m.**	**230**	**25.5%**
% of the NOR	*3.4%*	*(0.8%)*	*n.m.*	*2.8%*	*0.7 p.p.*

In 3Q19, “Other Operating Results” were positive at R$289 million, a difference of R$354 million versus 3Q18, owing to gains resulting from the exclusion of ICMS from the calculation basis of PIS/COFINS, partially offset by higher expenses and provisions in the Corporate segment, as mentioned above.

Financial Result

Financial Results R$ Million	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Financial Income	934	374	149.5%	326	186.6%
Financial Expenses	(1,706)	(1,017)	67.7%	(898)	89.9%
ICMS and Staple Basket Impacts	515	0	n.m.	(47)[1]	n.m.
Net Financial Result	**(257)**	**(642)**	**(60.0%)**	**(619)**	**(60.0%)**

[1]In 2Q19, the Staple Basket represented an expense of R$390 million and the exclusion of ICMS from the PIS/COFINS tax base recorded a gain of R$343 million.

The net financial result was an expense of R$257 million in 3Q19, R$385 million lower than the expense of R$642 million recorded in 3Q18. The main components were grouped into the following categories:

(i) **Net interest** on gross debt and cash amounted to an expense of R$488 million in 3Q19, R$173 million higher than in 3Q18, largely due to prepayments referring to buyback of senior notes, as announced to the market on October 9, 2019.

(ii) **Adjustment to Present Value (APV)** totaling expenses of R$80 million in 3Q19, R$5 million higher than in 3Q18. The APV refers to the financial income (expenses) portion linked to the changes in the accounts with clients/suppliers. This amount is offset in the gross profit.

(iii) **Interest and/or monetary restatement on rights, obligations, taxes, and others** amounted to an income of R$294 million in 3Q19, compared to an expense of R$98 million in 3Q18. This income mainly reflects the favorable court ruling on the exclusion of ICMS from the calculation basis of PIS/COFINS in the amount of R$515 million, as evidenced in Note 11 of the Interim Financial Information (ITR). In addition, we saw other negative impacts in the period, such as the accounting effect of IFRS16, which increased interest from leasing to R$38 million in the quarter, as evidenced in Note 3.2 of the ITR, and also the reevaluating of the Company's litigation processes.

(iv) **Exchange rate variation and others** totaled an income of R$16.5 million in 3Q19, compared to an expense of R$155 million in 3Q18. This item reflects the (i) exchange rate variation over assets and liabilities denominated in foreign currency totaling an income of R$65 million, and (ii) adjustments to the market value of derivative financial instruments, which totaled an expense of R$48.5 million in the period.

Net Income (Loss)

Net Income / (Loss) - R$ Million	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Consolidated Net / (Loss) Income - Continued Op.	**446**	**(860)**	**n.m.**	**191**	**n.m.**
Net Margin (%)	*5.3%*	*(11.0%)*	*n.m.*	*2.3%*	*n.m.*
Consolidated Net / (Loss) Income - Total Consolidated	**304**	**(812)**	**n.m.**	**325**	**n.m.**

[1] Consolidated Earnings per Share (in R$), excluding treasury shares

In 3Q19, the Company posted net income for continuing operations of R$446 million and corporate net income of R$304 million in 3Q19, reflecting operational improvements and net financial result evolution, due to non-recurring impacts relating to the exclusion of ICMS tax from the PIS/COFINS calculation basis.

Adjusted EBITDA

EBITDA - R$ Million	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Consolidated Net (Loss)	**446**	**(860)**	**n.m.**	**191**	**133.3%**
Income Tax and Social Contribution	364	199	83.2%	120	203.8%
Net Financial	257	642	(60.0%)	619	(58.6%)
Depreciation and Amortization	575	440	30.7%	577	(0.3%)
EBITDA	**1,641**	**422**	**289.3%**	**1,507**	**8.9%**
EBITDA Margin (%)	*19.4%*	*5.4%*	*14.1 p.p.*	*18.1%*	*1.3 p.p.*
Impacts of Carne Fraca/Trapaça operations	16	102	(84.5%)	31	(49.2%)
Corporate Restructuring	(1)	40	n.m.	(0)	n.m.
Impacts of Trucker Strike	0	10	(100.0%)	0	n.m.
Tax recoveries	(25)	(4)	502.7%	(1)	4989.6%
Non controlling shareholders	(10)	9	n.m.	(3)	235.5%
Items with no cash effect	0	0	n.m.	0	n.m.
Costs on business diposed (Impairment)	(1)	0	n.m.	16	n.m.
Others	(9)	0	n.m.	(4)	n.m.
Adjusted EBITDA	**1,609**	**579**	**178.1%**	**1,547**	**4.0%**
Adjusted EBITDA Margin (%)	***19.02%***	***7.4%***	***11.6 p.p.***	***18.6%***	***0.5 p.p.***
EBITDA Adjusted	**1,142**	**579**	**97.4%**	**1,219**	**(6.3%)**
EBITDA Adjusted Margin (%)	***13.5%***	***7.4%***	***6.1 p.p.***	***14.6%***	***(1.1) p.p.***

Adjusted EBITDA in 3Q19 amounted to R$1,609 million, up R$1,031 million in the annual comparison. Adjusted margin stood at 19.0%, an increase of 11.6 p.p. y-o-y. It is worth noting an approximately R$467 million gain in

3Q19's operating results that stemmed from a favorable court ruling on the exclusion of ICMS from the calculation basis of PIS/COFINS. If we exclude such impact, Adjusted EBITDA would total R$1,142 million in 3Q19, with a margin of 13.5%. This result evidences a significant advance of the Company's operational performance in 3Q19, due to an improved commercial execution focused on stimulating the operation's profitability across all business markets.

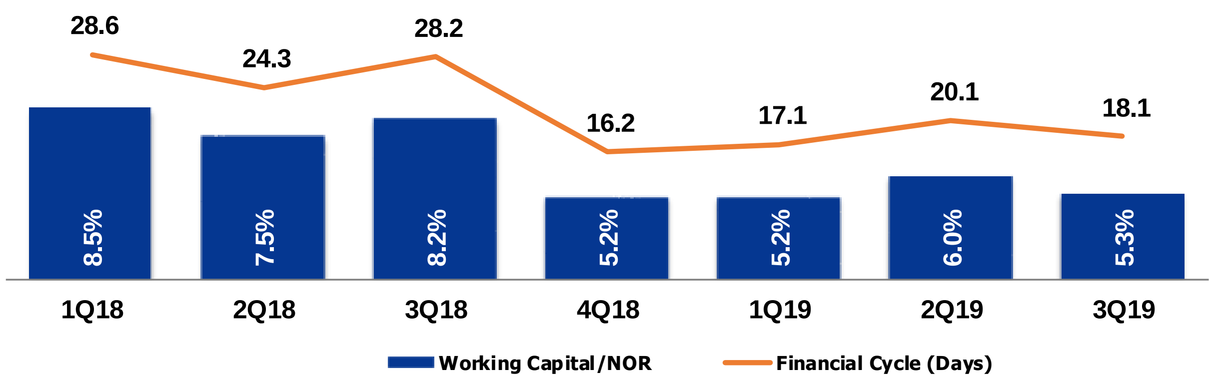
The adoption of IFRS16 represented an amount of R$141 million on Adjusted EBITDA in 3Q19. Additional information is included in Note 3.1 of the Interim Financial Information (ITR).

WORKING CAPITAL MANAGEMENT AND FINANCIAL CYCLE

With the adoption of IFRS16 as of 2019, as described in Note 3.1, a few effects have been adjusted by the Company to calculate the Accounts Payable Turnover. **To maintain the comparative basis and to better reflect the index, all additions and reversals associated with the adoption of the new accounting practices have been adjusted in the calculation.**

The Company's financial cycle totaled 18.1 days in 3Q19, a decrease of 10.1 days compared to 3Q18, only considering continuing operations. The improved financial cycle mainly derives from (i) reduced levels of frozen raw materials and finished products, within the scope of the Operating and Financial Restructuring Plan ("Plan"), first announced on June 29, 2018, and executed during the second half of 2018; and (ii) the structuring of a Receivables Investment Fund – BRF Clients in December 2018, also within the scope of the Plan; and (iii) improvement in delinquency, in addition to the collection initiatives in the Halal market.

Financial Cycle (end of period – Continuing Operations): Clients + Inventories – Suppliers



MANAGERIAL CASH FLOW

Operating cash flow from continuing operations in 3Q19 amounted to R$1,930 million, R$1,824 million above consolidated operations (continuing + discontinuing operations) during the same period last year, mainly due to the EBITDA increase of R$1,226 million versus 3Q18 and a positive impact of R$210 million in working capital during 3Q19. Therefore, operating cash generation after CAPEX stood at R$1,491 million in 3Q19, an addition of R$1,769 million when compared to R$278 million of cash consumed in 3Q18. Free cash flow totaled 1,364 million in 3Q19, playing a key role in reducing the Company's net indebtedness, even taking into account the USD appreciation versus the Brazilian real, which went from R$3.83/US$ in June to R$4.16/US$ in September 2019.

Million BRL	3Q19	3Q18[1]	2Q19
Adjusted EBITDA	**1,609**	**604**	**1,547**
Impacts of Carne Fraca/Trapaça operations	(16)	(102)	(31)
Debt designed as Hedge Accounting	0	0	0
Forest Fair Value	0	0	0
Corporate Restructuring	1	(47)	0
Impacts of Trucker Strike	0	(10)	0
Tax recoveries	25	4	1
Non controlling shareholders	10	(13)	3
Costs on business diposed	1	0	(16)
Others	9	(20)	4
EBITDA	**1,641**	**415**	**1,507**
Working Capital	**210**	**(270)**	**(295)**
Δ Accounts Receivable	393	376	(62)
Δ Inventories	(451)	(480)	19
Δ Suppliers	268	(165)	(251)
Others	**79**	**(39)**	**(51)**
Cash Flow from Operating Activities	**1,930**	**106**	**1,162**
CAPEX	(341)	(384)	(353)
Leasing IFRS16	(98)	0	(117)
Cash Flow from Operations with Capex	**1,491**	**(278)**	**692**
M&A and Sale of Assets	61	8	1,249
Cash Flow from Investments	**(377)**	**(376)**	**779**
Cash - Financial Results	(108)	205	(162)
Interest Income	43	80	26
Interest Expenses	(353)	(317)	(389)
FX Variation on Cash and Cash Equivalents	229	(15)	(43)
Cash Flow from Financing Activities	**(189)**	**(48)**	**(568)**
Free Cash Flow	**1,364**	**(318)**	**1,373**
New Debt Amortizantions	(690)	(854)	(651)
Cash Variations	**674**	**(1,171)**	**721**

Million BRL	3Q19	3Q18[1]	2Q19
Cash and Cash Equivalents - Initial	**6,999**	**7,539**	**6,278**
Cash Variation	674	(1,171)	721
Cash and Cash Equivalents - Final	**7,673**	**6,368**	**6,999**
Total Debt - Initial	**20,899**	**23,235**	**21,776**
New Debt/Amortization	(690)	(854)	(651)
FX Variation on Total Debt	836	356	(152)
Debt Interest and Derivatives	413	(46)	(74)
Total Debt - Final	**21,458**	**22,691**	**20,899**
Net Debt	**13,785**	**16,323**	**13,900**

[1] Including continuing + discontinued operations

INDEBTEDNESS

R$ Million	In 09.30.2019			In 09.30.2018[1]	
Debt	**Current**	**Non-current**	**Total**	**Total**	**Δ %**
Local Currency	(2,250)	(6,805)	(9,055)	(9,984)	(9.3%)
Foreign Currency	(1,374)	(11,030)	(12,403)	(12,707)	(2.4%)
Gross Debt	**(3,624)**	**(17,834)**	**(21,458)**	**(22,691)**	**(5.4%)**
Cash Investments*					
Local Currency	4,426	49	4,475	4,358	2.7%
Foreign Currency	2,928	270	3,197	2,010	59.1%
Total Cash Investments	7,354	319	7,673	6,368	20.5%
Net Debt	**3,730**	**(17,515)**	**(13,785)**	**(16,323)**	**(15.5%)**

[1] Indebtedness and financial investments include continued and discontinued operations.
*Cash considered is comprised of: Cash and Cash Equivalents, Financial Investments, Restricted Cash, and Derivative Financial Assets.

Total gross indebtedness of continuing operations in the amount of R$21,458 million, as reported above, accounts for total financial indebtedness plus Liabilities of Derivative Financial Instruments, in the amount of R$381 million, according to Note 4.3 of the Interim Financial Information (ITR). Year-on-year, from 3Q18 to 3Q19, amortizations net of funding totaled R$1,404 million in the period.

In 3Q19, net debt from continuing operations totaled R$13,785 million, a R$2,538 million decrease compared to the R$16,323 million from consolidated operations (continuing + discontinued operations) in 3Q18. The following factors contributed to this decrease: (i) free cash flow generation of R$2,943 million year-on-year, partially offset by (ii) non-cash effects of R$326 million and (iii) effect of discontinuing companies under the scope of the “Plan”, in the amount of R$ 79 million. Therefore, the Company’s net leverage, measured by the ratio between the net debt and LTM Adjusted EBITDA, reached 2.90x in 3Q19. Ex-effects of IFRS16 on Adjusted EBITDA of continuing operations, we reached net leverage of 3.21x in 3Q19.

Finally, the Company reaffirms that it does not have financial leverage covenants.

INVESTMENT (CAPEX)

Investments made in the quarter amounted to R$341 million, excluding effects from the adoption of IFRS16, representing a decrease of 11.3% from 3Q18, of which R$94 million was allocated to growth, efficiency, and support; R$198 million to biological assets; and R$48 million to leasing and others. Including the accounting effect resulting from IFRS16, total CAPEX amounted to R$439 million.

CAPEX - R$ Million	3Q19	3Q18	Chg. y/y	2Q19	Chg. q/q
Growth	18	17	8.7%	22	(15.1%)
Efficieny	9	19	(52.8%)	8	4.0%
Support	67	95	(29.8%)	75	(10.4%)
Biological Assets	198	201	(1.3%)	195	1.9%
Commercial Lease and Others	48	53	(8.9%)	54	(10.2%)
Total w/o IFRS 16	**341**	**384**	**(11.3%)**	**353**	**(3.5%)**
Leasing IFRS16 Impact	98	-	-	117	(16.2%)
Total	**439**	**384**	**14.3%**	**470**	**(6.7%)**

The main projects in 3Q19 included:

- **Market Demand:**

  (i) Projects to manufacture industrialized products to meet the demand of the domestic market; and
  (ii) Measures to increase the production of *in natura* items to meet the demand of the foreign market.

- **Efficiency:**

  (i) Projects to implement the concepts of the 4.0 Industry in chicken slaughter units; and
  (ii) Energy efficiency projects for producing units.

- **Support/IT:**

  (i) Projects to reposition industrial assets;
  (ii) Improvement in working conditions for employees in the production processes;
  (iii) Updates in technological systems; and
  (iv) Optimization projects and measures to control processes related to commercial area and supply chain.

- **Support/Quality:**

  (i) Projects to improve control and quality processes in meatpacking units, factories, and farms.

RELATIONSHIP WITH INDEPENDENT AUDITORS

Pursuant to CVM Instruction No. 381, dated January 14, 2003, the Company reports that its policy of engagement of services unrelated to the external audit is based on principles that protect auditor independence.

Pursuant to CVM Instruction No. 381/03, in the period ended September 30, 2019, KPMG Auditores Independentes was not engaged in providing services unrelated to external audits.

Pursuant to CVM Instruction No. 480/09, the Company's management states that at a meeting held on November 7, 2019, it discussed, reviewed, and agreed with the information included in the independent auditor's review of the 3Q19 financial information.

CONSOLIDATED INCOME STATEMENT

Financial Statement - R$ Million	3Q19	3Q18	Var y/y	2Q19	Chg. q/q
Net Operating Revenues	**8,459**	**7,802**	**8.4%**	**8,338**	**1.5%**
Cost of Sales	(6,364)	(6,478)	(1.8%)	(6,246)	1.9%
% of the NOR	*(75.2%)*	*(83.0%)*	*7.8 p.p.*	*(74.9%)*	*(0.3) p.p.*
Gross Profit	**2,096**	**1,324**	**58.3%**	**2,092**	**0.2%**
% of the NOR	*24.8%*	*17.0%*	*7.8 p.p.*	*25.1%*	*(0.3) p.p.*
Operating Expenses	**(1,318)**	**(1,283)**	**2.8%**	**(1,391)**	**(5.2%)**
% of the NOR	*(15.6%)*	*(16.4%)*	*0.9 p.p.*	*(16.7%)*	*1.1 p.p.*
Selling Expenses	**(1,177)**	**(1,135)**	**3.6%**	**(1,255)**	**(6.3%)**
% of the NOR	*(13.9%)*	*(14.6%)*	*0.6 p.p.*	*(15.1%)*	*1.1 p.p.*
Fixed	(724)	(715)	1.2%	(812)	(10.9%)
Variable	(453)	(421)	7.7%	(443)	2.2%
General and Administrative Expenses	**(142)**	**(147)**	**(3.8%)**	**(136)**	**4.1%**
% of the NOR	*(1.7%)*	*(1.9%)*	*0.2 p.p.*	*(1.6%)*	*(0.0) p.p.*
Honorary of our Administrators	(10)	(3)	274.1%	(8)	27.2%
% of the NOR	*(0.1%)*	*(0.0%)*	*(0.1) p.p.*	*(0.1%)*	*(0.0) p.p.*
General and Administrative	(132)	(145)	(9.0%)	(128)	2.7%
% of the NOR	*(1.6%)*	*(1.9%)*	*0.3 p.p.*	*(1.5%)*	*(0.0) p.p.*
Operating Income	**777**	**41**	**1799.1%**	**700**	**11.0%**
% of the NOR	***9.2%***	***0.5%***	***8.7 p.p.***	***8.4%***	***0.8 p.p.***
Other Operating Results	**289**	**(65)**	**n.m.**	**230**	**25.5%**
Equity Income	**(1)**	**5**	**n.m.**	**(1)**	**(17.2%)**
EBIT	**1,066**	**(19)**	**n.m.**	**930**	**14.6%**
% of the NOR	*12.6%*	*(0.2%)*	*n.m.*	*11.2%*	*1.4 p.p.*
Net Financial Income	**(257)**	**(642)**	**(60.0%)**	**(619)**	**(58.6%)**
Income before Taxes	**809**	**(661)**	**n.m.**	**311**	**160.5%**
% of the NOR	*9.6%*	*(8.5%)*	*n.m.*	*3.7%*	*n.m.*
Income Tax and Social Contribution	(364)	(199)	83.2%	(120)	203.8%
% of Income before Taxes	*(44.9%)*	*30.0%*	*(75.0) p.p.*	*(38.5%)*	*(6.4) p.p.*
Consolidated Net Income (Loss) - Continued Operations	**446**	**(860)**	**n.m.**	**191**	**133.3%**
% of the NOR	***5.3%***	***(11.0%)***	***16.3 p.p.***	***2.3%***	***3.0 p.p.***
Consolidated Net Income (Loss) - Total Consolidated	**304**	**(812)**	**n.m.**	**325**	**(6.3%)**
% of the NOR	***3.6%***	***(9.3%)***	***12.9 p.p.***	***3.7%***	***n.m.***
EBITDA	**1,641**	**422**	**289.3%**	**1,507**	**8.9%**
% of the NOR	*19.4%*	*5.4%*	*14.0 p.p.*	*18.1%*	*1.3 p.p.*
Adjusted EBITDA	**1,609**	**579**	**178.1%**	**1,547**	**4.0%**
% of the NOR	*19.0%*	*7.4%*	*11.6 p.p.*	*18.6%*	*0.5 p.p.*

BALANCE SHEET

Balance Sheet - R$ Million	09.30.19	06.30.19	12.31.18
Assets			
Current Assets			
Cash and Cash Equivalents	6,206	5,236	4,870
Financial Investments	414	585	507
Accounts Receivable	2,113	2,461	2,605
Recoverable Taxes	757	1,067	1,067
Dividends/Interest on shareholders' equity receivable	0	0	7
Securities Receivable	69	104	115
Inventories	4,492	4,035	3,877
Biological Assets	1,559	1,556	1,513
Other Financial Assets	104	156	182
Other Receivables	444	479	452
Anticipated expenses	150	177	232
Restricted Cash	629	594	277
Current Assets held to sale	75	121	170
Current Assets held to sale and discontinued operation	0	0	3,157
Total Current Assets	**17,014**	**16,572**	**19,031**
Non-Current Assets			
Long-term assets	9,018	8,172	7,549
Cash Investments	319	201	291
Accounts Receivable	8	8	8
Judicial Deposits	588	747	669
Biological Assets	1,073	1,066	1,061
Securities Receivable	69	74	89
Recoverable Taxes	5,410	4,057	3,150
Deferred Taxes	1,459	1,697	1,520
Restricted Cash	0	226	584
Other Receivables	92	95	177
Permanent Assets	17,319	17,417	15,802
Investments	15	10	86
Property, Plant and Equipment	12,259	12,456	10,697
Intangible	5,046	4,951	5,019
Total Non-Current Assets	**26,338**	**25,589**	**23,351**
Total Assets	**43,351**	**42,161**	**42,382**

Balance Sheet - R$ Million	09.30.19	06.30.19	06.30.2018
Liabilities and Equity			
Current Liabilities			
Loans and Financing	3,243	4,761	4,547
Suppliers	6,085	5,875	5,552
Supply Chain Risk	619	586	886
Payroll and Mandatory Social Charges	732	664	555
Taxes Payable	458	436	403
Dividends/Interest on Shareholders' Equity	0	0	6
Management and Staff Profit Sharing	173	90	64
Other Financial Liabilities	340	118	235
Provisions	1,207	1,318	496
Employee Pension Plan	95	95	95
Other Liabilities	682	527	518
Current Liabilities held to sale and discontinued operation	0	0	1,132
Total Current Liabilities	**13,634**	**14,470**	**14,489**
Non-Current Liabilities			
Loans and Financing	17,834	16,020	17,618
Suppliers	1,853	1,925	180
Taxes and Social Charges Payable	196	158	162
Provision for Tax, Civil and Labor Contingencies	833	787	855
Deferred Taxes	89	87	66
Employee Pension Plan	424	401	373
Other Liabilities	1,069	870	1,108
Total Non-Current Liabilities	**22,298**	**20,246**	**20,362**
Total Liabilities	**35,932**	**34,716**	**34,851**
Shareholders' Equity			
Capital Stock	12,460	12,460	12,460
Capital Reserves	207	211	115
Other Related Results	(764)	(434)	(1,276)
Retained Profits	(4,716)	(4,980)	(4,279)
Treasury Shares	(38)	(51)	(57)
Non-Controling Shareholders	270	238	567
Total Shareholders' Equity	**7,420**	**7,445**	**7,532**
Total Liabilities and Shareholders	**43,351**	**42,161**	**42,382**