onefoods









Building the Global Leader in Halal Food

January 2017

Sadia | PERDIX | UNIF CHICKEN | Confidence | Banvit | Körpe | tadpi

OneFoods' Beginnings: Access High Potential Halal Markets Leveraging Best-in-Class Supply Chain

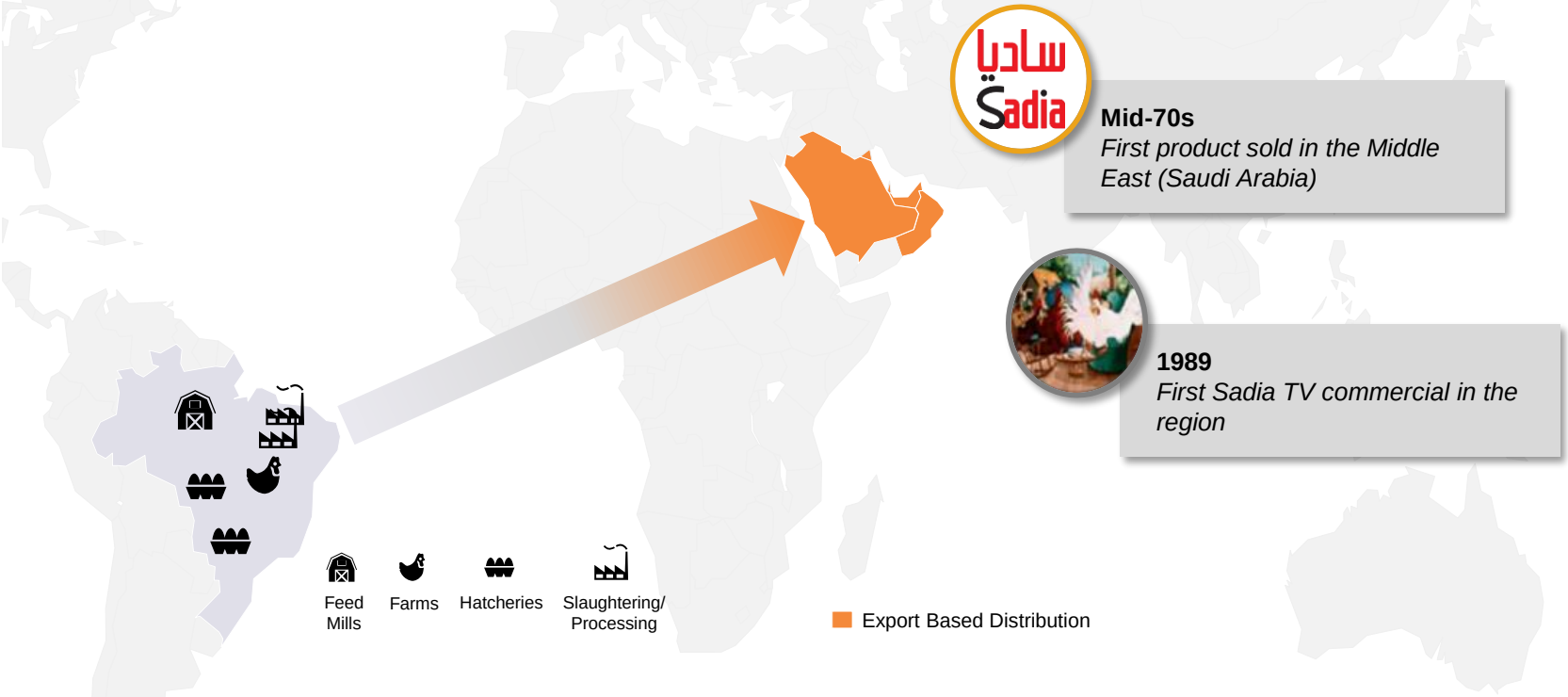
OneFoods' Geographic Reach – Mid-70s [1]

12 million people[1]

US$0.1 trillion GDP[1]

Supplier of High Quality Branded Poultry Products Leveraging Low-cost Supply Chain

- Access attractive Halal markets through export
- Establish Sadia as a premium quality Halal brand
- Leverage best-in-class, low-cost supply chain of BRF (parent company)



Mid-70s
First product sold in the Middle East (Saudi Arabia)

1989
First Sadia TV commercial in the region

1 Source: Euromonitor International, 2017. Includes Saudi Arabia, UAE, Kuwait, Qatar, Oman and Bahrain total population and nominal GDP in US$ MM at current prices and fixed 2015 exchange rates in 1977.

OneFoods Today: A Major Player in Global Branded Halal Meat with High Scarcity Value

OneFoods' Geographic Reach – Today

417 million people(1)

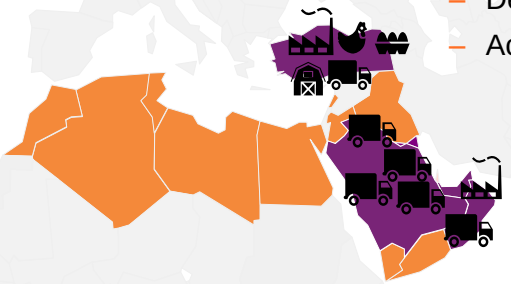
US$8.5 trillion GDP(1)

FY 2015 (PF Banvit)

1.4 MM MT volume(2)

US$3.0 Bn net sales(3)

c.19.5k employees(4)





Feed Mills | Farms | Hatcheries | Slaughtering/ Processing | Distribution

Wholly Owned Distribution

Export Based Distribution

Leader Across Halal Markets

- #1 positions in poultry in the GCC and Turkey
  - Largest Halal poultry markets in the world(5)
  - Sadia: top-of-mind food brand(6), #1 poultry brand in the GCC(7)
  - Banvit: #1 poultry brand in Turkey(8)
- >US$800 MM invested in Halal markets since 2009(9)
  - Establish control over distribution
  - Develop local processing capabilities
  - Access markets through value-enhancing M&A

1 *Source: Euromonitor International, 2017. Includes Saudi Arabia, UAE, Kuwait, Qatar, Oman, Bahrain, Yemen, Jordan, Lebanon, Turkey, Iraq, Egypt, Libya, Algeria, Tunisia, Morocco and Malaysia total population and real GDP at PPP in US$ in 2015.*

2 *Volume reflects OneFoods FYE 31st December 2015 combined volume post carve-out of 1,372kT pro forma for Banvit FYE 31st December 2015 volume of 284kT. An SPA to acquire Banvit was signed on 9th January 2017, acquisition subject to closing conditions.*

3 *Net Sales reflects OneFoods FYE 31st December 2015 combined Net Sales post carve-out of US$2,235 MM pro forma for Banvit FYE 31st December 2015 Net Sales of US$734MM. Banvit FYE 31st December 2015 Net Sales converted to US$ at average US$/TRY FX rate for the relevant period of 2.7259. An SPA to acquire Banvit was signed on 9th January 2017, acquisition subject to closing conditions.*

4 *Calculated as OneFoods' employees as of FYE 31st December 2015 of c.15k pro forma for Banvit's employees as of FYE 31st December 2015 of c.4.4k. An SPA to acquire Banvit was signed on 9th January 2017, acquisition subject to closing conditions.*

5 *Source: Pew Research Center, 2015; USDA, 2016. Refers to total domestic consumption of Poultry, Meat, Broiler. Halal poultry consumption estimated as total domestic poultry consumption multiplied by Muslim population as a percentage of total population in each respective country in 2015. Muslim population as a percentage of total population in 2015 estimated as the average of Muslim population as a percentage of total population between 2010 and 2020 per Pew Research Center, 2015.*

6 *Source: BRF commissioned Ipsos 2015 survey. Brand awareness surveys in Saudi Arabia, UAE and Kuwait: "Thinking of food brands, which is the first brand that comes to mind?". Base: Saudi Arabia 524 / UAE 525 / Kuwait 514. Saudi Arabia, UAE and Kuwait accounted for 84% of total population in the GCC in 2015, per Euromonitor International, 2017.*

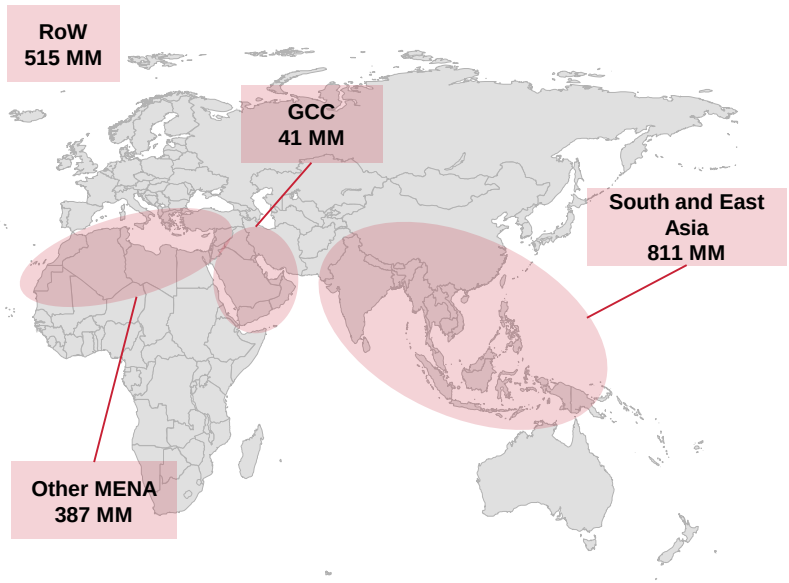
7 *Source: Nielsen (October 2016). Reflects retail market ranking by volume in frozen poultry products in Saudi Arabia, UAE, Kuwait, Qatar, Oman and Bahrain. Saudi Arabia, UAE and Bahrain refers to bi-monthly data as of September-October 2016; Kuwait, Qatar and Oman refers to bi-monthly data as of August-September 2016.*

8 *Source: Ipsos, 2015. Reflects market share and ranking by volume in open poultry.*

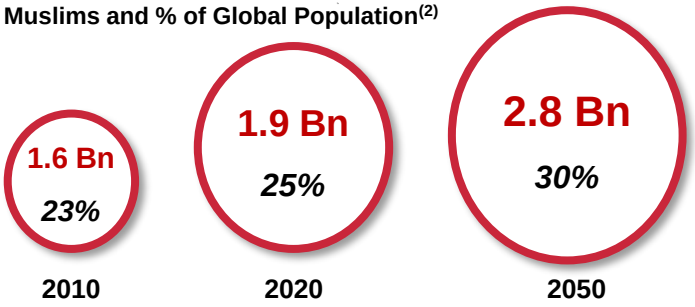
9 *Includes amounts invested in acquisitions of distribution assets in the GCC since 2009 of c.US$400 MM, amount invested in FFM Further Processing of c.US$16 MM, capital expenditure for the development of the Kizad factory of c.US$160 MM and announced investment in Banvit of c.US$282 MM. Investment in Banvit estimated as 60% of Enterprise Value of c.US$470 MM implied in the consideration agreed for the acquisition of a 79.5% interest in the equity of Banvit. An SPA to acquire Banvit was signed on 9th January 2017, acquisition subject to closing conditions.*

The Halal Food Opportunity

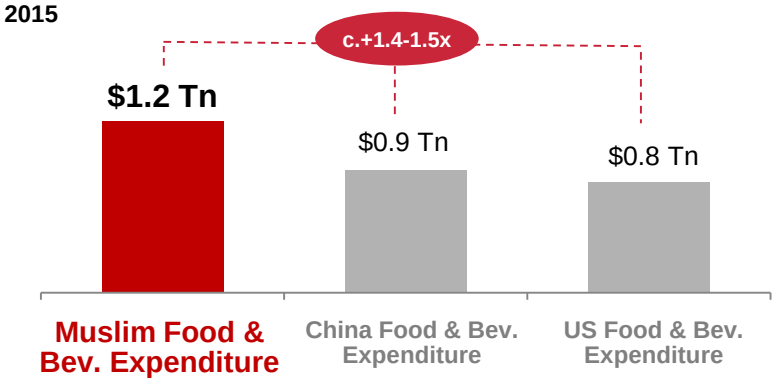
Halal Food is Consumed by the 1.8 Bn Fast-Growing Muslim Population[1]



Muslims and % of Global Population[2]

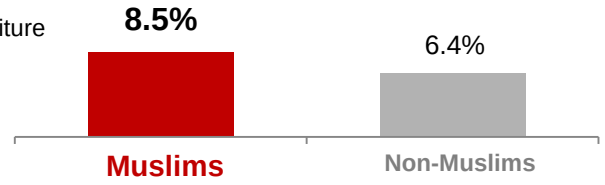


US$1.2 Tn Global Muslim Food & Beverage Expenditure[3]



Superior Growth Driven by Structural Trends

	Muslim Majority Countries	Non-Majority Muslim Countries
Population CAGR[4] (2015-21)	**+1.6%**	+1.0%
GDP CAGR[5] (2015-21)	**+4.0%**	+3.4%
Food & Bev. Expenditure CAGR (2015-21)[3]	**8.5%**	6.4%



1 Source: Pew Research Center, 2015. 2015 Muslim population globally and by region estimated as the average between estimated Muslim population for 2010 and 2020. GCC includes Bahrain, Kuwait, Oman, Qatar, UAE, Saudi Arabia. South and East Asia includes Brunei, Indonesia, Malaysia, Singapore, Thailand, Afghanistan, Turkmenistan, Bangladesh, India, Maldives, Pakistan, Sri Lanka. Other MENA includes Algeria, Egypt, Iran, Iraq, Jordan, Lebanon, Libya, Mauritania, Morocco, Palestine, Sudan, Syria, Tunisia, Yemen.
2 Source: Pew Research Center, 2015.
3 Source: State of the Global Islamic Economy Report, 2016-2017 Thomson Reuters, 2016.
4 Source: Euromonitor International, 2017. Total population growth in majority and non-majority Muslim countries. Majority Muslim countries defined as countries with Muslim population accounting for >50% of total population in 2010 per Pew Research Center, 2015.
5 Source: Euromonitor International, 2017. Reflects growth of real GDP at constant fixed US$ 2015 exchange rates in majority and non-majority Muslim countries. See footnote (4) for definition of majority Muslim countries.

Building the Global Leader in Halal Food

Proven Model And Track-Record In Halal Markets

- A i. Access Markets Through Export
- ii. Access Markets Through Acquiring Local Platforms
- B Transform into Market Leader

Market Leadership Through Competitive Advantage

1. #1 Brands in Large Halal Markets
2. Focus on Value-added Through Innovation and Local Capabilities
3. Control Over Distribution
4. Fully Owned, Low-cost Integrated Supply Chain
5. Highly Experienced Management Team

Global Expansion Strategy

- Replicable Model Ready to be Deployed in Fast-Growing Halal Markets

ONEFOODS HAS THE AMBITION AND POTENTIAL TO BECOME THE GLOBAL LEADER IN HALAL FOOD

Proven Model Built to Win in Halal Markets

Step 1: Earn the Right to Play → **Step 2:** Earn the Right to Win



Access Markets Through Export

Why?

- Halal markets reliant on poultry imports
- Inefficient local poultry production

How?

- Leverage low-cost supply chain
- Capture market share via high quality offering
- Develop brand awareness

Transform Into Market Leader

Why?

- Establish **competitive advantage**
- Drive **profitability** and business **stability**

How?

- #1 brands in local markets
- Distribution control
- Local processing
- In-market value-enhancing acquisitions

Access Markets Through Acquiring Local Platforms

Why?

- Halal markets closed to poultry imports
- Competitive local poultry production

How?

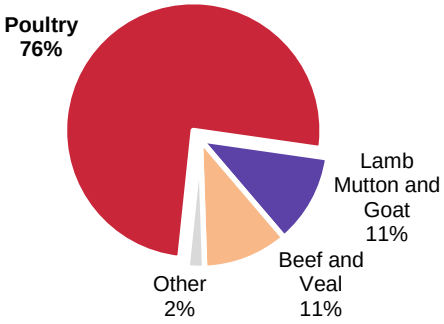
- Acquisition of local players / champions
- Synergy realization through integration



1 OneFoods is the #1 Supplier of Poultry in the GCC

Poultry the #1 Source of Animal Protein Among GCC Consumers

% of Meat Volume Consumption [1] (2015)



GCC Countries Highly Dependant on Poultry Imports

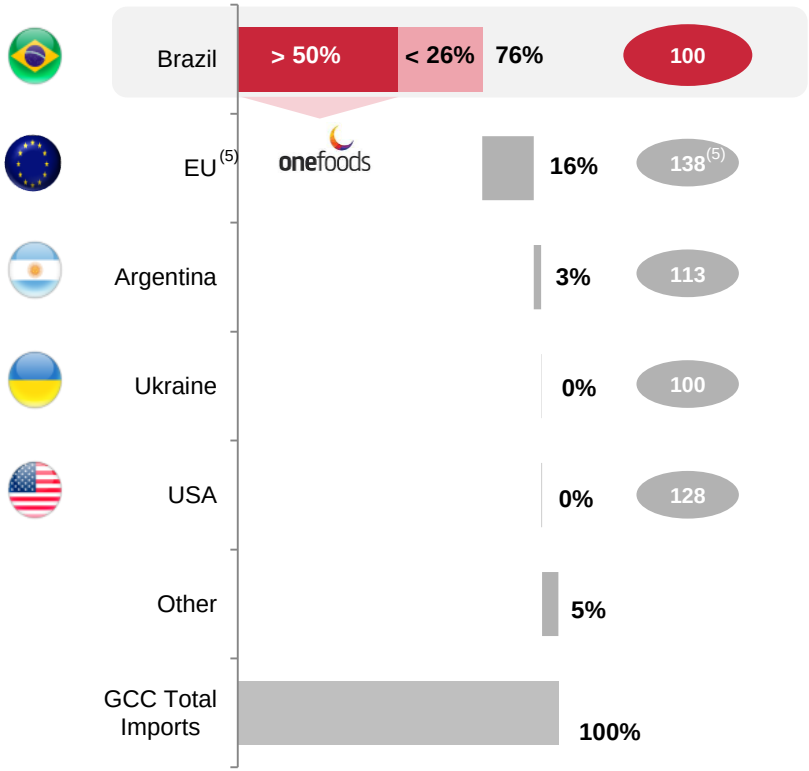
Imported Poultry % of Total Poultry Consumption [2] (2015)



OneFoods Leveraged its Cost Advantage to Become the #1 Supplier in the GCC

GCC Poultry Imports by Production Country [3]

2015 Production Cost (Brazil = 100) [4]



1 *Source: Euromonitor International, 2016. Refers to breakdown of volume for Fresh Foods – Meat category. Data published in March 2016. Includes Oman, Kuwait, UAE, Bahrain, Qatar and Saudi Arabia. Oman, Qatar, Kuwait and Bahrain are modelled. Data for modelled countries is created by pegging countries outside Euromonitor International research programme to the ones they do research on, linking together the countries with a similar consumer culture and development level.*

2 *Source: USDA, 2016. Includes Oman, Kuwait, UAE, Bahrain, Qatar and Saudi Arabia as of 2015 and Bahrain as of 2014 (latest data available). Poultry Consumption refers to domestic consumption of Poultry, Meat, Broiler as per USDA definition.*

3 *Source: UN COMTRADE statistics, 2015 for Saudi Arabia, Oman and Bahrain. UN COMTRADE statistics, 2014 for UAE. Kuwait Central Statistical Bureau Statistics, 2015 for Kuwait. Ministry of Development Planning and Statistics, 2015 for Qatar. Reflects imports for Product: 020712 Frozen Fowls of the species Gallus Domesticus, not cut in pieces. OneFoods share calculated based on OneFoods' total volume of frozen whole chicken sold in the GCC markets in FY 2015.*

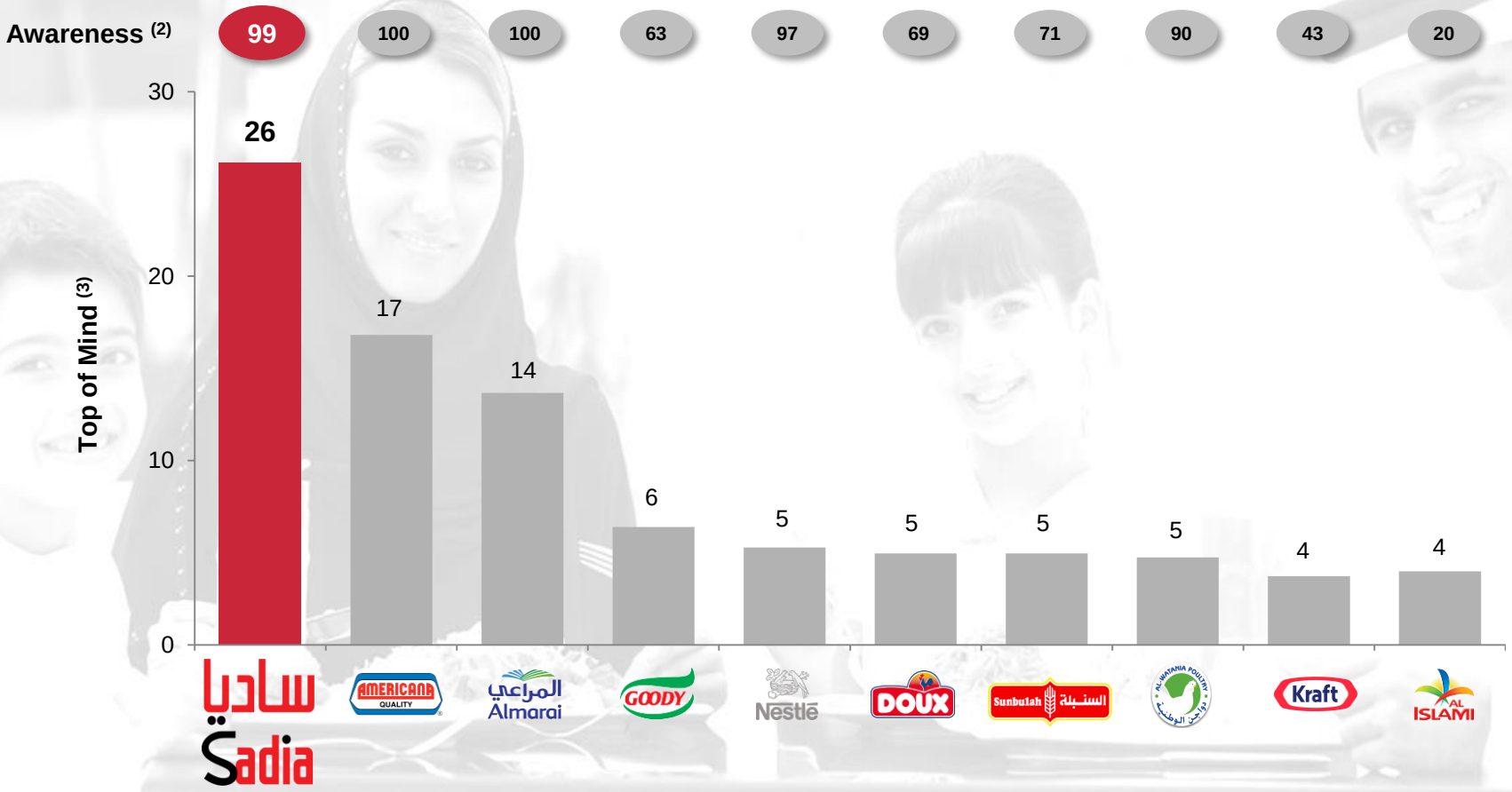
4 *Source: Management estimates for 2015 based on "Competitiveness of the EU poultry meat sector - International comparison base year 2013 " study by P.L.M. van Horne and N. Bondt, Lei Wageningenur, 2014; www.worldfreightrates.com. Includes estimated production cost and freight.*

5 *Refers to all EU production countries importing in the GCC : Belgium, Denmark, Portugal, Ukraine, Netherlands, Bulgaria, Germany, United Kingdom, Poland, Hungary, Italy, Spain, Austria, Belgium, Denmark, Slovenia, Sweden, Greece. France accounted for 15.8% out of the 16.0% of poultry imports from the EU into the GCC .*

1 Sadia is the Preferred Food Brand in the GCC

Top of Mind Food Brand in the GCC (1)

% Share of Respondents That Named Brand 'Top of mind' or Knew the Company



1 Source: BRF commissioned Ipsos 2015 survey. Weighted average of brand awareness surveys in Saudi Arabia, UAE and Kuwait. Base: Saudi Arabia 524 / UAE 525 / Kuwait 514. Saudi Arabia, UAE and Kuwait accounted for 84% of total population in the GCC in 2015, per Euromonitor International 2017. Reflects weighted average by population as per Ipsos, 2015: Saudi Arabia 71% of total population, UAE 21% and Kuwait 9%.
2 Answer to: "Which of these food brands do you know, even if just heard of?".
3 Answer to: "Thinking of food brands, which is the first brand that comes to mind?".

OneFoods Holds #1 Positions Across the GCC

	Total GCCs	Saudi Arabia	UAE	Kuwait	Qatar	Oman
	% Volume Market Share [1]	Ranking in Selected Countries [1]				
Total Poultry	42% (#1 OneFoods)	#1	#1	#1	#1	#1
Branded Whole Chicken	47% (#1 OneFoods)	#2	#1	#1	#1	#1
Chicken Parts	59% (#1 OneFoods)	#1	#1	#1	#1	#1
Chicken Franks	43% (#1 OneFoods)	#2	#1	#1	#1	#1
Chicken Nuggets	29% (#2 OneFoods)	#2	#1	#2	#2	#1

1 Source: Nielsen (October 2016). Reflects retail market share and ranking by volume of frozen poultry products by manufacturer. Saudi Arabia, UAE and Bahrain refers to bi-monthly data as of September-October 2016; Kuwait, Qatar and Oman refers to bi-monthly data as of August-September 2016.

2 Strategic Focus on Value-Added Through Innovation and Local Processing Capabilities

Track-Record of Innovation and Growth in New Categories Leveraging Sadia Brand and Local UAE Plant

Examples of Product Launches in 2016

Marinated (Tenderized Breasts)



Kids Line Franks



Kids Line Nuggets



Kids Line Cheese Nuggets



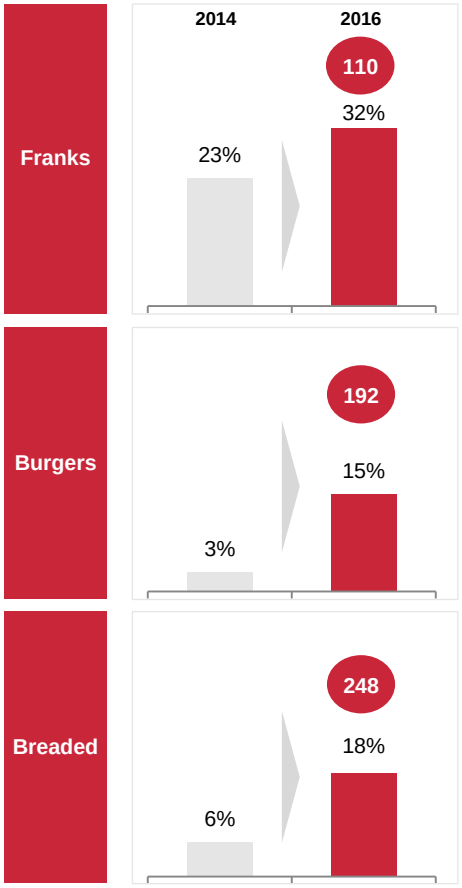
Kids Line Popcorn



IQF Drumsticks[1]



Market Share Growth in Selected Value-Added Products (Saudi Arabia)[2]



Potential to Expand into New Food Categories

Successful Expansion into French Fries in Saudi Arabia

French Fries



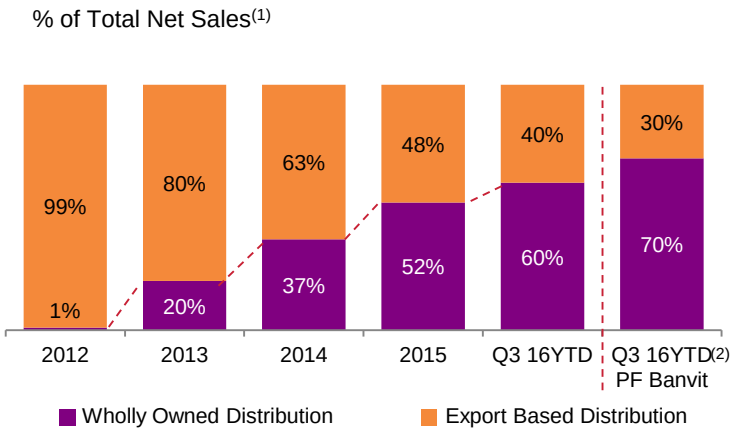
Selected Adjacent Categories

- Chilled Poultry Products
- Frozen Vegetables
- Ready Meals
- Frozen Seafood

1 *Individually quick frozen, produced in Brazil.*
2 *Source: Nielsen (October 2016). Periods compared are December 2013-January 2014 for 2014 and September-October 2016 for 2016. Reflects retail market volume share of frozen poultry products. Franks include Chicken Franks category. Burgers include Chicken Burger category. Breaded includes Breaded Chicken Breast, Chicken Nuggets, Total Crispy Chicken Spicy, Other Breaded Chicken and Total Breaded Chicken Steak categories.*

3 Transformation From An Export Based to a Wholly Owned Distribution Model

OneFoods is Expanding its Control Over Distribution…



…Having Invested >US$800 MM in the MENA Region Since 2009

	Date	Country	Invested Capital (US$ MM)
Banvit (3)	2017	Turkey	282
QNIE	2016	Qatar	140
Alyasra	2015	Kuwait	120
Al Khan Foods (4)	2014	Oman	68
Federal Foods	2014	UAE	67
Kizad Factory	2012 - 2014	UAE	160
Al Wafi	2009	Saudi Arabia	n.a.

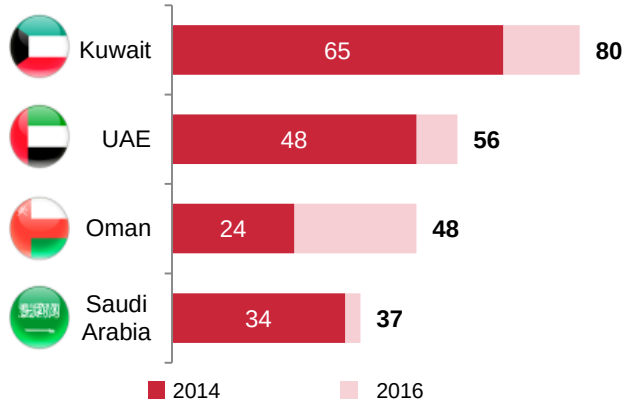


1 *Includes Wholly Owned Distribution and Export Based Distribution segments. FY 2012-2013 based on BRF MENA management accounts. FY2014, FY2015 and Q3 2016YTD based on combined carve-out financials.*
2 *Includes Banvit Q3 2016YTD net sales of TRY 1,428MM converted to US$ at average US$/TRY exchange rate for the relevant period. Banvit net sales allocated to Wholly Owned Distribution segment.*
3 *Investment in Banvit estimated as 60% of Enterprise Value of c.US$470 MM implied in the consideration agreed for the acquisition of a 79.5% interest in the equity of Banvit. An SPA to acquire Banvit was signed on 9th January 2017, acquisition subject to closing conditions.*
4 *The acquisition of Al Khan Foodstuff LLC was realised in two steps: in 2014 OneFoods acquired an initial 40% equity interest, followed by the acquisition of an additional 59% interest in 2016.*

3 Driving Growth and Clear Profitability Upside

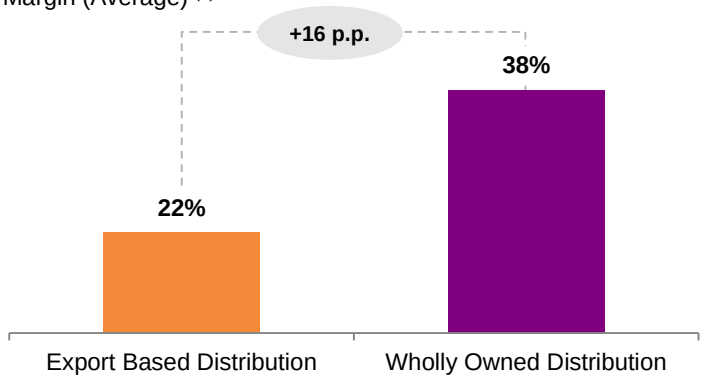
Visible Market Share Growth

% Market Share (1)

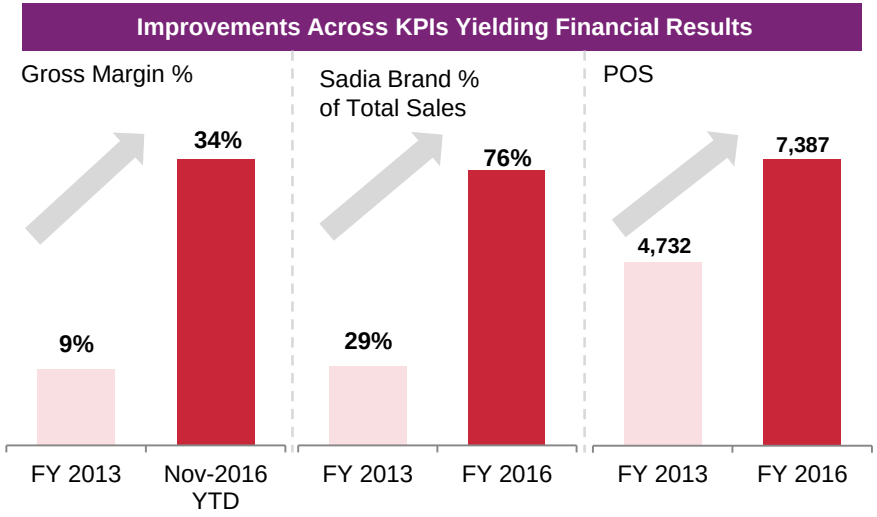


Profitability Improvement

% Gross Margin (Average) (2)



Federal Foods: An Example of our Success



1. **Portfolio** rationalization
2. Restructuring of **go-to market**
3. Enhancing of **management systems**

1 *Source: Nielsen (October 2016). Reflects retail market volume share for frozen whole chicken. For Saudi Arabia and UAE periods compared are December 2013-January 2014 for 2014 and September-October 2016 for 2016. For Kuwait and Oman periods compared are December 2013-January 2014 for 2014 and August-September 2016 for 2016.*

2 *Average Gross Margin between FY 2015 and Q3 2016YTD. FY 2015 and Q3 2016YTD based on combined carve-out financials. Excludes Banvit.*

4 Fully Owned and Controlled Farm-to-Fork, Integrated Supply Chain

Dedicated and Halal Compliant Throughout the Value Chain(1)

Grain Storage



5 *storage facilities*

Feed Mills



10 *feed mills*

Farms



2,780+ *farms(2)*

Hatcheries



14 *facilities*

Slaughtering & Processing



13 *plants*
(1.5 MM MT)(3)

Driving Sustainable Competitive Advantage

1 Cost & Efficiency

- Access to low cost raw materials in Brazil
- Purchasing power from joint buying with BRF
- Deep technical expertise
- **Sustainable cost advantage vs. competition**

2 Integrity and Food Safety

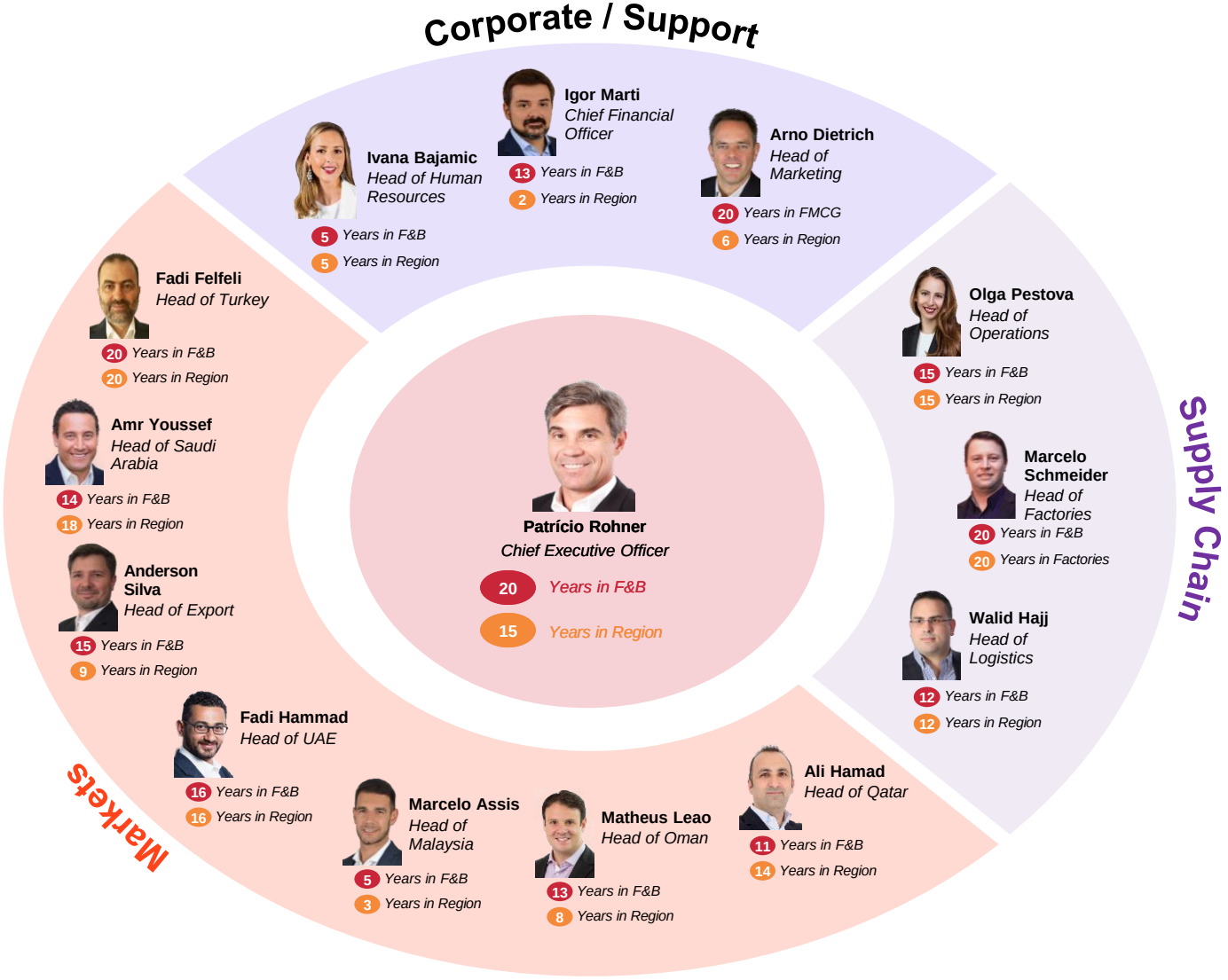
- End-to-end control throughout the poultry value chain
- Strict adherence to and knowledge of Halal standards
- **Access to Halal markets and customer trust**

3 Local Presence

- Proximity to and understanding of local consumer
- Consistency of supply
- **Improved profitability through focus on value-added products**

1 *Including Brazil, GCC, Turkey and Malaysia. An SPA to acquire Banvit was signed on 9th January 2017, acquisition subject to closing conditions.*
2 *Including 83 breeder farms (incl. 3 in Romania) and 700 broiler farms in Turkey.*
3 *Reflects installed capacity per annum.*

5 Locally Based Management Team with Proven Track-Record in OneFoods' Markets

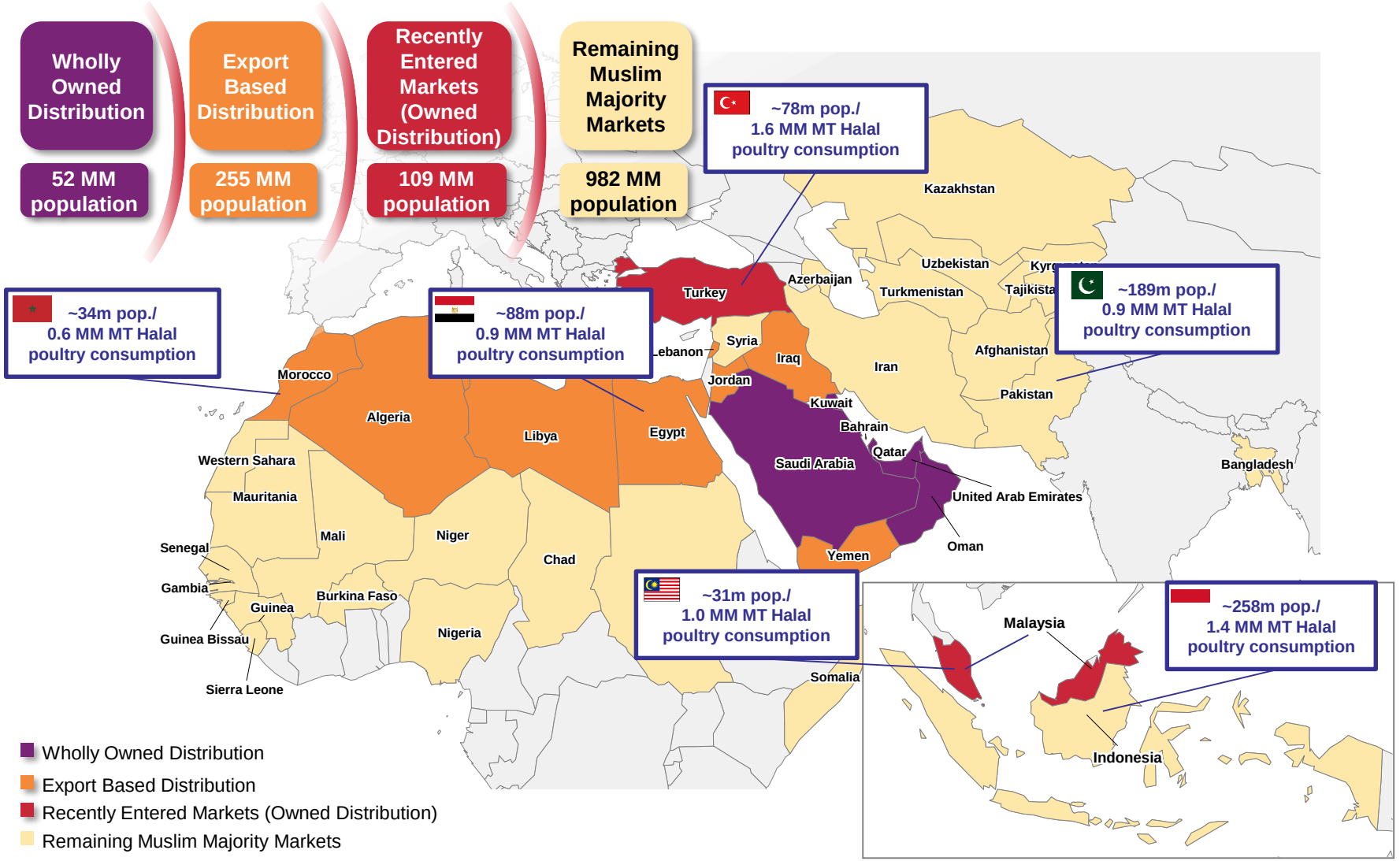


Extensive Experience in FMCG

Selected Previous Experience

kraft foods
Mondelēz International
PEPSICO
P&G
adidas
Nestlé
Fonterra Dairy for life
Unilever

OneFoods Will Replicate A Proven Model Across Its Addressable Markets



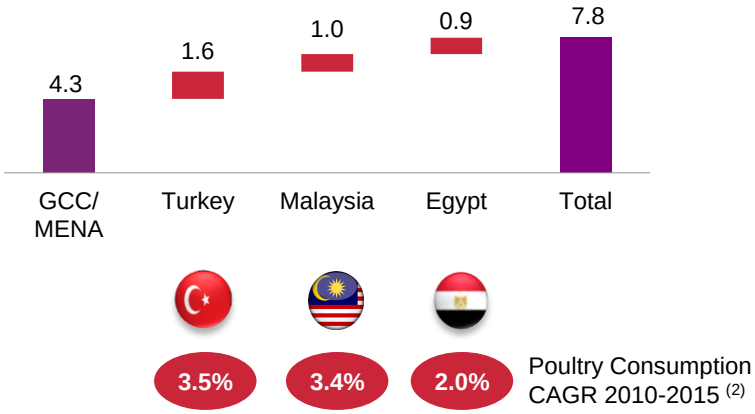
1. Sources: USDA 2016, FAO-OECD 2016, FAO 2011, Euromonitor International 2017, Pew Research Center 2015. Halal poultry consumption estimated as total domestic poultry consumption multiplied by Muslim population as a percentage of total population in each respective country in 2015. Muslim population as a percentage of total population in 2015 estimated as the average of Muslim population as a percentage of total population between 2010 and 2020 per Pew Research Center, 2015. .

Expansion into Large Halal Markets in 2016-2017

Expansion into Malaysia in 2016 and Turkey in 2017, with Egypt as a Near-Term Target Market



Halal Poultry Consumption (MM MT, 2015)[1]



	Capabilities		
	Leading Brand	Distribution	Processing
▪ In January 2017, announced acquisition of Banvit[3], **#1 player[4] in the largest Halal poultry market in the world[1]**	✓	✓	✓
▪ In 2016, joint venture with FFM ▪ Key bridgehead into **large and fast-growing SE Asian markets**		✓	✓
Egypt ▪ Already present in branded frozen whole poultry ▪ Plan to develop local **distribution presence and advance in the value chain**	✓	✓ (Planned)	

1 Source: Pew Research Center, 2015. USDA, 2016 for GCC, Iraq, Jordan, Yemen, Turkey and Malaysia; refers to domestic consumption of Poultry, Meat, Broiler. FAO-OECD, 2016 for Algeria and Egypt; refers to domestic consumption of poultry meat. FAO for Lebanon, Morocco and Tunisia; refers to domestic poultry supply quantity in 2011 due to 2015 data not available. Libya excluded due to data not available. Halal poultry consumption estimated as total domestic poultry consumption multiplied by Muslim population as a percentage of total population in each respective country in 2015. Muslim population as a percentage of total population in 2015 estimated as the average of Muslim population as a percentage of total population between 2010 and 2020 per Pew Research Center, 2015.
2 Source: USDA, 2016 for Turkey and Malaysia. FAO-OECD, 2016 for Egypt. Refers to growth in total domestic poultry consumption.
3 An SPA to acquire Banvit was signed on 9th January 2017; acquisition subject to closing conditions.
4 Source: Ipsos, 2015. Reflects market share and ranking by volume in open poultry.

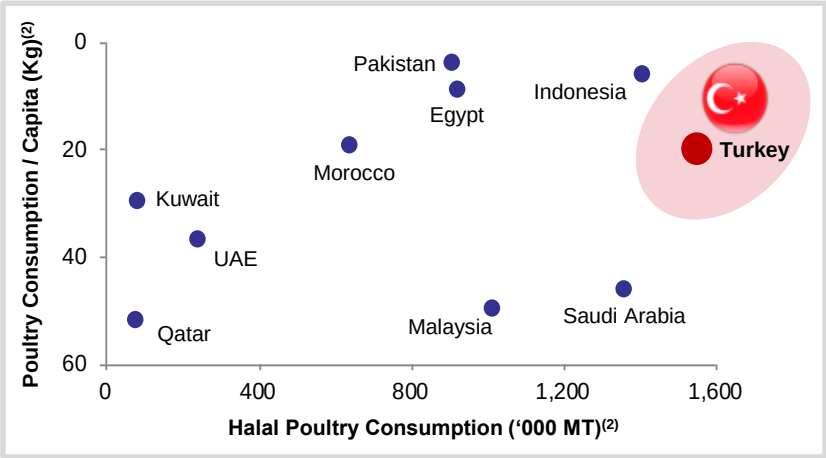
Banvit: a Key Step in the Implementation of OneFoods' Growth Strategy

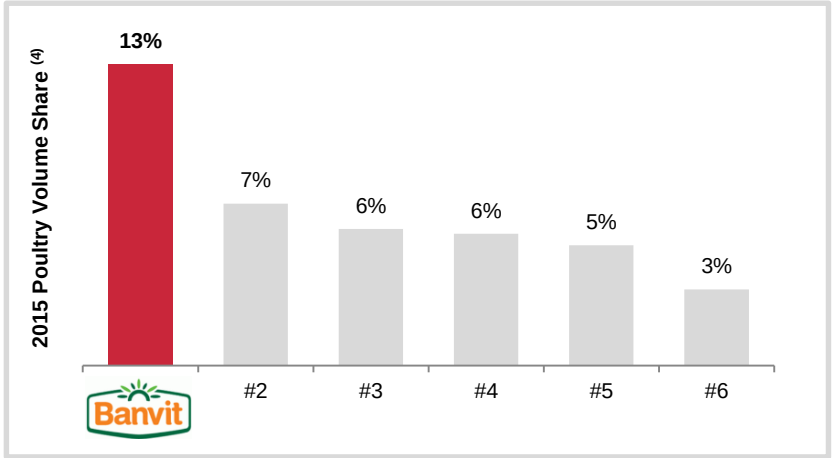
Why Turkey?

- **Largest Halal poultry market in the world**
- **Export country** located between importing regions
- Clear **potential for consumption growth**
  - Low poultry consumption per capita
  - Under-penetrated FPP (1)
- **Highly fragmented market**

Why Banvit? (3)

- **#1 player in poultry in Turkey**
  - Largest poultry producer in the country with #1 brand
  - Integrated supply chain, strategically located facilities
  - FPP capabilities
- **Platform for future value creation**
  - Market growth
  - Fragmented market allows for consolidation
  - Drive mix improvement towards FPP
  - Production hub for the GCC region
  - Operational and commercial synergies

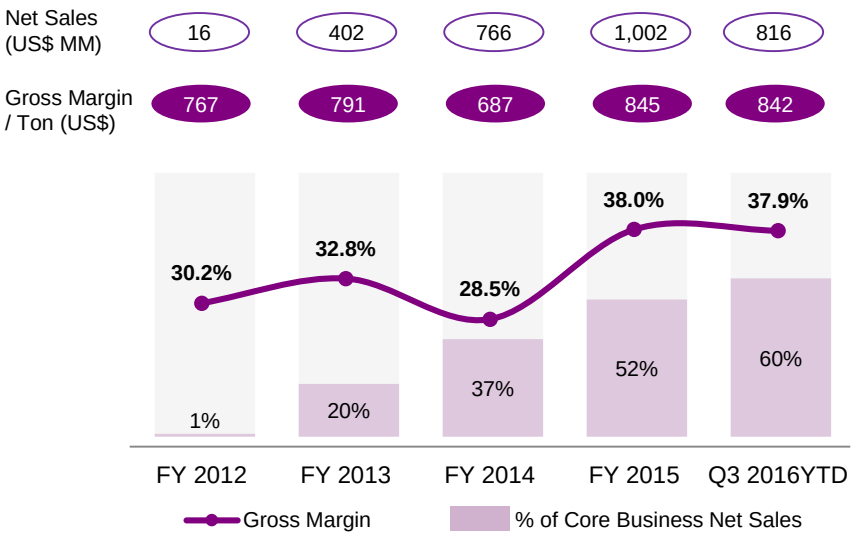




1 Source: Euromonitor International, 2016.
2 Source: Pew Research Center, 2015; USDA, 2016; FAO-OECD, 2016; Euromonitor International, 2017. Halal poultry consumption estimated as total domestic poultry consumption multiplied by Muslim population as a percentage of total population in each respective country in 2015. Muslim population as a percentage of total population in 2015 estimated as the average of Muslim population as a percentage of total population between 2010 and 2020 per Pew Research Center, 2015.
3 An SPA to acquire Banvit was signed on 9th January 2017; acquisition is subject to closing conditions.
4 Source: Ipsos, 2015. Reflects market share and ranking by volume in open poultry.

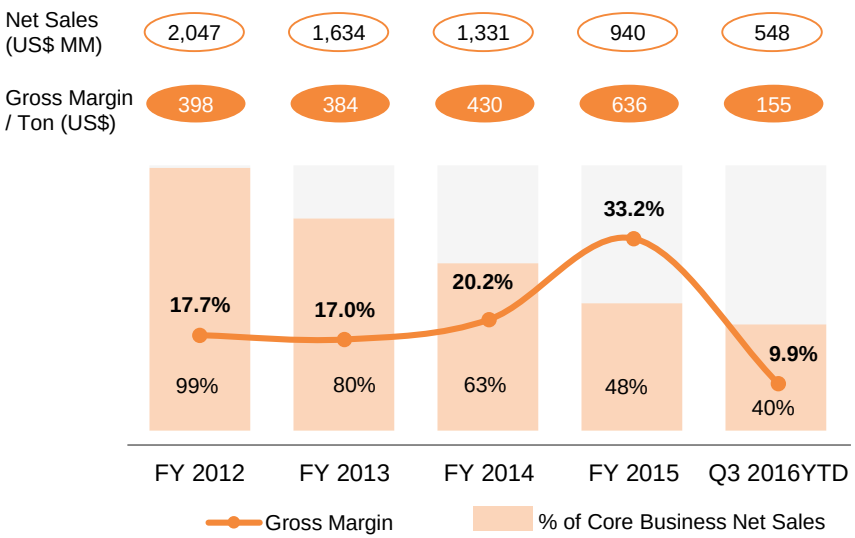
OneFoods' Trajectory of Transformation

Wholly Owned Distribution (1)



- **Highly profitable business with high resiliency**
- Gross Margin protected over time through **business stability**
- FY 2014 Gross Margin impacted by consolidation and turnaround of Federal Foods
- **Average gross margin of 37.9%** (FY 2015-Q3 2016 YTD)

Export Based Distribution (1)

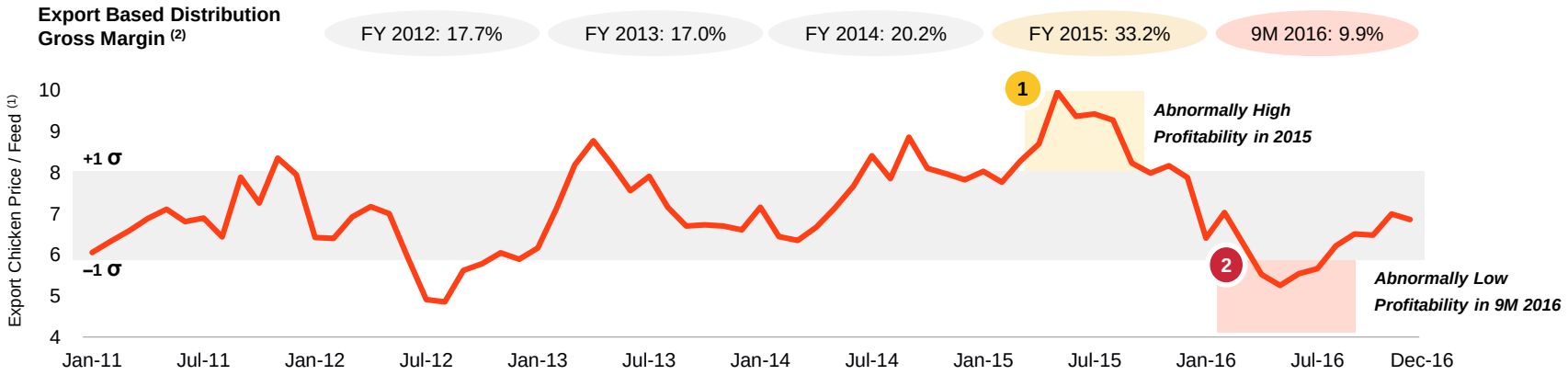


- Performance and profitability **closely correlated to market movements**
- FY 2015 and Q3 2016 YTD impacted by over-reactions to shocks in supply
- **Average gross margin of 21.5%** (FY 2015-Q3 2016 YTD)

1 *FY 2012 and FY 2013 based on BRF MENA Management accounts. FY 2014, FY 2015 and Q3 2016YTD based on combined carve-out financials.*

Shocks in Supply that Affected Export Gross Margin in 2015 and 2016 Are Expected to Normalize

- c. 80% of GCC chicken imports come from Brazil. Brazilian chicken profitability dynamics **closely tracking GCC export margins**
- Management believes values outside one standard deviation are **over-reactions** to shocks in supply, expected to **normalize in the short-term**



Brazilian Profitability Dynamics

	1 2015	2 2016	Outlook
BRL vs. USD Impact	• BRL depreciates, driving Brazilian export prices in BRL higher	• BRL recovers, pushing Brazilian export prices in BRL lower	• Depreciation of BRL post-US elections
+ Feed Price Impact	• Brazilian corn prices below export parity stimulating export	• 2 consecutive crop shortfalls • +111% increase in Brazilian corn prices, above export parity(3)	• Sell-off in Brazilian corn prices started in Q3/Q4 2016 • Corn futures point towards normalization in mid-2017
= Poultry Supply & Price	• High poultry prices in BRL and low cost of feed encourage ramp-up in chicken production	• Poultry production margins squeezed • Excess supply that had come online in 2015 continues to flood the market, prices significantly impacted	• Chicken placement, a relevant indicator of future production, down since the end Q2 2016

1 Source: SECEX and BMF Bovespa as of December 2016. Export chicken prices in US$.
2 FY 2012 and FY 2013 based on BRF MENA Management accounts. FY 2014, FY 2015 and 9M 2016 based on combined carve-out financials.
3 Corn market price/ bag increase between June 2015 and June 2016. Source: Safras and Mercados

OneFoods' Summary Financial Performance

	US$ MM	FY 2014	FY 2015	Q3 2016YTD
OneFoods [1]	**Volume ('000 Tons) [3]**	**942**	**942**	**715**
	Wholly Owned Distribution	766	1,002	816
	Export Based Distribution	1,331	940	548
	Related Parties [4]	352	293	212
	Total Net Sales	**2,449**	**2,235**	**1,576**
	Wholly Owned Distribution	218	381	309
	Export Based Distribution	269	312	54
	Related Parties [4]	1	2	2
	Total Gross Profit	**488**	**695**	**365**
	Gross Profit Margin	*19.9%*	*31.1%*	*23.2%*
	Adj. EBIT [5]	**196**	**389**	**141**
	Adj. EBIT Margin	*8.0%*	*17.4%*	*9.0%*
Banvit [2]	**Net Sales**	**885**	**734**	**486**
	Gross Profit	**116**	**78**	**89**
	Gross Profit Margin	*13.1%*	*10.6%*	*18.4%*
	Adj. EBIT [6]	**20**	**2**	**41**
	Adj. EBIT Margin	*2.3%*	*0.3%*	*8.5%*

- **Net Sales of c.US$ 3.0 Bn** in FY 2015, including Banvit
- Transformation journey driving **clear margin progression** despite short-term supply shocks in 2016 impacting export segment profitability
- Related parties transactions with BRF at various stages of the value chain to leverage scale and optimize capacity of both companies' assets in Brazil

1 *OneFoods reflects combined financials post carve-out, except Adj. EBIT which includes Day-old Chicken Premium, not included in combined financials post carve-out OneFoods' year end of 31st December and third quarter end of 30th September.*
2 *Banvit financials converted to US$ at average US$/TRY FX rate for the relevant periods. Banvit year end of 31st December and third quarter end of 30th September. An SPA to acquire Banvit was signed on 9th January 2017, acquisition subject to closing conditions.*
3 *Includes Wholly Owned Distribution and Export Based Distribution volume. Excludes Related Parties volume.*
4 *Intercompany transactions entertained with BRF as set out in related parties agreements.*
5 *Q3 2016YTD EBIT adjusted for non-recurring expenses related to SAP implementation in Kuwait and Qatar (US$20 MM) and for non-recurring income related to Oman step-up (US$17 MM), both attribuable to Wholly Owned Distribution. FY 2014, FY 2015 and Q3 2016 YTD adjusted to include income from Day-old Chicken Premium. Day-old Chicken Premium refers to premium charged by OneFoods to BRF as part of the related party trade of male day-old chicks from OneFoods to BRF and of female day-old chicks from BRF to OneFoods (FY 2014: US$53 MM; FY 2015: US$36 MM; Q3 2016 YTD: US$25 MM)*
6 *FY 2015 EBIT adjusted for decrease in value of goodwill (TRY 25 MM) and decrease in value of land and buildings (TRY 2 MM).*

Clear Road-Map to Achieve OneFoods' Vision and Potential

ONEFOODS IS READY TO CAPTURE

SUBSTANTIAL GROWTH OPPORTUNITIES

BUILDING ON A PROVEN MODEL AND TRACK-RECORD

VALUE DRIVERS WITH PROVEN CAPABILITIES

A OneFoods markets are large and fast-growing

B MIX IMPROVEMENT

towards value-added and new categories through innovation and local capabilities

C DRIVE TRANSFORMATION

into market leader in existing export markets

D INTEGRATE RECENTLY ENTERED HALAL MARKETS

Turkey and Malaysia

E GLOBAL EXPANSION

i Enter new Halal markets leveraging proven export model

ii Enter new Halal markets through M&A

onefoods





Appendix





OneFoods and BRF Rules on Brand Usage

Non-Compete Rules Aim at Setting Clear Boundaries While Maximizing Addressable Markets



	Licensed by BRF to OneFoods	Fully Owned by OneFoods
Brands (% of Sales)	Sadia 58%; Perdix 17%	Confidence 8%; MIC 7%; Hilal 2%
OneFoods Priority Countries	▪ OneFoods has exclusive brand rights ▪ OneFoods to pay BRF a royalty fee based on sales of products bearing the brand ▪ BRF cannot use the brands ▪ BRF cannot sell Halal products	▪ Ownership fully transferred to OneFoods
Rest of the World	▪ OneFoods can use the brands only if BRF agrees ▪ BRF maintains global ownership of brands	

OneFoods and BRF Related Parties Relationships and Transactions

Collaboration to Leverage Portfolio Synergies and Exchange Best Practices

- Intercompany transactions at various stages of the value chain to leverage scale and optimize capacity of both OneFoods' and BRF's assets in Brazil
- Clear rules of engagement set to ensure **uncompromised independence**
- Strategic partnership between OneFoods and BRF in procurement, e.g. centralized negotiation with vendors for grain, land and sea freight

Agro

- Soy Oil (1)
- Premix (1)
- Feed
- Grandparents
- Eggs
- Day Old Chicken (2)

Industry

- Raw Materials
- Finished Products (1)

Impact on OneFoods' P&L

US $ MM	2014	2015	Q3 2016YTD
Net Sales	**352**	**293**	**212**
1 Soy Oil and Premix	1	2	2
2 Day-Old Chicken Premium (2)	53	36	25
Ajd. EBIT	**54**	**39**	**26**

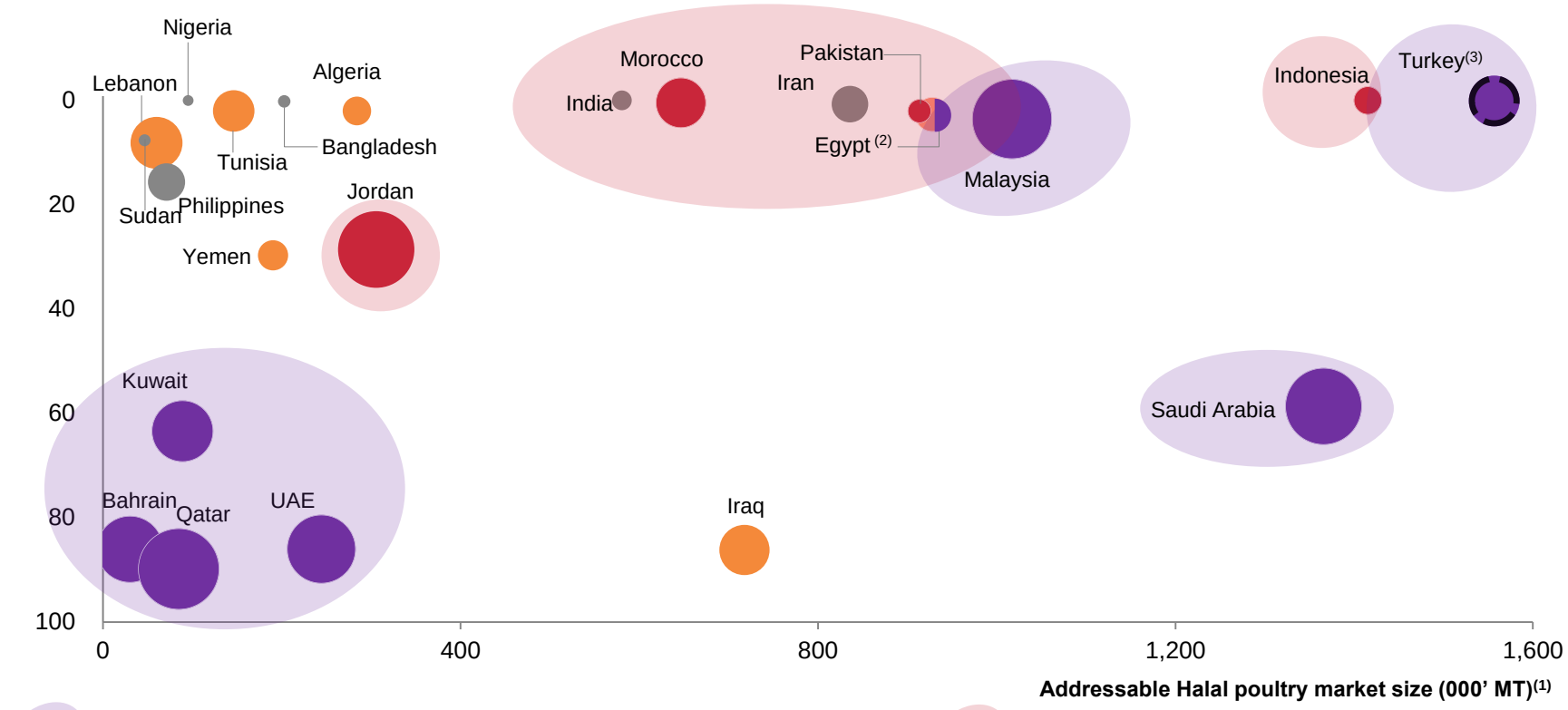
1
- Driven by changes in market prices in financial transactions in Soy Oil and Premix

2
- Trade of male day-old chicks from OneFoods to BRF and of female day-old chicks from BRF to OneFoods
- Grillers are the preferred type of bird for sales in the Middle East
- Because of male chicks faster conversion (resulting in lower cost / ton), **OneFoods to charge a premium** on male chicks sold to BRF

1 *Includes griller, turkey, chicken cuts and others.*
2 *Excluded from combined carve-out financials.*

Clear Strategy to Grow in Large Halal Markets

Poultry imports (% of consumption) (1)

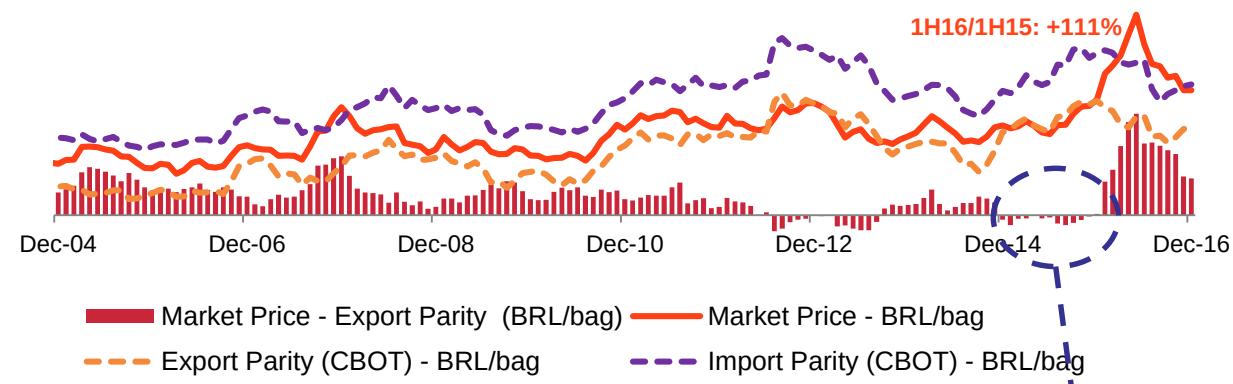


1. *Sources: USDA 2016, FAO-OECD 2016, FAO 2011, Euromonitor International 2017, Pew Research Center 2015. Halal poultry consumption estimated as total domestic poultry consumption multiplied by Muslim population as a percentage of total population in each respective country in 2015. Muslim population as a percentage of total population in 2015 estimated as the average of Muslim population as a percentage of total population between 2010 and 2020 per Pew Research Center, 2015.*
2. *OneFoods present in Egypt, with opportunity to expand.*
3. *An SPA to acquire Banvit was signed on 9th January 2017, acquisition subject to closing conditions.*

Corn Price vs. Export/ Import Parity Evolution

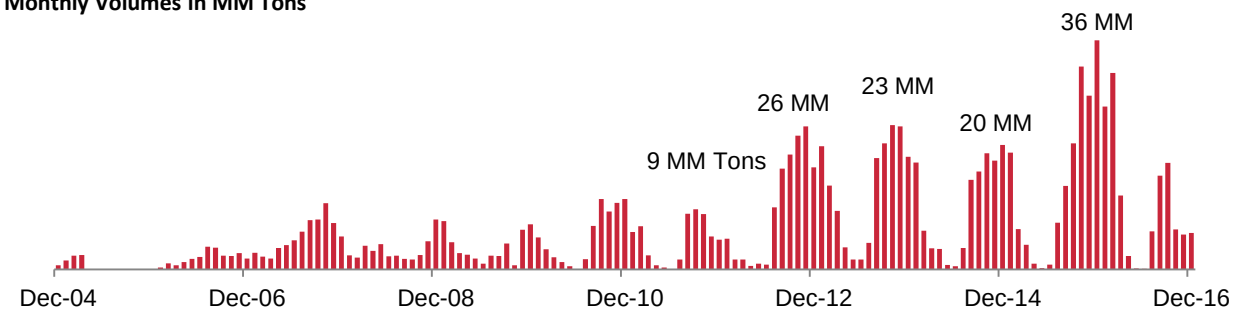
Corn Price in Brazil Compared to World Prices[(1)]

Example of Cascavel in BRL/bag



Corn Exports from Brazil[(2)]

Monthly Volumes in MM Tons



- 2016 started with low corn availability in Brazil, which became worse due to crop shortfalls and strong exports
  - As a result, corn price in Brazil went above import parity levels
- Sharp BRL devaluation in 2015 caused corn price in Brazil to reach below export parity levels, leading to strong exports
  - Brazil faced two crop shortfalls in 2016
  - Corn price in Brazil went above import parity levels due to limited import alternatives

Source: CEPEA, CBOT, Secex

Ipsos 2015 Survey – Sample Details

BRF Commissioned Ipsos for a - Face to Face Computer Aided Personal Interview (CAPI) GCC Survey - 2015 - Comprised Only Women from

	Kuwait			KSA			UAE		
Region	Kuwait City, Hawalli, Farwania, Al Ahmadi			Riyadh, Jeddah			Dubai, Sharjah, Abu Dhabi		
Ethnicity	50% Locals	15% Asian	35% Arabs	71% Locals	16% Asian	12% Arabs	19% Locals	48% Asian	33% Arabs
Age	38% (20 – 29)	41% (30-39)	21% (40-50)	39% (20 – 29)	32% (30-39)	29% (40-50)	31% (20 – 29)	40% (30-39)	29% (40-50)
SEL	20%	40%	40%	18%	34%	48%	20%	36%	44%

Source: BRF commissioned Ipsos 2015 survey. Brand awareness surveys in Saudi Arabia, UAE and Kuwait: "Thinking of food brands, which is the first brand that comes to mind?". Base: Saudi Arabia 524 / UAE 525 / Kuwait 514. Saudi Arabia, UAE and Kuwait accounted for 84% of total population in the GCC in 2015, per Euromonitor International, 2017.