

Earnings Release 1Q19



*On the table and in the
heart of Brazilians.*

MANAGEMENT'S COMMENTS



Dear Ladies and Gentlemen,

M. Dias Branco announces its consolidated results for the first quarter of 2019 (1Q19) and reaffirms its commitment to the best transparency and disclosure practices, dedicated to providing shareholders and society with the broadest and most accurate interpretation of its operations and purposes.

The results for Piraquê¹ are included in the consolidated information for 1Q19 and 4Q18 presented herein. In addition, on pages 21 and 22 we present information excluding Piraquê ("without Piraquê").

Financial and Operating Results	1Q19	1Q18	Variation	4Q18	Variation
Net Revenue (R\$ million)	1,316.9	1,217.4	8.2%	1,579.6	-16.6%
Total Sales Volume (thousand tonnes)	389.3	420.0	-7.3%	444.3	-12.4%
Cookies & Crackers Sales Volume (thousand tonnes)	110.2	118.4	-6.9%	138.0	-20.1%
Pasta Sales Volume (thousand tonnes)	82.4	79.0	4.3%	101.5	-18.8%
Market share of Cookies & Crackers (volume)*	36.0%	32.2%	3.8 p.p	35.6%	0.4 p.p
Market share of Pasta (volume)*	37.9%	33.1%	4.8 p.p	37.9%	0 p.p
Net Income (R\$ million)	56.9	139.7	-59.3%	139.8	-59.3%
Ebitda (R\$ million)	112.1	183.5	-38.9%	189.9	-41.0%
Ebitda Margin	8.5%	15.1%	-6.6 p.p	12.0%	-3.5 p.p
Net Cash (Debt) (R\$ million)	-651.6	824.8	n/a	-763.5	-14.7%
Net Cash (Debt) / EBITDA (last 12 months)	-0.9	0.9	n/a	-0.8	12.5%
Capex (R\$ million)	69.6	70.3	-1.0%	86.5	-19.5%
Net Cash generated from operating activities	206.0	295.9	-30.4%	39.1	n/a

*Note: The values presented on 1Q19 and 1Q18 are from the period of Jan/Feb 2019 and 2018.

* The values presented on 4Q18 are from the period of Nov/Dec 2018.

As illustrated in the table above, in the comparison between 1Q19 and 1Q18, our total net revenue increased by 8.2% (- 3.7% without Piraquê), total sales volume fell by 7.3% (- 11.6% without Piraquê) and our EBITDA and net income reduced by 38.9% and 59.3%, respectively.

These results, below our expectations and the growth potential of M. Dias Branco, were mainly due to:

- the retraction in volume, mainly for the cookies and crackers line explained by our clients' high levels of inventory during the first half of 1Q19, and
- 36.9% increase in wheat prices (in Reais) when compared to 1Q18.

Below we list a set of initiatives aimed at resuming volume growth, reducing fixed costs and increasing profitability, some of which were already underway and others that initiated during the first months of the year:

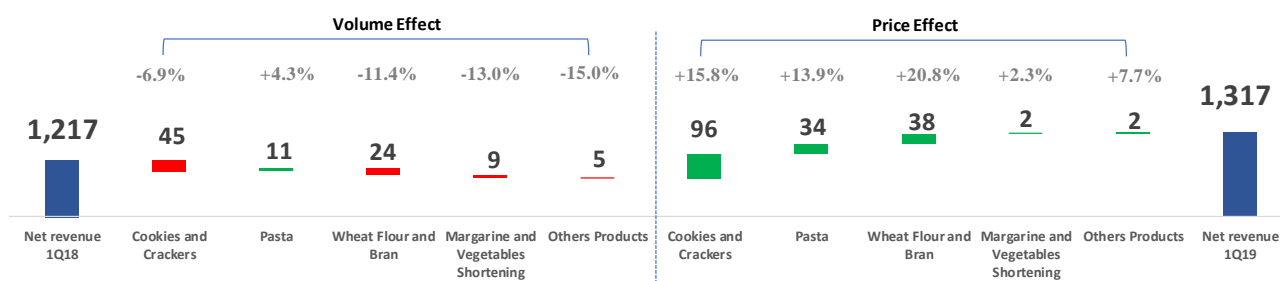
- Reduction in total employees through direct and voluntary dismissal program;
- Revision of contracts and outsourcing;
- Supply chain investments, especially in new distribution centers and expansion of shipping areas;
- Linearization of the volumes on a monthly basis;

¹ Indústria de Produtos Alimentícios Piraquê S.A., a food company which shares were fully acquired by the Company on May 16, 2018.

- Volumes negotiated with clients for more than one month;
- Commercial initiatives and marketing campaigns focused on growth in regions and subcategories with high growth potential;
- Continuous improvement of our pricing modeling;
- Launch of higher value-added products, such as Finna's wheat flour in a 5 kg size for pies, pizzas and type 1 flour, as well as the Piraquê chocolate-covered wafer biscuit.

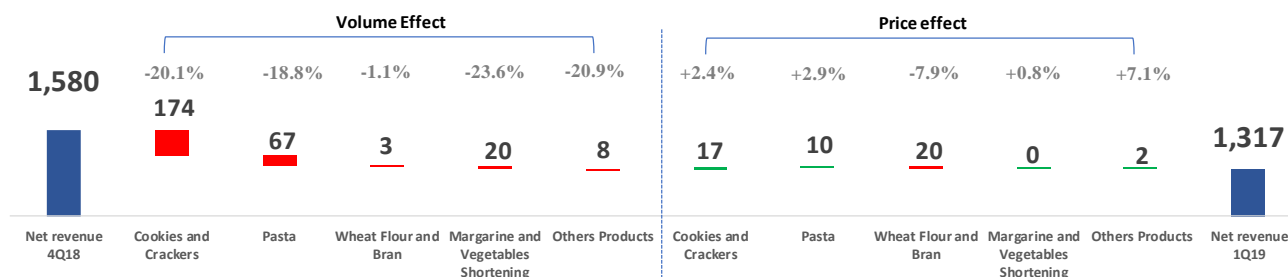
The net revenue growth in 1Q19 versus 1Q18 was mainly due to increase in the average prices for all product lines, which were higher than the reduction in sales volumes, mainly in the "cookies and cracker" and "wheat flour and bran".

Variation of Net Revenue- 1Q19 vs. 1Q18 (R\$ Million) | M. Dias + Piraquê



Also comparing 1Q19 versus 4Q18, as demonstrated in the chart below, net revenue fell by 16.6% (-16.9% without Piraquê) due to lower volumes in all product lines. In terms of average prices, they came in lower in the "wheat flour and bran" line.

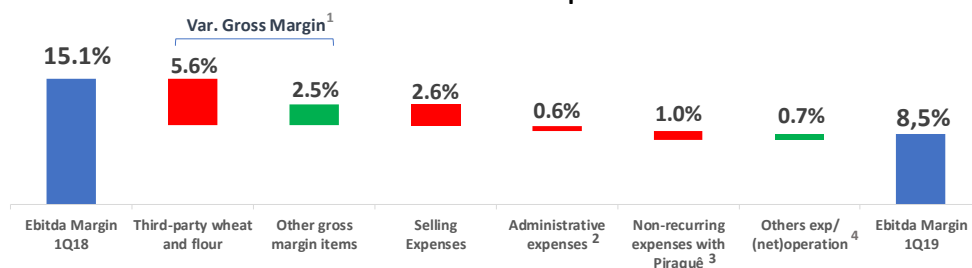
Variation of Net Revenue- 1Q19 vs. 4Q18 (R\$ Million) | M. Dias + Piraquê



The strong rise in wheat prices 2018 resulted in a 36.9% cost increase in the input when comparing 1Q19 with 1Q18.

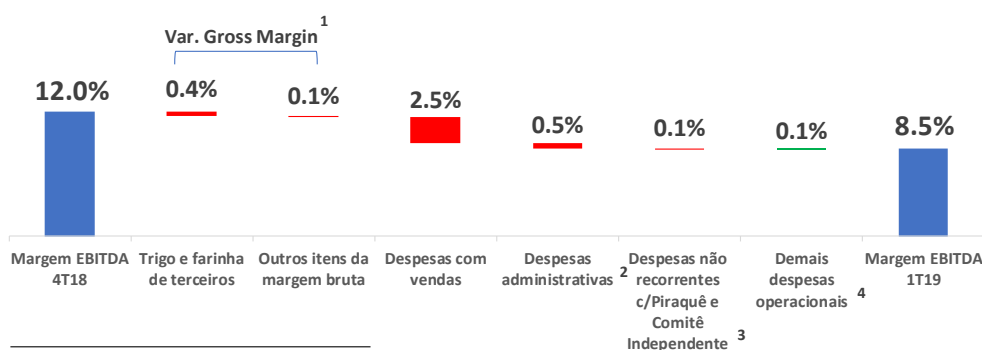
To mitigate this negative impact, we adjusted our prices throughout 2018, representing a net increase by 16.6% (+9.0% without Piraquê), in 1Q19 versus 1Q18. However, as shown in the graphs to follow, the price adjustments were not enough to avoid retraction of the EBITDA margin.

Variation of EBITDA Margin (%Net Revenue) 1Q19 vs. 1Q18
M.Dias + Piraquê



¹Note: % Variation in gross margin without considering the representativeness of CPV depreciation on net revenue. ²Note: Administrative expenses without non-recurring expenses with Piraquê. ³Note: M.Dias non-recurring expenses with the integration of Piraquê (R\$ 1.8 million) and expenses incurred by Piraquê with consultancy and restructuring (R\$ 11.6 million). ⁴Note: Regarding tax expenses and other operating revenue / expenses without non-recurring expenses with Piraquê, in particular the 1Q19 recorded of PIS / Cofins credit for the exclusion of bonus from the calculation base (R\$ 18.5 million).

Variation of Margin EBITDA (% Net Revenue) 1Q19 vs. 4Q18
M.Dias + Piraquê

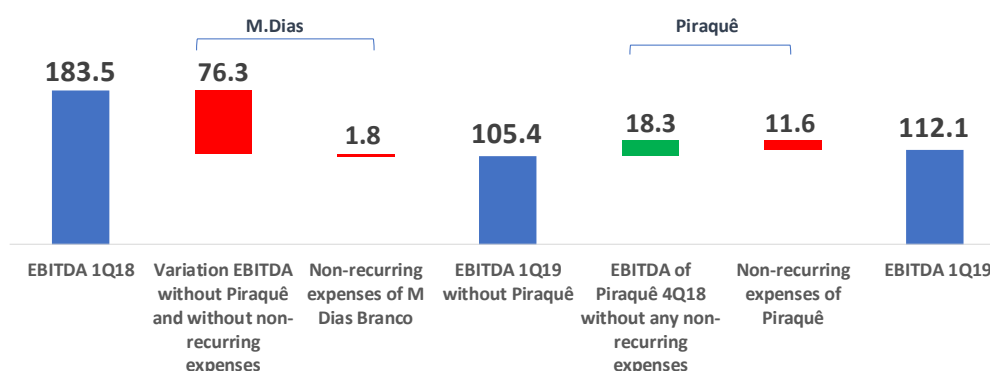


¹Note: % Variation in gross margin without considering the representativeness of CPV depreciation on net revenue. ²Note: Administrative expenses without non-recurring expenses with Piraquê and independent committee. ³Note: Variation of non-recurring expenses with Piraquê and the independent committee. ⁴Note: Regarding tax expenses and other operating revenue / expenses without non-recurring expenses with Piraquê, in particular the 1Q19 recorded of PIS / Cofins credit for the exclusion of bonus from the calculation base (R\$ 18.5 million).

Due to the reasons already mentioned, our nominal EBITDA in 1Q19 fell by 38.9% (-42.6% without Piraquê), Net Income fell by 59.3% (-53.3% without Piraquê) and we ended the quarter with a net debt/EBITDA (last 12 months) ratio of 0.9x.

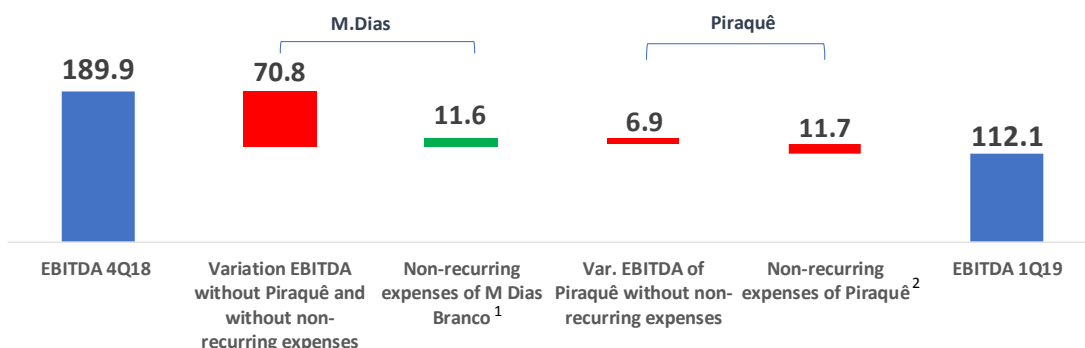
The chart below illustrates the variation in M. Dias Branco's EBITDA without Piraquê, non-recurring expenses, as well as Piraquê's EBITDA included in the consolidated result for the quarter.

Variation of EBITDA 1Q19 vs. 1Q18 (R\$ Millions) | M.Dias + Piraquê



¹Note: Expenses incurred by M. Dias Branco with integration of Piraquê.
²Note: Expenses incurred by Piraquê with consulting and restructuring.

Variation of EBITDA 1Q19 vs. 4Q18 (R\$ Million) | M.Dias + Piraquê



¹Note: Variation in the expenses incurred by M. Dias Branco with the integration of the Piraquê and the Independent Committee.

²Note: Variation of expenses incurred by Piraquê with consulting and restructuring.

In terms of net income, the retraction is due to the reasons already explained, in addition to the start of depreciation in new production lines during 2018 and in 1Q19, the consolidation of depreciation and amortization expenses for Piraquê and lower financial results in 1Q19 versus 1Q18 due to the redemption of financial investments to pay for the acquisition of Piraquê and higher debt. It is worth mentioning that, in 1Q19, tax credit restatements were recorded as financial revenue, in the amount of R\$5.8 million, positively contributing to the financial result.

Variation of Net Income 1Q19 vs. 1Q18 (R\$ million) | M.Dias + Piraquê



¹Note: EBITDA variation without non-recurring expenses with Piraquê. ²Note: Variation includes cost and expense of depreciation and amortization of Piraquê in the amount of R\$ 16.7 million.

³Note: Non-recurring expenses refer to expenses with the integration of Piraquê (R\$ 1.8 million) and expenses incurred by Piraquê with consulting and restructuring (R\$ 11.6 million).

We invested R\$69.6 million in 1Q19 (-1.0% vs. 1Q18) in our infrastructure, in which we highlight: (i) the ongoing construction of a new milling unit in Bento Gonçalves (RS); (ii) increase in silos capacity in Paraná; (iii) increase in packing capacity for the cookies line and in flour warehousing capacity at the unit in Jaboatão dos Guararapes (PE); and (iv) the implementation of the Automatic Data Processing (ADP) payroll system.

Net cash from operating activities totaled R\$205.5 million in 1Q19 (R\$295.9 million in 1Q18). Among the events that affected the increase in cash in 1Q19 were the decrease in results and the increase in inventory coverage, with a balance of R\$874.5 million in 1Q19 (R\$630.2 million in 1Q18) due to lower volumes in 1Q19 and the acquisition of Piraquê.

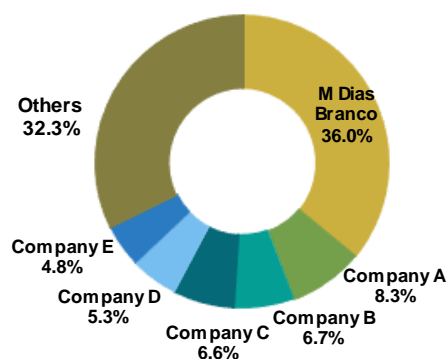
We continue confident in the sustainable growth potential of M. Dias Branco, certain that we are making the necessary investments and working hard to generate value for the Company aiming for our brands to be increasingly recognized and desired by our clients and customers.

MARKET HIGHLIGHTS

MARKET SHARE

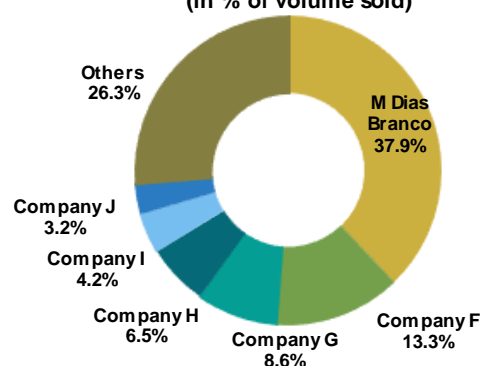
The chart below shows the Brazilian market share (in % of sales volume) of M. Dias Branco, the Brazilian leader in the cookies & crackers and pasta markets, and its main competitors during the months of January and February 2019.

Market Share Cookies and Crakers* - Brazil
(in % of volume sold)



* AC NIELSEN data from Jan/Feb of 2019 with Piraquê

Market Share Pasta* - Brazil
(in % of volume sold)



* AC NIELSEN data from Jan/Feb of 2019 with Piraquê

SALES CHANNELS

As shown in the table below, the significant increase in the retail channel and the reduction in wholesale were due to the consolidation of Piraquê's client mix since May 17, 2018, which has its sales largely directed to the retail segment. It is also worth noting the increased share of the "cash & carry" channel in 1Q19 which has been recording high growth rates in recent years with the opening of new stores in all Brazilian regions.

Client Mix	1Q19	1Q18	Variation
Small Retail	30.0%	25.5%	4.5 p.p
Wholesale	23.1%	28.0%	-4.9 p.p
Key Accounts / Regional Chains	20.7%	21.0%	-0.3 p.p
Cash and Carry	19.5%	17.8%	1.7 p.p
Distributors	4.8%	6.0%	-1.2 p.p
Industry	0.9%	0.9%	0 p.p
Other	1.0%	0.8%	0.2 p.p
TOTAL	100.0%	100.0%	

Note: Client mix, considering gross revenue excluding discounts.

Major Clients		Sales 1Q19 (R\$ million) *	Participation in Gross Revenue excluding Discount Sales	
Sequence	Accumulated		Individual	Accumulated
Major Client	1	201.6	12.4%	12.4%
49 Subsequent	50	413.3	25.4%	37.8%
50 Subsequent	100	112.0	6.9%	44.7%
900 Subsequent	1,000	420.3	25.8%	70.5%
Other Clients	All clients	478.9	29.5%	100.0%
TOTAL		1,626.1		

Note: Gross revenue excluding discounts.

OPERATING HIGHLIGHTS



PRODUCTION CAPACITY UTILIZATION RATE

Effective Production / Production Capacity *	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products **		Total	
	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18
Total Production	132.1	122.7	95.6	80.9	350.5	359.6	44.0	39.3	3.9	3.7	626.1	606.2
Total Production Capacity	215.5	179.6	138.2	117.2	478.0	478.0	100.1	90.0	10.0	10.2	941.8	875.0
Capacity Utilization	61.3%	68.3%	69.2%	69.0%	73.3%	75.2%	44.0%	43.7%	39.0%	36.3%	66.5%	69.3%

* Thousand tonnes

** Cakes, snacks, cake mix and packaged toast

Effective Production / Production Capacity *	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products **		Total	
	1Q19	4Q18	1Q19	4Q18	1Q19	4Q18	1Q19	4Q18	1Q19	4Q18	1Q19	4Q18
Total Production	132.1	136.8	95.6	97.8	350.5	337.0	44.0	44.3	3.9	4.5	626.1	620.4
Total Production Capacity	215.5	216.3	138.2	129.9	478.0	478.0	100.1	97.7	10.0	10.9	941.8	932.8
Capacity Utilization	61.3%	63.2%	69.2%	75.3%	73.3%	70.5%	44.0%	45.3%	39.0%	41.3%	66.5%	66.5%

* Thousand tonnes

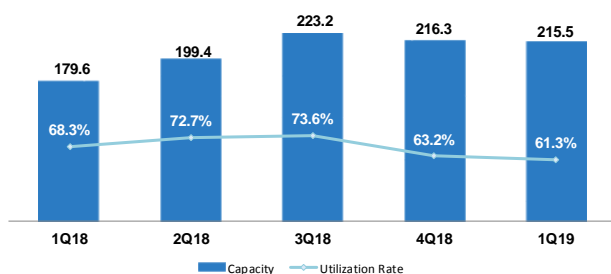
** Cakes, snacks, cake mix and packaged toast

Note: Total production capacity refers to the maximum yield that can be obtained from the equipment, considering losses caused by maintenance stoppages, setup time, line clean-up, restrictions on the maximum number of shifts in each plant, etc.

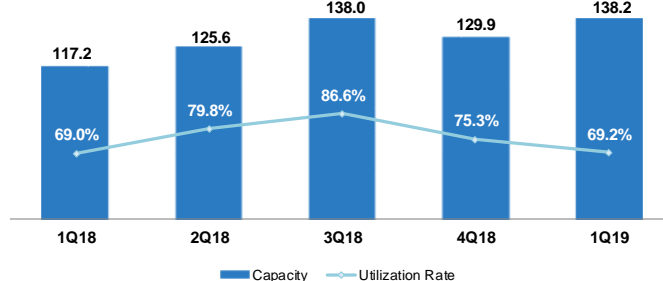
The increase in total production capacity from 1Q19 vs. 1Q18 reflects the addition of Piraquê's production capacity (cookies & crackers, pasta and vegetable shortening) in the consolidated figures since May 17, 2018. The fall in utilization capacity in 1Q19 vs. 1Q18 was mainly due to lower utilization rates at Piraquê and lower flour/bran volumes, due to market adjustments and improvement of our inventory management.

When comparing 1Q19 with 4Q18, our capacity utilization level remains the same.

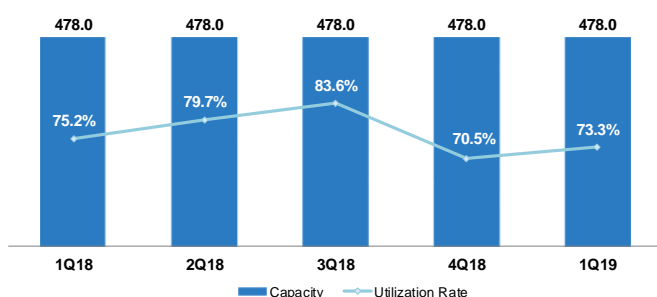
Production Capacity ('000 tonnes) and Utilization Rate - Cookies and Crackers



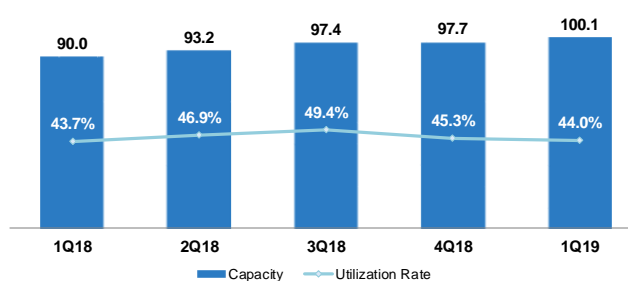
Production Capacity ('000 tonnes) and Utilization Rate - Pasta



Production Capacity ('000 tonnes) and Utilization Rate - Wheat Flour and Bran



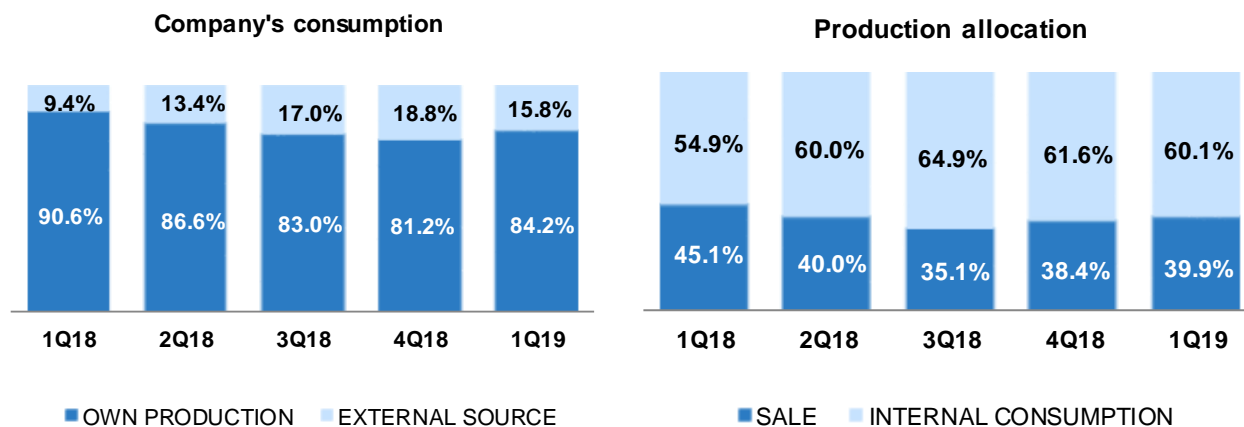
Production Capacity ('000 tonnes) and Utilization Rate - Margarine and Vegetable (%)



VERTICAL INTEGRATION

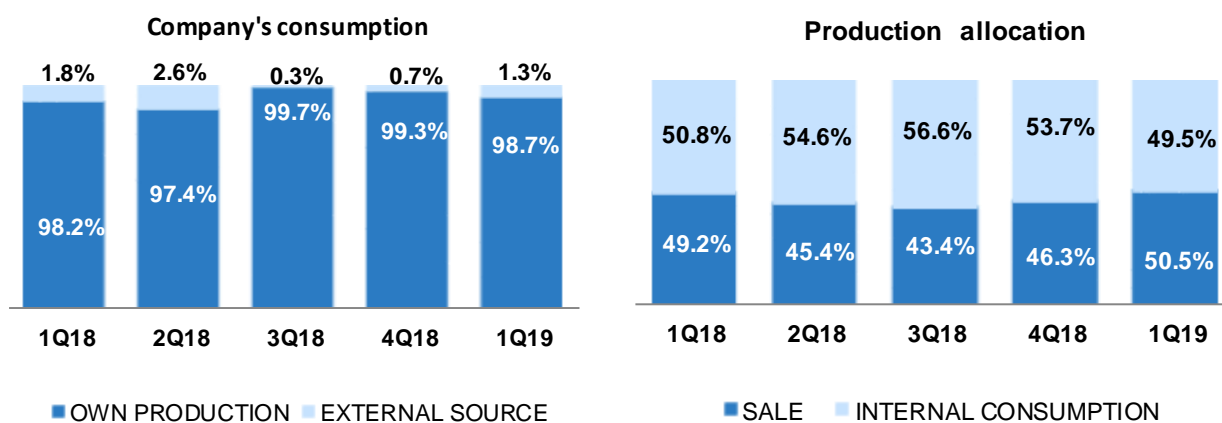
WHEAT FLOUR

In 1Q19, our wheat flour integration level stood at 84.2% (90.6% in 1Q18). This reduction was mainly because Piraguê units consumed third-party wheat flour.



VEGETABLE SHORTENING

The vertical integration of vegetable shortening stood at 98.7% in 1Q19 vs. 98.2% in 1Q18. This increase was mainly because Piraguê's vegetable shortening line is also vertically integrated, directing part of the production for consumption to the M. Dias Branco units in Lençóis Paulista (SP) and Bento Gonçalves (RS).



Note: The Company's consumption graphs show the origin of the wheat flour and vegetable shortening consumed in the period, with a breakdown of own output and purchases from third parties (external source). The production destination graphs show the percentage of wheat flour and vegetable shortening that was allocated to sales and to the production of cookies & crackers and pasta, etc. (internal consumption).

FINANCIAL AND ECONOMIC HIGHLIGHTS

NET REVENUE

Net revenue increased by **8.2%** in 1Q19 vs 1Q18, with a **16.6%** increase in average price and a **7.3%** drop in volumes.

Segment	1Q19			1Q18			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	702.8	110.2	6.38	652.1	118.4	5.51	7.8%	-6.9%	15.8%
Pasta	290.6	82.4	3.53	245.1	79.0	3.10	18.6%	4.3%	13.9%
Wheat Flour and Bran	225.3	176.5	1.28	211.0	199.3	1.06	6.8%	-11.4%	20.8%
Margarine and Vegetable Shortening	66.5	16.8	3.96	74.6	19.3	3.87	-10.9%	-13.0%	2.3%
Other products **	31.7	3.4	9.32	34.6	4.0	8.65	-8.4%	-15.0%	7.7%
TOTAL	1,316.9	389.3	3.38	1,217.4	420.0	2.90	8.2%	-7.3%	16.6%

* Net Revenue in R\$ million, Weight excluding sales returns in thousand tonnes and Net Average Price in R\$/Kg.

** Cakes, snacks, cake mix, juice powder and packaged toast

As already mentioned in the introduction to this document, the acquisition of Piraquê and the average price increase in all product lines were the main factors leading to the growth of net revenue, offsetting the reduction in volumes in the “cookies & crackers” and “wheat flour & bran” lines.

The decrease in volumes is essentially explained by the operational adjustments we made during the quarter, aimed at reducing variations in monthly volumes and avoiding excess inventory of our products at our clients.

As for the average price, it is worth remembering that as of 2Q18, we have been experiencing a scenario of increases in wheat prices and foreign exchange rates, resulting in more dynamic price adjustments at levels that are higher than what we normally do. For this reason, in addition to the acquisition of Piraquê, our average price increased by 16.6% in 1Q19 vs. 1Q18.

Below are some of the launches and sales/marketing campaigns we carried out in 1Q19:

- **Launching** of the Finna brand flour in a 5 kg size for pies, pizzas and type 1 flour, as well as the Piraquê Pirachoko chocolate-covered wafer biscuit.



- **Investments in sales/marketing campaigns:** we carried out several marketing campaigns and promotions with prizes to increase product sell-out, such as: “Seu ano é por nossa conta” for the Estrela brand, “A gente causa junto” for the Salsitos and Delicitos brands and “Detalhes que alimentam a vida” for the Adria brand, and we also carried out marketing campaigns during Carnival as well as “buy and win” actions, among others. The campaigns were also aimed at boosting sales for higher added value products and promoting consumer interactions in the digital platforms of each brand.

- **Participation in events:** we attended the international and national fairs such as Gulfood (Dubai), Anufood (São Paulo) and Super Rio Expofood (Rio de Janeiro), in addition to several other events to promote our product portfolio.

Gulfood

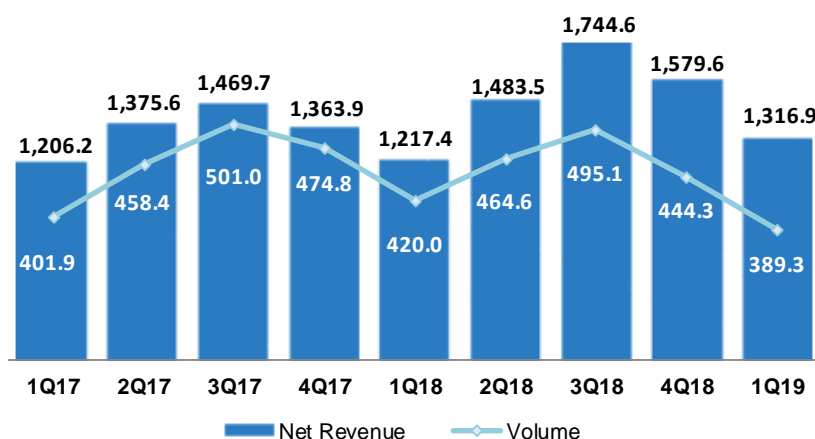
In terms of net revenue, we recorded a **16.6%** decrease in 1Q19 vs. 4Q18, explained by a **5.1%** drop in average prices and a **12.4%** reduction in volumes.

Segment	1Q19			4Q18			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	702.8	110.2	6.38	859.2	138.0	6.23	-18.2%	-20.1%	2.4%
Pasta	290.6	82.4	3.53	348.1	101.5	3.43	-16.5%	-18.8%	2.9%
Wheat Flour and Bran	225.3	176.5	1.28	248.5	178.5	1.39	-9.3%	-1.1%	-7.9%
Margarine and Vegetable Shortening	66.5	16.8	3.96	86.4	22.0	3.93	-23.0%	-23.6%	0.8%
Other products **	31.7	3.4	9.32	37.4	4.3	8.70	-15.2%	-20.9%	7.1%
TOTAL	1,316.9	389.3	3.38	1,579.6	444.3	3.56	-16.6%	-12.4%	-5.1%

* Net Revenue in R\$ million, Weight excluding sales returns in thousand tonnes and Net Average Price in R\$/Kg.

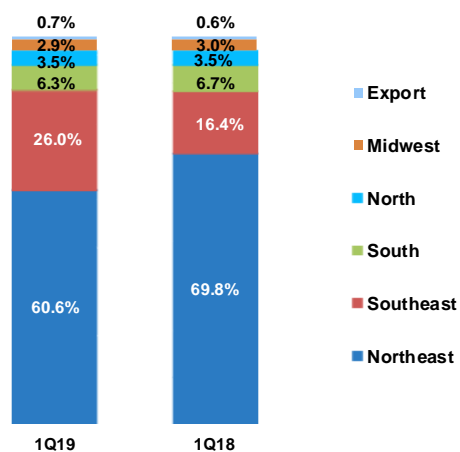
** Cakes, snacks, cake mix, juice powder and packaged toast

Net Revenue (R\$ million) and Net Volume Líquido ('000 tonnes)

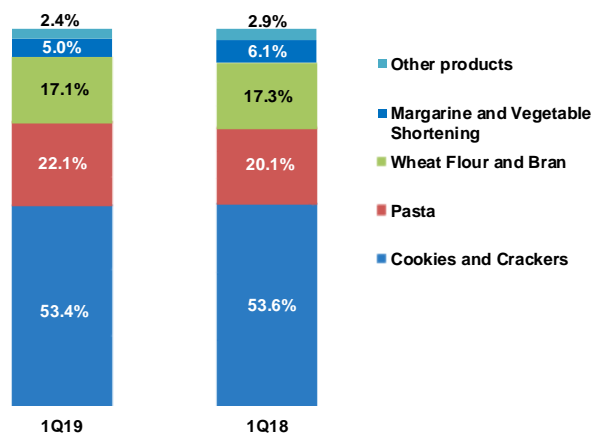


As shown in the following graphs, in line with our strategy, the representativeness of other regions of the country (outside the Northeast), went from 29.6% in 1Q18 to 38.7% in 1Q19 as a result of the acquisition of Piraquê, which has approximately 95% of its sales in the Southeast region, and also due to the growth of other M. Dias Branco brands. Our exports reached a gross revenue amount of R\$12.3 million in 1Q19 (+12.8% vs. 1Q18).

Sales by Region (% Gross Revenue excluding Discounts and Returns)



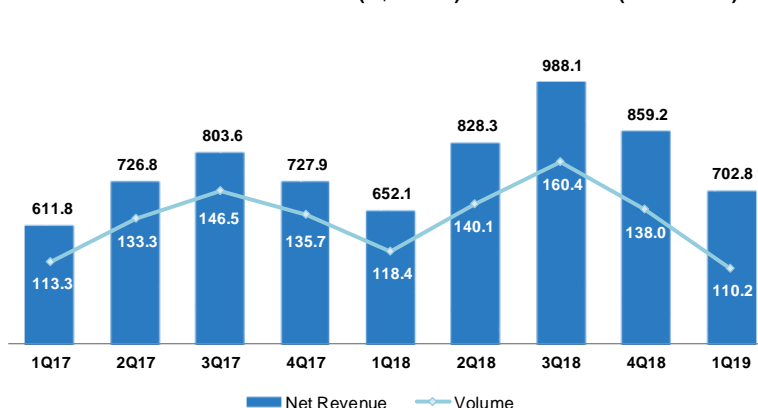
Net Revenue Breakdown



HIGHLIGHTS – COOKIES & CRACKERS

Net revenue of our cookies & crackers line increased by **7.8%** in 1Q19 vs. 1Q18 (average price + 15.8% and volume -6.9%), with highlights to the volume growth outside of the Northeast region, especially for the filled and salt & water/cream cracker families. We recorded an increase in average price due to price adjustments carried out in 2018 and the acquisition of Piraquê, which has a higher value-added cookie portfolio.

Cookies and Crackers - Net Revenue (R\$ million) and Net Volume ('000 tonnes)



We also highlight the initiatives taken towards our family of functional cookies of the Adria Plus Life brand, which has maintained a fast market share growth pace since its launching in May 2017. In 1Q19, we continued activations of points of sale, product tastings, promotional campaigns (buy and win) and product promotion in digital, sports and nutritional platforms. As for new launchings, in 1Q19 we recorded a gross revenue of R\$31.0 million from the launching of 52 new products/flavors during the last 24 months (60 new products/flavors were launched in 1Q18, with a gross revenue of R\$23.1 million).

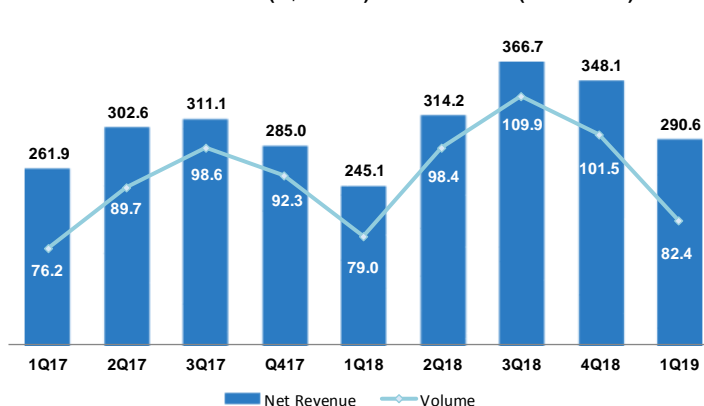
In terms of net revenue, we recorded a reduction of 18.2% in 1Q19 vs. 4Q18, with a 20.1% reduction in volumes.

HIGHLIGHTS – PASTA

In 1Q19, our net revenue from pasta increased by **18.6%** vs. 1Q18 (average price +13.9% and volume + 4.3%). We recorded growth mainly for common pasta, egg pasta and durum wheat pasta families in the Southeast region, with highlights to increase in volumes of higher value-added products, such as durum wheat and egg pasta.

In terms of net revenue, we had a **16.5%** reduction in 1Q19 vs. 4Q18 due to 18.8% lower volumes and 2.9% increase in average price.

Pasta- Net Revenue (R\$ million) and Net Volume ('000 tonnes)



HIGHLIGHTS – WHEAT FLOUR & BRAN

Net revenue of our wheat flour & bran line increased by **6.8%** in 1Q19 versus 1Q18 (average price +20.8% and volume -11.4%).

The average price of wheat flour was adjusted throughout 2018 due to the higher cost of wheat grain. The reduction in wheat flour volumes were mainly caused by the industrial segment (food service).

Net revenue for wheat flour and bran fell by **9.3%** in **1Q19** vs. 4Q18 due to the **1.1%** drop in volumes and **7.9%** reduction in average price. In relation to bran, the average price fell more than wheat flour during the comparison period, due to the constant rainfalls in the Northeast region.

Wheat Flour and Bran - Net Revenue (R\$ million) and Net Volume ('000 tonnes)

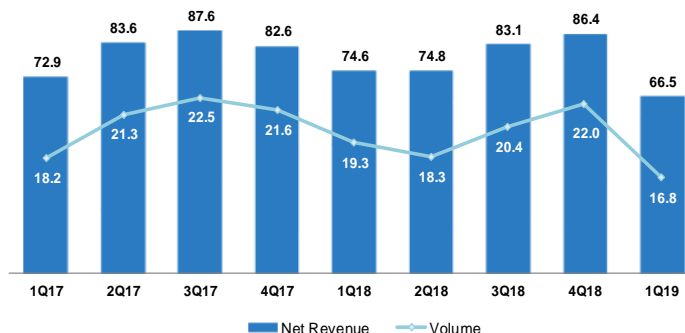


HIGHLIGHTS – MARGARINE AND VEGETABLE SHORTENING

Net revenue from margarine and vegetable shortening fell by **10.9%** in 1Q19 (volume -13.0% and average price +2.3%), mainly in the industrial segment. In addition to the adjustments made in our operations during the first quarter of 2019, as explained earlier, the volume retraction was also a due to our price positioning against our competitors.

In the comparison between **1Q19** and **4Q18**, net revenue fell by **23.0%** due to lower volumes in the period, which were **23.6%** lower versus 4Q18, while average price increased by 0.8%.

Margarine and Vegetable Shortening - Net Revenue (R\$ million) and Net Volume ('000 tonnes)



COSTS

COGS (R\$ million)	1Q19	% Net Rev.	1Q18	% Net Rev.	Variation	4Q18	% Net Rev.	Variation
Raw material	585.0	44.4%	488.4	40.1%	19.8%	703.7	44.5%	-16.9%
Wheat	370.5	28.1%	295.5	24.3%	25.4%	434.7	27.5%	-14.8%
Vegetable Oil	83.6	6.3%	84.4	6.9%	-0.9%	110.3	7.0%	-24.2%
Sugar	31.1	2.4%	32.3	2.7%	-3.7%	36.9	2.3%	-15.7%
Third Party Flour	38.1	2.9%	13.3	1.1%	n/a	49.0	3.1%	-22.2%
Third Party Vegetable Shortening	0.6	0.0%	1.8	0.1%	-66.7%	0.3	0.0%	100.0%
Other	61.1	4.6%	61.1	5.0%	0.0%	72.5	4.6%	-15.7%
Packages	89.1	6.8%	89.2	7.3%	-0.1%	108.9	6.9%	-18.2%
Labor	124.2	9.4%	121.9	10.0%	1.9%	143.9	9.1%	-13.7%
Indirect costs	89.6	6.8%	73.2	6.0%	22.4%	101.4	6.4%	-11.6%
Depreciation and amortization	37.9	2.9%	27.8	2.3%	36.3%	41.0	2.6%	-7.6%
Other	0.3	0.0%	0.0	0.0%	n/a	0.3	0.0%	0.0%
Total	926.1	70.3%	800.5	65.8%	15.7%	1,099.2	69.6%	-15.7%

In the comparison between 1Q19 and 1Q18, cost of goods sold increased in absolute terms as a percentage of net revenue. We list below the main favorable and unfavorable impacts on cost of goods sold in these periods.

FAVORABLE EFFECTS

- Reduction in the consumption of third-party vegetable shortenings and increase in vertical integration in the production units located in Lençóis Paulista (SP), Jaboatão (PE) and Bento Gonçalves (RS);

UNFAVORABLE EFFECTS

- Increase of 36.9% in the average cost of wheat consumed (BRL) in 1Q19 vs. 1Q18 due to the rise in prices in USD and the depreciation of the BRL in the period;

- Increase of 6.2% in the average cost of vegetable oil consumed (BRL) in 1Q19 vs. 1Q18 due to the increase in the prices of palm oil;

- Increase of 3.5% in 1Q19 in the average cost of sugar in comparison to 1Q18;

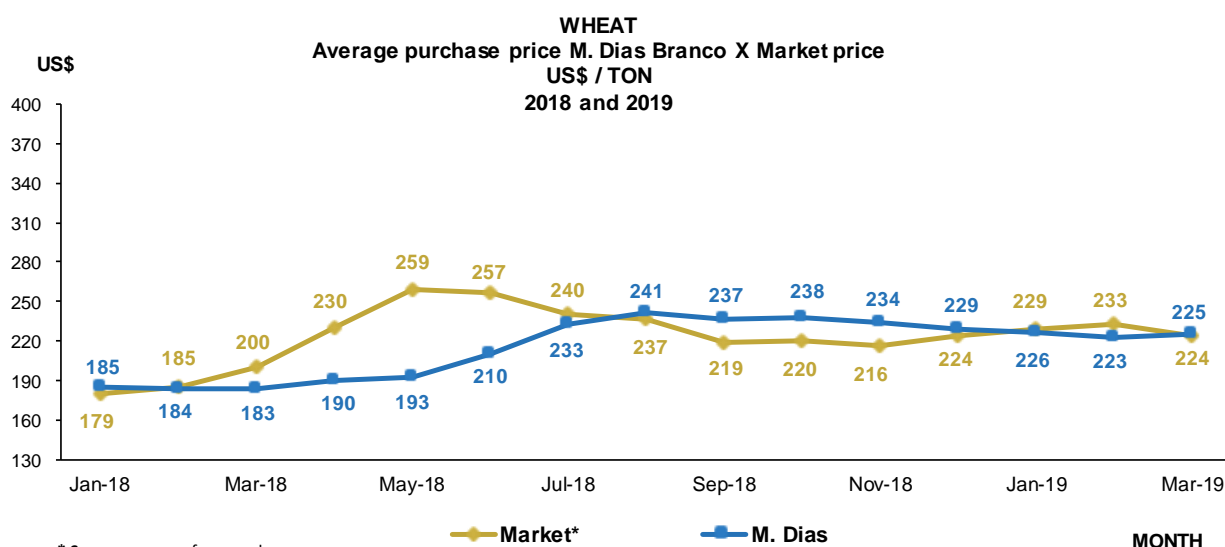
- Increased consumption of third-party wheat flour, mainly fueled by the need for consumption at Piraquê's industrial units;

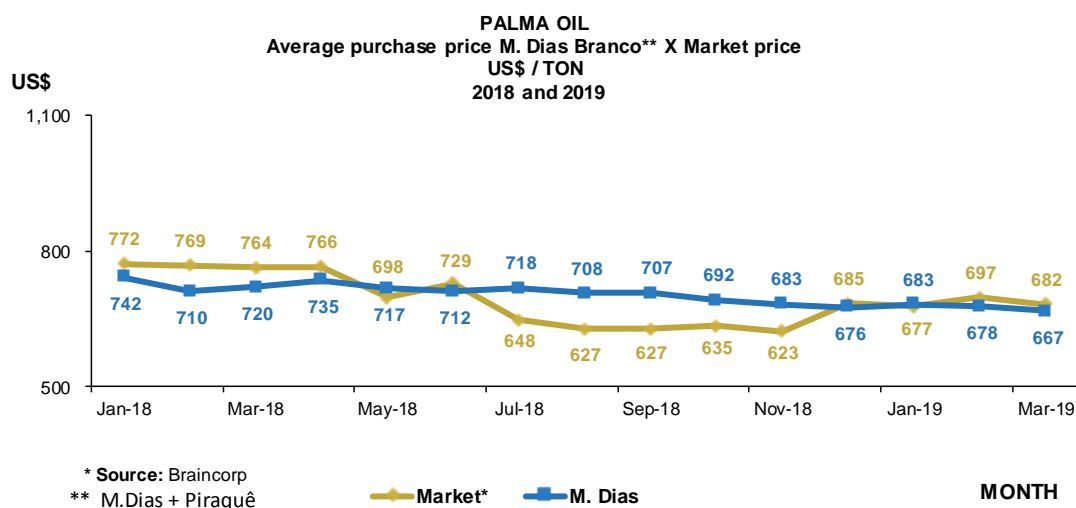
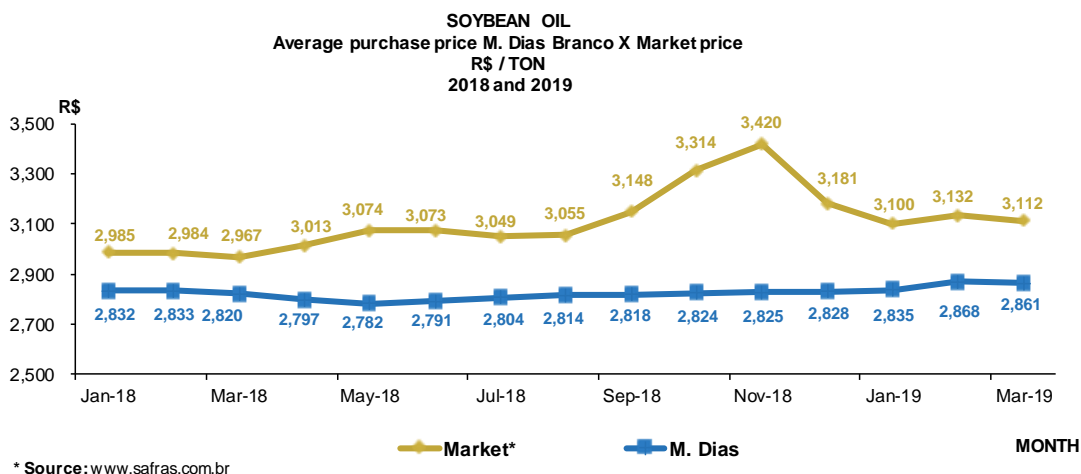
- Increase in labor costs, mainly by virtue of the consolidation of the costs from Piraquê and the salary adjustments set forth in the collective agreements, in line with inflation;

- Increase in general expenses with the consolidation of Piraquê's costs in 1Q19 and higher gas and electric energy tariffs;

- Increase in depreciation expenses with the consolidation of Piraquê's costs as a result of the start-up of operations of new production lines.

When comparing the cost of goods sold in 1Q19 against 4Q18, we notice a 0.7 p.p. growth of its representativeness in operating costs as a percentage of net revenue, mainly due to the decrease in sales volume and reflecting lower dilution of fixed costs. In contrast, the average cost of wheat decreased by 7.0% and vegetable oil fell by 7.5% in the same period.



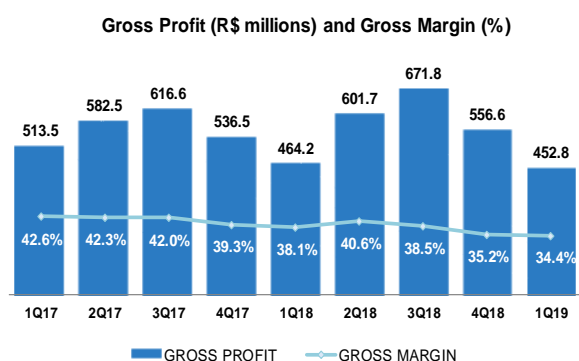


GROSS PROFIT

We recorded a 2.5% drop in gross profit (nominal terms) in 1Q19 vs. 1Q18. Gross margin fell by 3.7 p.p. due to lower sales volumes and higher costs. Price adjustments carried out throughout 2018, combined with the consolidation of Piraquê, which sells products with higher added value, contributed to minimize the substantial increase in the cost of wheat.

As observed in the chart to the right, in the comparison period between 1Q19 and 4Q18, gross profit (nominal terms) fell by 18.6% and gross profit reduced by 0.8 p.p., due to lower sales volume.

Additionally, it is important to highlight that the gross profit includes subsidies for state investments, amounting to **R\$62.0 million** in 1Q19 (R\$47.3 million in 1Q18), which passed through profit or loss in compliance with CPC 07 – Government Grants. The behavior of state government subsidies in the periods was affected by the variation in wheat consumption and its average cost.



OPERATING EXPENSES

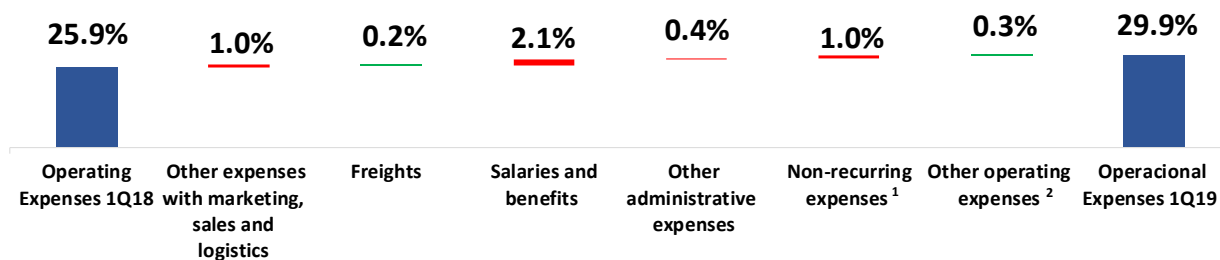
In order to provide a better understanding of the variations in operating expenses, we report depreciation and amortization expenses and tax expenses separately, as illustrated below:

Operating Expenses (R\$ million)	1Q19	% Net Rev.	1Q18	% Net Rev.	Variation	4Q18	% Net Rev.	Variation
Selling*	297.9	22.6%	243.5	20.0%	22.3%	318.1	20.1%	-6.4%
Administrative	58.5	4.4%	44.9	3.7%	30.3%	73.3	4.6%	-20.2%
Management fees	3.0	0.2%	2.9	0.2%	3.4%	3.9	0.2%	-23.1%
Taxes	8.3	0.6%	6.1	0.5%	36.1%	10.2	0.6%	-18.6%
Depreciation and amortization	15.8	1.2%	6.8	0.6%	n/a	12.0	0.8%	31.7%
Other operating expenses/(revenue)	10.6	0.8%	11.0	0.9%	-3.6%	2.0	0.1%	n/a
TOTAL	394.1	29.9%	315.2	25.9%	25.0%	419.5	26.6%	-6.1%

*Salaries and benefits, freight and other expenses with marketing, sales force and logistics.

In 1Q19, we recorded a 4.0 p.p. increase in operating expenses as a percentage of net revenue when compared to 1Q18, due to the consolidation of Piraquê's expenses in results as of May 2018, and lower dilution of fixed expenses resulting from retractions in sales volumes, as shown in the graph below.

Evolution Operating expenses (% Net Revenue) | M.Dias + Piraquê 1Q19 vs. 1Q18

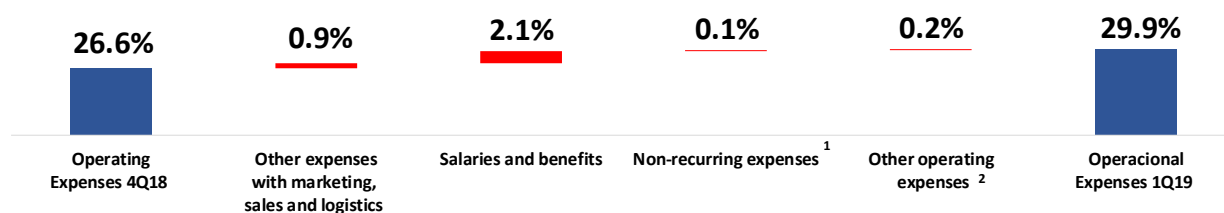


¹Note: Non-recurring expenses with integration of Piraquê (R\$ 1.8 million) and expenses incurred by Piraquê with consulting and restructuring (R\$ 11.6 million). ²Note: Regarding tax expenses and other operating expenses, without expenses recurring expenses with Piraquê, with emphasis on the PIS / Cofins credit in the 1Q19 due to the exclusion of the bonus from the calculation base (R\$ 18.5 million).

In absolute terms, the increase in operating expenses in 1Q19 vs. 1Q18 was mainly due to the consolidation of Piraquê's expenses and non-recurring expenses with Piraquê (R\$13.4 million in 1Q19). In addition, we had the effect of the following factors: (i) sales expenses: the increase in freight rates as of the second half of 2018, and increase in expected losses from client receivables (R\$3.0 million), due to a higher default rate; and (ii) other operating expenses and revenues: provisions for/reversals of civil, labor and tax risks, as well as success fees and losses on recoverable taxes: R\$9.1 million (R\$3.6 million in 1Q18). On the other hand, we recorded: (i) income of R\$18.5 million related to a one-off PIS/COFINS credit related to the exclusion of the bonification in the calculation basis from 2009 to July 2018, and (ii) a change in the recognition of rental expenses (vehicles, real estate, port area and printer), in compliance with Technical Pronouncement CPC 06 (R2) - Leasing Operations, which were previously accounted for as operating expenses, and from 2019 onwards will be recorded as a debt settlement and thus reflecting a positive effect on operating expenses in the amount of R\$5.0 million, however, the amortization of the right to use the asset increased, neutralizing the effect on net income.

In the comparison period between 1Q19 and 4Q18, operating expenses increased by **3.3 p.p.** in 1Q19, mainly due to lower sales volumes, as illustrated in the chart below.

Evolution Operating expenses (% Net Revenue) | M.Dias + Piraquê 1Q19 vs. 4Q18



¹ Note: Variation in non-recurring expenses with integration of Piraquê, independent committee and expenses incurred by Piraquê with consulting and restructuring. ² Note: Variation in tax expenses and other operating expenses, without non-recurring expenses with Piraquê.

FINANCIAL RESULTS

To provide a better understanding of the variations in the financial result, we report and analyze exchange rate variations and swap operations in the period separately from other financial income and expenses, as shown below:

Financial Income (R\$ million)	1Q19	1Q18	Variation	4Q18	Variation
Financial Revenue	20.3	22.4	-9.4%	35.2	-42.3%
Financial Expenses	-22.8	-7.8	n/a	-22.2	2.7%
Exchange Variation	-5.4	-0.1	n/a	37.8	n/a
Losses/Gains on swaps	4.2	-0.4	n/a	-49.0	n/a
TOTAL	-3.7	14.1	n/a	1.8	n/a

In 1Q19, we recorded a negative financial result of R\$3.7 million against a positive financial result of R\$14.1 million in 1Q18. The decrease was due to: (i) lower income from the Company's financial investments, due to the redemption of investments to pay the acquisition of Piraquê, and (ii) higher interest on financing, due retained portion from the acquisition of Piraquê to funds raised in 2Q18.

It is worth mentioning that, in 1Q19, tax credits were recognized as financial income in the amount of R\$5.8 million, mainly due to judgments on PIS/COFINS credits regarding their exclusion from the tax base in the period from 2009 to July/18.

It is important highlight that M. Dias Branco continues commitment to a conservative policy by maintaining swap contracts, through which the foreign exchange risk plus a fixed rate is swapped for a percentage of the CDI rate to hedge input imports and fixed assets, which are recognized at fair value and whose results are booked under the financial result.

TAXES ON INCOME

Income and Social Contribution Taxes (R\$ million)	1Q19	1Q18	Variation
Income and Social Contribution Taxes	-2.2	39.8	n/a
Income Tax Incentive	0.0	-16.5	-100.0%
TOTAL	-2.2	23.3	n/a

In the first quarter, total income tax and social contributions went from a provision of R\$23.3 million in 1Q18 to a reversal of **R\$2.2 million** in 1Q19. This variation was mainly due to: (i) lower results in 1Q19 vs. 1Q18; and (ii) increase in state tax incentives, which are excluded from the tax base, reflecting in the reduction of income tax and social contribution. On the other hand, the federal tax incentives of IRPJ, followed by the current income tax, was not provisioned in 1Q19 for the reasons already mentioned.

Goodwill amortization has been prohibited since January 2009. However, this procedure has not modified the tax effects from goodwill amortization, which has been made in accordance with the tax legislation that regulates the matter. In this context, as required by CPC 32 – Income Taxes (CVM Resolution 599/2009), M. Dias Branco has recorded deferred tax from such amortization against income tax and social contribution expenses, even though it does not believe in the possibility of future realization of this obligation. In **1Q19**, M. Dias Branco recorded income tax and social contribution expenses of **R\$3.4 million** (R\$3.4 million in 1Q18).

Schedule of realization of tax credits arising from the amortization of goodwill	
Period	(R\$ million)
2019	9.1
TOTAL	9.1

EBITDA AND NET PROFIT

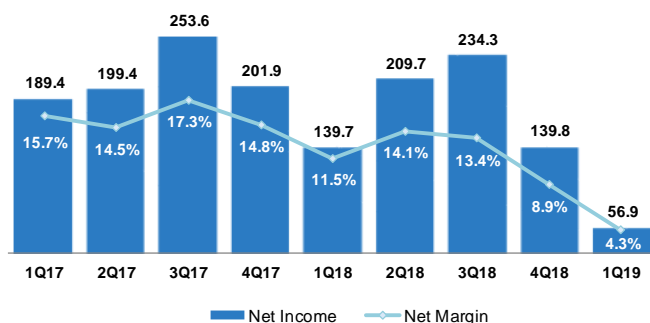
EBITDA – NET INCOME

EBITDA CONCILIATION (R\$ million)	1Q19	1Q18	Variation	4Q18	Variation
Net Profit	56.9	139.7	-59.3%	139.8	-59.3%
Income Tax and Social Contribution	-2.2	39.8	n/a	-10.4	-78.8%
Income Tax Incentive	0.0	-16.5	-100.0%	9.3	-100.0%
Financial Revenue	-53.9	-22.8	n/a	-97.0	-44.4%
Financial Expenses	57.6	8.7	n/a	95.2	-39.5%
Depreciation and Amortization of cost of goods	37.9	27.8	36.3%	41.0	-7.6%
Depreciation and Amortization Adm/Com Expenses	15.8	6.8	n/a	12.0	31.7%
EBITDA	112.1	183.5	-38.9%	189.9	-41.0%
EBITDA Margin	8.5%	15.1%	-6.6 p.p	12.0%	-3.5 p.p

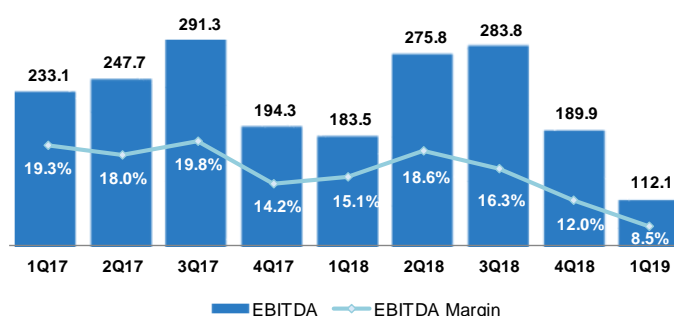
EBITDA – NET REVENUE

EBITDA CONCILIATION (R\$ million)	1Q19	1Q18	Variation	4Q18	Variation
Net Revenue	1,316.9	1,217.4	8.2%	1,579.6	-16.6%
Cost of goods sold	-926.1	-800.5	15.7%	-1,099.2	-15.7%
Depreciation and Amortization of cost of goods	37.9	27.8	36.3%	41.0	-7.6%
Tax Incentive (ICMS)	62.0	47.3	31.1%	76.2	-18.6%
Operating Expenses	-394.1	-315.2	25.0%	-419.5	-6.1%
Equity in net income of subsidiaries	-0.3	-0.1	n/a	-0.2	50.0%
Depreciation and Amortization Adm/Com Expenses	15.8	6.8	n/a	12.0	31.7%
EBITDA	112.1	183.5	-38.9%	189.9	-41.0%
EBITDA Margin	8.5%	15.1%	-6.6 p.p	12.0%	-3.5 p.p

Net Profit (R\$ millions) and Net Margin (%)



EBITDA (R\$ millions) and EBITDA Margin (%)



DEBT, CAPITALIZATION AND CASH

Capitalization (R\$ million)	3/31/2019	3/31/2018	Variation	Financial Indicator	3/31/2019	3/31/2018	Variation
Cash	596.2	1,178.0	-49.4%	Net Cash/EBITDA (last 12 months)	-0.9	0.9	-
Financial Investments Long Term	13.2	12.5	5.6%	Net Cash/Shareholder's Equity	-11.6%	16.1%	-
Total Indebtedness	-1,280.1	-365.3	n/a	Indebtedness/Total Assets	16.0%	5.8%	10.2 p.p
(-) Short Term	-741.8	-150.8	n/a				
(-) Long Term	-538.3	-214.5	n/a				
(-) Derivatives Financial Instruments	19.1	-0.4	n/a				
(=) Net Cash (Net Debt)	-651.6	824.8	n/a				
Shareholder's Equity	5,619.8	5,132.3	9.5%				
Capitalization	6,899.9	5,497.6	25.5%				

The Company uses swap contracts to hedge foreign exchange risk. These contracts are recorded at fair value through profit or loss and consist of exchange rate risk plus fixed rate per CDI percentage.

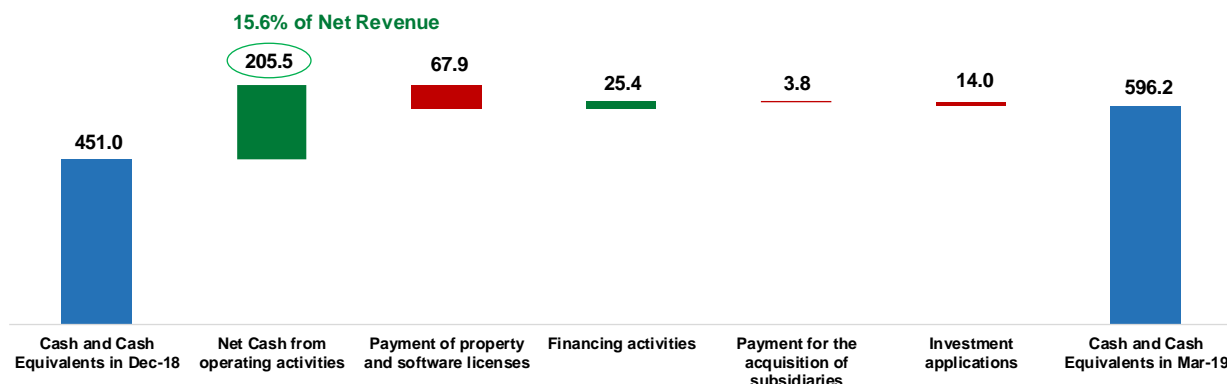
Consolidated Debt (R\$ million)	Index	Interest (year)	3/31/2019	% Debt	3/31/2018	% Debt	Variation
Domestic Currency:			664.9	51.9%	323.2	88.5%	n/a
BNDES - FINAME	TJLP	2.25% (3.15% in 03/31/18)	23.5	1.8%	11.1	3.0%	n/a
BNDES - PSI	R\$	4.45% (4.86% in 03/31/18)	221.7	17.3%	210.6	57.7%	5.3%
BNDES - FINEM	IPCA	2.19%	61.1	4.8%	0.0	0.0%	n/a
BNDES - PROGEREN	IPCA	2.43%	80.8	6.3%	0.0	0.0%	n/a
BNDES - PSI	URTJLP	6.30% (6.40% in 03/31/18)	0.1	0.0%	0.2	0.1%	-50.0%
(PROADI) Financing of state taxes	TR	3.00%	0.1	0.0%	0.1	0.0%	0.0%
(PROVIN) Financing of state taxes	TJLP	-	10.0	0.8%	8.0	2.2%	25.0%
(DESENVOLVE) Financing of state taxes	TJLP	-	0.4	0.0%	0.3	0.1%	33.3%
BNB-FNE - Financing	Flat rate	8.24%	32.7	2.6%	42.4	11.6%	-22.9%
Investment of assignment of Pilar's shares	100% CDI	-	2.3	0.2%	11.3	3.1%	-79.6%
Investment of assignment of Estrela's shares	100% CDI	-	4.9	0.4%	6.2	1.7%	-21.0%
Investment of assignment of Moinho Santa Lúcia's shares	100% CDI	-	3.1	0.2%	32.8	9.0%	-90.5%
Investment of assignment of Piraquê's shares	100% CDI	-	224.2	17.5%	0.0	0.0%	n/a
Financial Lease		(2.70% in 03/31/18)	0.0	0.0%	0.2	0.1%	-100.0%
Foreign Currency:			615.2	48.1%	42.1	11.5%	n/a
(FINIMP) Imports Financing	USD	3.34% (3.47% in 03/31/18)	391.3	30.6%	42.1	11.5%	n/a
Working Capital - Law 4,131	USD	3.24%	223.9	17.5%	0.0	0.0%	n/a
TOTAL			1,280.1	100.0%	365.3	100.0%	n/a

M. Dias Branco had **R\$615.2** million of liabilities pegged to foreign currencies at the end of **1Q19**. The figures presented refer to input imports and are hedged by swap operations, in which the active index edge receives,

average, a dollar plus 3.8950% and the passive index edge pays, on average, 102.54% of the CDI rate, and working capital financing.

We ended 1Q19 with cash and cash equivalents of **R\$596.2** million (R\$1,178.0 million in 1Q18 and R\$451.0 million in 4Q18). This reduction in comparison to 1Q18 was mainly due to the acquisition of Piraquê, while the increase in comparison to 4Q18 is explained by the net cash generated by the operating activities throughout the quarter, in the amount of R\$205.5 million, and the net cash from financing activities with third parties, in the amount of R\$25.4 million, as illustrated in the chart below.

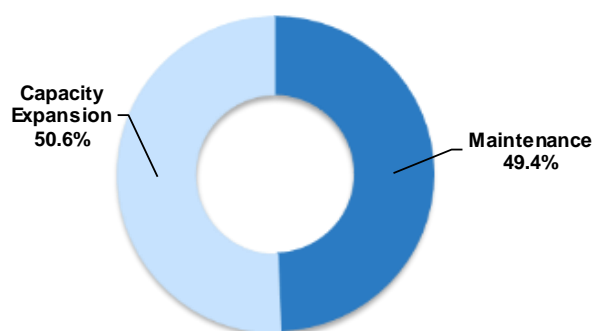
R\$ Million



INVESTMENTS

Investments (R\$ Million)	1Q19	1Q18	Variation
Buildings	10.7	11.4	-6.1%
Machinery and equipment	30.4	37.2	-18.3%
Construction in progress	19.0	16.6	14.5%
Vehicles	0.1	0.0	n/a
IT Equipment	0.4	0.2	100.0%
Furniture and Fixtures	1.8	1.4	28.6%
Land	-	0.2	-100.0%
Software Use License	6.9	3.1	n/a
Others	0.3	0.2	50.0%
Total	69.6	70.3	-1.0%

Investments 1Q19 - R\$ 69.6 million



Note: In total investments we include license to use software, trademarks and patents, without considering the value of investment with acquisition of companies.

Investments totaled **R\$69.6 million** in 1Q19 (R\$70.3 million in 1Q18), distributed between expansion and maintenance activities. Among the investments carried out in 1Q19, we highlight: (i) the ongoing construction of the new milling unit in Bento Gonçalves (RS); (ii) increase in capacity of the silos in Paraná; (iii) increase in packing capacity for the cookies line and in flour warehousing capacity at the unit in Jaboatão dos Guararapes (PE); and (iv) the implementation of the Automatic Data Processing (ADP) payroll system.

FINANCIAL INFORMATION WITHOUT PIRAQUÊ

On May 16, 2018, the Company acquired a 100% stake in Piraquê and, therefore, the results disclosed herein reflect the effects from such acquisition. In order to analyze the Company's organic expansion, its results, EBITDA, EBITDA margin and net revenue were broken down by product line without the effects from such acquisition.

Segment	1Q19			1Q18			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	591.4	100.8	5.87	652.1	118.4	5.51	-9.3%	-14.9%	6.5%
Pasta	259.9	73.8	3.52	245.1	79.0	3.10	6.0%	-6.6%	13.5%
Wheat Flour and Bran	225.9	176.9	1.28	211.0	199.3	1.06	7.1%	-11.2%	20.8%
Margarine and Vegetable Shortening	65.7	16.7	3.93	74.6	19.3	3.87	-11.9%	-13.5%	1.6%
Other products **	29.8	3.2	9.31	34.6	4.0	8.65	-13.9%	-20.0%	7.6%
TOTAL	1,172.7	371.4	3.16	1,217.4	420.0	2.90	-3.7%	-11.6%	9.0%

* Net Revenue in R\$ million, Weight excluding sales returns in thousand tonnes and Net Average Price in R\$/Kg.

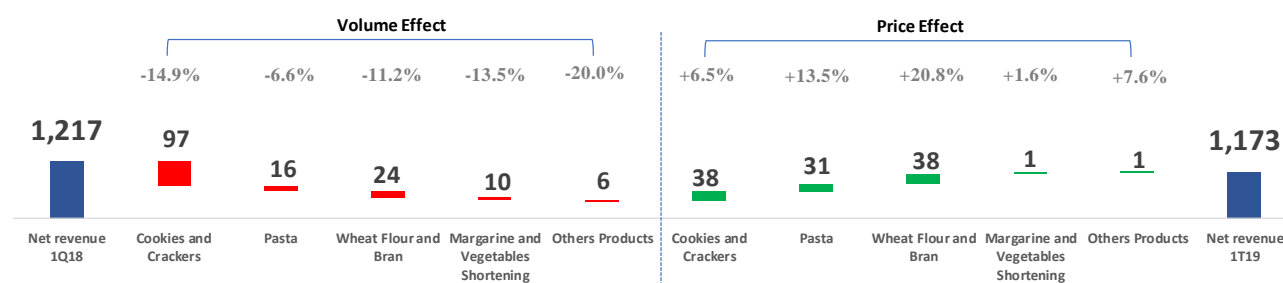
** Cakes, snacks, cake mix, juice powder and packaged toast

Segment	1Q19			4Q18			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	591.4	100.8	5.87	726.5	126.6	5.74	-18.6%	-20.4%	2.3%
Pasta	259.9	73.8	3.52	313.7	92.5	3.39	-17.2%	-20.2%	3.8%
Wheat Flour and Bran	225.9	176.9	1.28	248.9	178.9	1.39	-9.2%	-1.1%	-7.9%
Margarine and Vegetable Shortening	65.7	16.7	3.93	85.8	21.9	3.92	-23.4%	-23.7%	0.3%
Other products **	29.8	3.2	9.31	36.8	4.2	8.76	-19.0%	-23.8%	6.3%
TOTAL	1,172.7	371.4	3.16	1,411.7	424.1	3.33	-16.9%	-12.4%	-5.1%

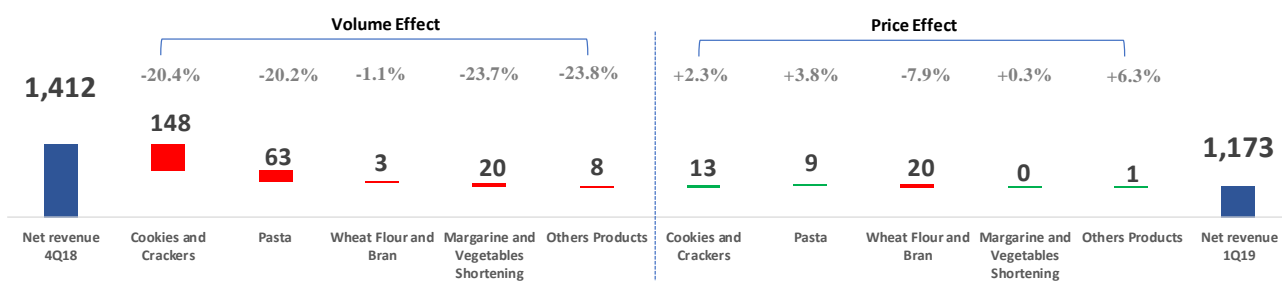
* Net Revenue in R\$ million, Weight excluding sales returns in thousand tonnes and Net Average Price in R\$/Kg.

** Cakes, snacks, cake mix, juice powder and packaged toast

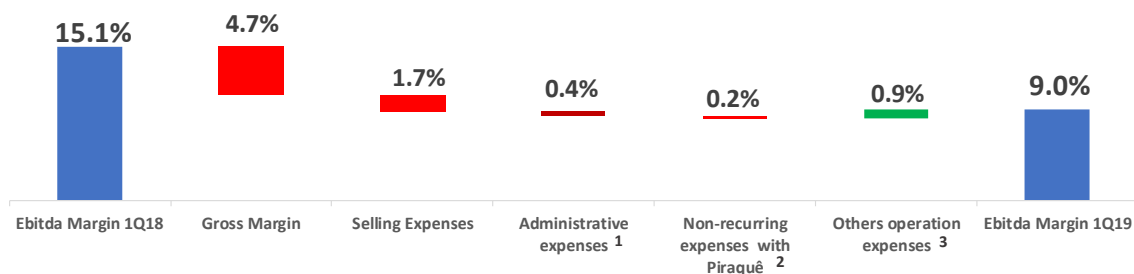
Variation of Net Revenue - 1Q19 vs. 1Q18 (R\$ Million) | M.Dias without Piraquê



Variation of Net Revenue - 1Q19 vs. 4Q18 (R\$ Million) | M.Dias without Piraquê



Variation EBITDA Margin (% Net Revenue) 1Q19 vs. 1Q18 | M.Dias without Piraquê

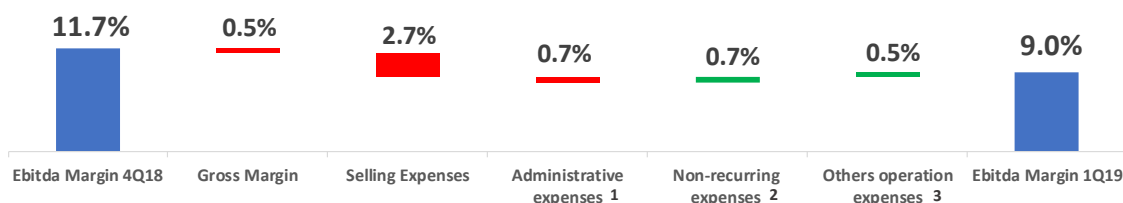


¹ Note: Administrative expenses without non-recurring expenses with Piraquê.

² Note: Expenses incurred by M. Dias Branco with integration of Piraquê (R\$ 1.8 million).

³ Note: Other operating expenses consider tax expenses and other operating revenue (expenses) without non-recurring expenses with Piraquê. It is worth mentioning that in 1Q19, we recorded an ex-PIS / Cofins credit for exclusion of bonus from the calculation basis (R\$ 18.5 million).

Variation EBITDA Margin (% Net Revenue) 1Q19 vs. 4Q18 | M.Dias without Piraquê



¹Note: Administrative expenses without non-recurring expenses with Piraquê.

²Note: Variation in expenses incurred by M. Dias Branco with the integration of Piraquê and the independent committee.

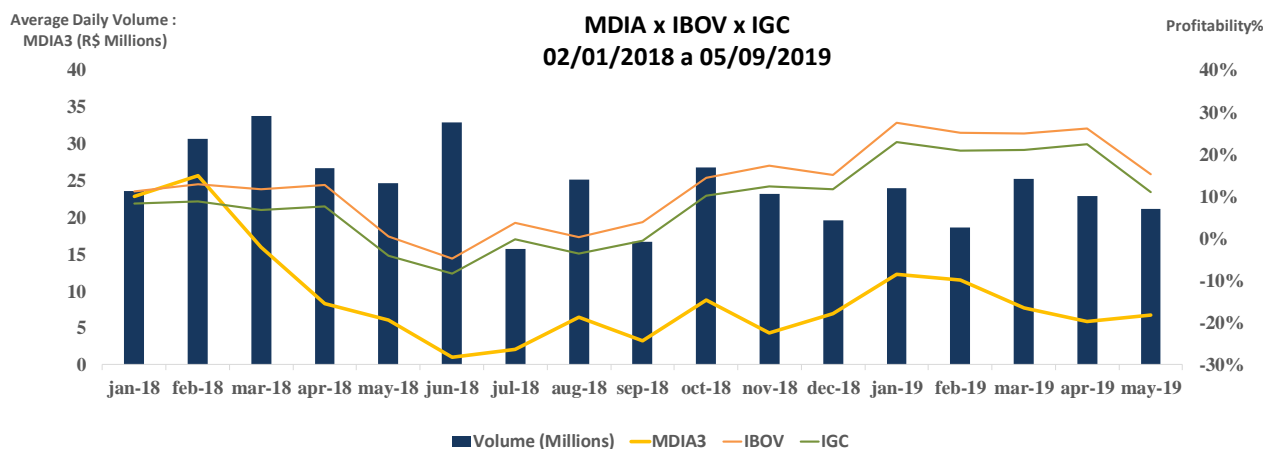
³Note: Other operating expenses consider tax expenses and other operating income (expenses) without non-recurring expenses with Piraquê.

In the Income Statement, depreciation and amortization expenses and tax expenses are presented in a segregated way, as follows:

INCOME STATEMENT (R\$ million)	1Q19	1Q18	Variation	4Q18	Variation
NET REVENUES	1,172.7	1,217.4	-3.7%	1,411.7	-16.9%
COST OF GOODS SOLD	-842.4	-800.5	5.2%	-1,007.2	-16.4%
TAX INCENTIVES (ICMS)	60.3	47.3	27.5%	74.9	-19.5%
GROSS PROFIT	390.6	464.2	-15.9%	479.4	-18.5%
OPERATING REVENUES (EXPENSES)	-322.2	-315.2	2.2%	-353.2	-8.8%
Sales expenses	-254.1	-243.5	4.4%	-268.0	-5.2%
Administrative and general expenses	-50.3	-44.9	12.0%	-60.8	-17.3%
Management fees	-3.0	-2.9	3.4%	-3.9	-23.1%
Tax expenses	-7.9	-6.1	29.5%	-9.7	-18.6%
Depreciation and amortization charges	-8.9	-6.8	30.9%	-7.4	20.3%
Other operating revenues (expenses)	2.0	-11.0	n/a	-3.4	n/a
OPERATING INCOME - before financial results	68.4	149.0	-54.1%	126.2	-45.8%
Financial revenues	50.8	22.8	n/a	92.9	-45.3%
Financial expenses	-51.4	-8.7	n/a	-89.4	-42.5%
OPERATING INCOME - after financial results	67.8	163.1	-58.4%	129.7	-47.7%
Equity in net income of subsidiaries	0.0	-0.1	-100.0%	-0.1	-100.0%
INCOME - before income tax and social contribution	67.8	163.0	-58.4%	129.6	-47.7%
Income tax and social contribution	-2.6	-23.3	-88.8%	2.5	n/a
NET INCOME	65.2	139.7	-53.3%	132.1	-50.6%

CAPITAL MARKET

The Company's shares are traded on B3 (Brasil, Bolsa e Balcão) under the ticker MDIA3 and are listed in the Novo Mercado segment. On May 9th, 2019, there were 84,750,082 outstanding shares in the market, representing 25.00% of the Company's total share capital, priced at **R\$41.45** per share, totaling **R\$3,512.9 million**. The daily average trading volume in number MDIA3 shares in 1Q19 was 2,803 shares (2,915 shares in 1Q18) and the average trading financial volume was R\$22.7 million in 1Q19 (R\$29.3 million in 1Q18).



MAIN ADMINISTRATIVE FACTS

Renunciation and Succession

On February 25, 2019, we disclosed a material fact regarding the resignation request by Mr. Francisco Marcos Saraiva Leão Dias Branco for the Commercial Vice President position to which he had been re-elected at a Board of Directors Meeting held on May 7, 2018. Pursuant to Article 15, Paragraph 3, of the Company's Bylaws, the Board of Directors shall, in due time, appoint a substitute for the vacant position. Mr. Francisco Marcos Saraiva Leão Dias Branco was appointed by the controlling shareholders of M. Dias Branco to compose the Company's Board of Directors.

The Company also disclosed in a material fact that Mr. Geraldo Luciano Mattos Júnior's succession as Vice-President of Investments and Controllershship and Investor Relations Officer, which was expected to be concluded by the end of 2Q19, will not be finalized prior to December 2019. Until the conclusion of this succession process, Mr. Geraldo will continue to perform his current duties, and was not appointed to join the Company's Board of Directors by the controlling shareholders of M. Dias Branco at the General Shareholders' Meeting held on April 18, 2019.

Disclosure and Use of Information Policy and Trading Policy for Securities Issued by the Company

On March 11, 2019, we disclosed our new version of the Disclosure and Use of Information Policy and the Trading Policy for Securities Issued by the Company. Both are available on the CVM website and on our Investor Relations website.

Germinar 2

In March 2019, we launched the Germinar 2 program, which is a startup connection program with M. Dias Branco. This creates a relationship opportunity for startups and the Company to carry out pilot tests for solutions or technologies already developed. In addition, the selected startups may be contracted as suppliers or partners of the Company. M. Dias Branco prioritized 10 strategic challenges with startups, divided into two fronts:

Innovation of the Current Business (Marketing, Logistics and Industrial Challenges) and Innovation for New Businesses (New Product Challenge).

Shareholders' Meeting

At the Annual and Extraordinary General Meeting held on April 18, 2019, a majority of votes approved: (i) the management's annual report and the financial statements, accompanied by the independent auditors' report, for the fiscal year ended December 31 2018; (ii) the allocation of net income for 2018, as proposed by the Board of Directors at a meeting held on March 11, 2019; (iii) the number of seats and the election of the members of the Board of Directors; (iv) the annual global management compensation for the 2019 fiscal year; (v) proposed amendments to the Bylaws, consisting of: (a) amendment of the wording of Article 2, to include new categories of products; (b) update in share capital described in the *caput* of Article 5; (c) amendment to the wording of Article 10, Paragraph 1, inclusion of a new paragraph (Paragraph 2) in the same article, and renumbering of the other paragraphs, for the purpose of adapting the definition of independent director as provided for in the Novo Mercado Regulation; and, (d) amendment of the wording of Article 19, Paragraph 2, for a partial modification of the rules for issuing attorney-in-fact powers.

Approval of the Quarterly Information

At the meeting of the Board of Directors held on May 10, 2019, the following was approved: (i) the Quarterly Information (ITR) for the quarter ended March 31, 2019; and (ii) other provisions.

SOCIAL AND ENVIRONMENTAL HIGHLIGHTS



M. Dias Branco has been reinforcing its commitment to Sustainability through Working Groups focused on strengthening sustainable practices in several business areas. In environmental management, practices are adopted to minimize its main environmental aspects related to the generation of waste and consumption of natural resources, such as reuse of rainwater and treated effluents, a more correct disposal of solid waste

and use of energy from renewable sources. The Company will report in this release the indicators and results related to its solid waste management.

Analysis of Indicators

Indicators	1Q19	1Q18	Variation
Power intensity (Kwt/ton)	139.97	137.72	1.6%
Water consumption (m ³ /ton)	0.41	0.45	-8.9%
Waste recycling index (%)	90.1	87.1	3.0
Solid waste generation (Kg/Ton)	9.36	11.69	-19.9%
Frequency rate of occupational accidents	1.22	0.90	0.32

* Without the inclusion of Piraquê

Power intensity

The 1.6% increase in power intensity in 1Q19 versus the same period of the previous year was due to the reduction in production volume in the period. [SDG 7 and 12](#)

Water consumption

The reduction in water consumption (m³/ton) in 1Q19 vs. 1Q18, even with the reduction in production volume in the period, mainly due to the installation of a Vegetable and Special Margarine reuse unit in Fortaleza (CE). [SDG 6 and 12](#)

Waste recycling index and solid waste generation

Its purpose is to evaluate the sustainable alternatives for waste disposal (coprocessing, recycling, reuse, composting, etc.) and the reduction of the solid waste being generated by the Company. The waste recycling rate evolved by 3.0 p.p. and solid waste generation per ton produced decreased by 19.9% in 1Q19 vs. 1Q18, mainly due to the initiatives held at the Jaboatão dos Guararapes (PE) unit, which is highlighted for its 100% disposal of waste to sustainable alternatives. **SDG 11 and 12**

Frequency rate of occupational accidents

The frequency rate increased in the first quarter of 2019, however, a reduction of 15% in the severity rate was evidenced in relation to the same period of the previous year. Actions to promote safe behavior are underway to reduce identified behavioral deviations in accidents. **SDG 3 and 8**

Other initiatives and achievements

- ✓ Arts Week in the surroundings areas of the manufacturing unit in Salvador (BA); **SDG 4 and 10**
- ✓ Donation of products to institutions surrounding our units; **SDG 1 and 2**
- ✓ Launching of the Germinar 2 project for process and product innovations at the Company. **SDG 9**

We believe that, through these actions, we will build a sustainability culture that, over time, will make social and environmental aspects increasingly integrated into the decision-making process and focused on generating value to the Company.



FINANCIAL STATEMENTS



Pursuant to CPC 26 – Presentation of Financial Statements, we grouped expenses by function in the Statement of Income. Depreciation and amortization expenses were included in selling and administrative expenses, and tax expenses were added to other expenses (income), net. For further information, please see note 26 of the Company's Financial Statements.

INCOME STATEMENT (R\$ million)	1Q19	1Q18	Variation	4Q18	Variation
NET REVENUES	1,316.9	1,217.4	8.2%	1,579.6	-16.6%
COST OF GOODS SOLD	-926.1	-800.5	15.7%	-1,099.2	-15.7%
TAX INCENTIVES (ICMS)	62.0	47.3	31.1%	76.2	-18.6%
GROSS PROFIT	452.8	464.2	-2.5%	556.6	-18.6%
OPERATING REVENUES (EXPENSES)	-394.1	-315.2	25.0%	-419.5	-6.0%
Sales expenses	-305.0	-245.9	24.0%	-322.0	-5.3%
Administrative and general expenses	-66.4	-51.8	28.2%	-81.5	-18.5%
Other net revenues (expenses)	-22.7	-17.5	29.7%	-16.0	41.7%
OPERATING INCOME - before financial results	58.7	149.0	-60.6%	137.1	-57.2%
Financial revenues	53.9	22.8	n/a	97.0	-44.4%
Financial expenses	-57.6	-8.7	n/a	-95.2	-39.5%
OPERATING INCOME - after financial results	55.0	163.1	-66.3%	138.9	-60.4%
Equity in net income of subsidiaries	-0.3	-0.1	n/a	-0.2	50.0%
INCOME - before income tax and social contribution	54.7	163.0	-66.4%	138.7	-60.6%
Income tax and social contribution	2.2	-23.3	n/a	1.1	100.0%
NET INCOME	56.9	139.7	-59.3%	139.8	-59.3%

BALANCE SHEET		M. DIAS (CONSOLIDATED)			
(R\$ million)	3/31/2019	3/31/2018	Variation	12/31/2018	Variation
ASSETS					
CURRENT	2,530.2	2,699.0	-6.3%	2,449.2	3.3%
Cash and cash equivalents	596.2	1,178.0	-49.4%	451.0	32.2%
Trade accounts receivable	841.5	702.8	19.7%	1,043.0	-19.3%
Inventories	874.5	630.2	38.8%	765.6	14.2%
Taxes recoverable	156.4	153.7	1.8%	132.2	18.3%
Derivatives financial instruments	21.4	0.0	n/a	23.9	-10.5%
Other receivables	26.5	24.5	8.2%	25.7	3.1%
Prepaid expenses	13.7	9.8	39.8%	7.8	75.6%
NON CURRENT	5,452.0	3,575.0	52.5%	5,358.2	1.8%
Long-term	397.0	184.3	n/a	399.5	-0.6%
Financial investments	13.2	12.5	5.6%	13.1	0.8%
Judicial deposits	245.7	128.0	92.0%	243.0	1.1%
Taxes recoverable	75.3	31.0	n/a	77.1	-2.3%
Long-term receivables	1.8	4.1	-56.1%	2.7	-33.3%
Tax incentives/other receivables	5.2	8.7	-40.2%	7.8	-33.3%
Indemnity assets	55.8	0.0	n/a	55.8	0.0%
Investments	29.5	8.7	n/a	15.8	86.7%
Investments properties	21.7	22.6	-4.0%	22.3	-2.7%
Property, plant and equipment	3,273.2	2,500.6	30.9%	3,190.5	2.6%
Intangible	1,730.6	858.8	n/a	1,730.1	0.0%
TOTAL ASSETS	7,982.2	6,274.0	27.2%	7,807.4	2.2%
LIABILITIES AND SHAREHOLDERS EQUITY					
CURRENT	1,343.7	630.1	n/a	1,280.9	4.9%
Suppliers	209.8	153.8	36.4%	152.4	37.7%
Financing and borrowings from financial institutions	727.4	98.4	n/a	678.8	7.2%
Tax financing	4.1	2.1	95.2%	3.1	32.3%
Direct financing	10.3	50.3	-79.5%	15.1	-31.8%
Leasing	13.5	0.0	n/a	0.0	n/a
Social security and labor liabilities	145.1	118.9	22.0%	166.1	-12.6%
Income tax and social contribution	0.0	3.2	-100.0%	0.0	n/a
Tax liabilities	78.4	78.4	0.0%	106.9	-26.7%
Advances from customers	9.9	6.9	43.5%	8.2	20.7%
Derivatives financial instruments	2.3	0.4	n/a	2.7	-14.8%
Other accounts payable	46.1	49.7	-7.2%	46.8	-1.5%
Proposed dividends	87.3	62.6	39.5%	87.3	0.0%
Government grant	9.5	5.4	75.9%	13.5	-29.6%
NON CURRENT LIABILITIES	1,018.7	511.6	99.1%	964.7	5.6%
Financing and borrowings from financial institutions	307.7	208.3	47.7%	323.4	-4.9%
Tax financing	6.4	6.2	3.2%	6.4	0.0%
Direct financing	224.2	0.0	n/a	222.0	1.0%
Leasing	54.5	0.0	n/a	0.0	n/a
Tax liabilities	1.0	1.0	0.0%	1.0	0.0%
Deferred taxes	216.4	179.9	20.3%	208.7	3.7%
Others accounts payable	16.2	4.1	n/a	14.9	8.7%
Provisions for civil, labor and tax risks	192.3	112.1	71.5%	188.3	2.1%
SHAREHOLDERS EQUITY	5,619.8	5,132.3	9.5%	5,561.8	1.0%
Capital	2,508.4	2,258.6	11.1%	2,258.6	11.1%
Capital reserves	22.5	18.6	21.0%	21.5	4.7%
Accumulated conversion adjustments	0.2	0.1	100.0%	0.1	100.0%
Revenue reserves	2,980.1	2,645.4	12.7%	3,229.9	-7.7%
Additional dividend	51.7	69.8	-25.9%	51.7	0.0%
Accrued profit	56.9	139.8	-59.3%	0.0	n/a
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	7,982.2	6,274.0	27.2%	7,807.4	2.2%

CASH FLOW (R\$ million)	1Q19	1Q18	Variation	4Q18	Variation
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income before Income Tax and Social Contribution	54.7	163.1	-66.5%	138.8	-60.6%
Adjustments to Reconcile net income with cash from operating activities:					
Depreciation and amortization	53.7	34.6	55.2%	53.0	1.3%
Cost on sale of permanent assets	1.0	0.1	n/a	1.0	0.0%
Equity in net income of subsidiaries	0.3	0.1	n/a	0.2	50.0%
Loans/investments interests	20.3	4.7	n/a	-23.3	n/a
One-off PIS/COFINS credit related to the exclusion of the bonification of sales	-23.9	0.0	0.0%	0.0	0.0%
Operational lease update	1.8	0.0	0.0%	0.0	0.0%
Tax credits of IPI on packaging and INSS on indemnified advance notice	0.0	0.0	n/a	-16.2	-100.0%
Updated judicial deposits	-2.2	-1.2	83.3%	-3.8	-42.1%
Provision for civil, labor and tax risks	9.1	3.6	n/a	7.6	19.7%
Recognized shares granted	1.0	0.6	66.7%	1.0	0.0%
Provision / impairment loss of clients	8.2	5.1	60.8%	1.9	n/a
Impairment loss of inventories	1.6	0.4	n/a	-0.9	n/a
Changes in assets and liabilities					
(Increase) decrease in trade accounts receivable	194.2	99.3	95.6%	-54.0	n/a
(Increase) decrease in inventories	-105.2	10.8	n/a	64.6	n/a
(Increase) decrease in taxes recoverable	4.3	-5.3	n/a	7.4	-41.9%
(Increase) decrease in other credits	-6.5	-11.5	-43.5%	40.0	n/a
Increase (decrease) in suppliers	57.5	17.6	n/a	-137.4	n/a
Increase (decrease) in taxes and contributions	-17.7	5.2	n/a	16.8	n/a
Increase (decrease) in government grants	-4.0	-2.2	81.8%	3.8	n/a
(Decrease) in accounts payable and provisions	-24.2	-21.2	14.2%	-54.5	-55.6%
Interests and exchange variations paid	-15.6	-1.8	n/a	7.3	n/a
Income tax and Social Contributions paid	-2.9	-6.1	-52.5%	-14.2	-79.6%
Net Cash generated from operating activities	205.5	295.9	-30.6%	39.1	n/a
CASH FLOWS FROM INVESTMENT ACTIVITIES					
Purchase of property, plant, equipment and intangible	-67.9	-70.3	-3.4%	-86.5	-21.5%
Payment of debt from purchase of company	-3.8	0.0	n/a	0.0	n/a
Acquisition of equity interest	0.0	0.0	n/a	-4.6	-100.0%
Investment applications	-14.0	0.0	n/a	-0.7	n/a
Net Cash (used) in Investment Activities	-85.7	-70.3	21.9%	-91.8	-6.6%
CASH FLOWS FROM FINANCING ACTIVITIES					
Financing obtained	111.2	43.5	n/a	29.9	n/a
Payment of financing	-80.7	-17.0	n/a	-297.3	-72.9%
Operating lease payments	-5.1	0.0	n/a	0.0	0.0%
Net Cash used (applied) in Financing Activities	25.4	26.5	-4.2%	-267.4	n/a
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	145.2	252.1	-42.4%	-320.1	n/a
At the start of the period	451.0	925.9	-51.3%	771.1	-41.5%
At the end of the period	596.2	1.178.0	-49.4%	451.0	32.2%
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	145.2	252.1	-42.4%	-320.1	n/a

The statements contained in this document related to the business prospects, projected operating and financial results and growth outlook of M. Dias Branco are merely forecasts and, as such, are based exclusively on the expectations of management as to the future of the business. These expectations substantially depend on changes in market conditions, the performance of the Brazilian economy, as well as of the sector and the international markets, and are thus subject to changes without prior notice.