MARFRIG ALIMENTOS S.A.

Public company

Taxpayer ID (CNPJ/MF) 03.853.896/0001-40
State registration (NIRE) 35.300.341.031

PROPOSAL BY THE MANAGEMENT OF MARFRIG ALIMENTOS S.A.
TO SHAREHOLDERS CONVENING IN THE COMBINED ANNUAL AND EXTRAORDINARY GENERAL MEETING
SCHEDULED TO CONVENE ON APRIL 28, 2012

Dear Shareholders,

We, the Management of Marfrig Alimentos S.A. ("Company"), submit to you the proposal set forth below for consideration at the Combined Annual and Extraordinary General Meeting called to convene on April 28, at 9 a.m. 2012.

AT THE ANNUAL MEETING:

1. **To review and judge the management's report and the financial statements as of and for the year ended December 31, 2011.**

The Management's Report, the Financial Statements prepared under Management responsibility as of and for the year ended December 31, 2011, in conjunction with the related notes and the independent auditors' report have been approved at a meeting of the Board of Directors held on March 23, 2012. The Fiscal Council participated and issued and opinion approving the management's report and financial statements condition to be submitted to Shareholders in the Annual General Meeting.

Pursuant to Brazilian Securities Commission (CVM) Instruction No. 480 dated December 7, 2009 ("CVM Instruction 480"), please find attached as **Exhibit I** the Management's Discussion and Analysis of Financial Condition and Results of Operations required under section 10 of the Reference Form.

2. **Election of the members of the Fiscal Council.**

The current members of the Fiscal Council of Marfrig Alimentos were elected at the Annual Shareholders' Meeting held on April 30, 2011, for a unified one-year term, which is set to expire at the date of the coming general meeting. Accordingly, shareholders are being asked to vote to elect the members of the Fiscal Council, for which purpose Management presents for consideration a slate of nominated candidates for the Fiscal Council.

Candidates nominated to serve as effective Fiscal Council members: Messrs. Peter Vaz da Fonseca, Marcílio José da Silva and Ângelo Guilherme da Silva.

Candidates nominated as alternate Fiscal Council members: Messrs. Marcello Froldi Negro, Marcelo Silva and Carlos Alberto Loureiro Guimarães Junior.

Fiscal Council members elected at this time will serve for a one-year term ending at the date of the 2013 annual meeting.

As required under subsections 12.6 through 12.10 of the Reference Form adopted pursuant to CVM Instruction 480, the identification and background information on candidates included in the slate of nominations for the Fiscal Council is attached to this proposal as **Exhibit II**.

3. **Decision on Aggregate Compensation of Directors, Officers and Fiscal Council Members for 2012.**

At the March 23 meeting, the Board of Directors of the Company approved and put forward a compensation proposal for the Company to pay to directors, officers and Fiscal Council members an aggregate annual amount up to R$18,000,000.00 (eighteen million Brazilian reais*)*, which amount includes benefits and related social charges.

Of this amount, around twelve million reais (R$12,000,000.00) refers to compensation of Executive Officers, around five million and two hundred thousand reais (R$5,200,000.00) refers to compensation of the Board of Directors, and the remaining six hundred thousand reais (R$600,000.00) refers to compensation of the Fiscal Council.

As required under subsection 13 of the Reference Form adopted pursuant to CVM Instruction 480, the compensation information related to this proposal is attached as **Exhibit III**.

AT THE EXTRAORDINARY MEETING:

1. Proposed amendments to the Bylaws of Marfrig Alimentos S.A.

1.1. Amendments required for consistency with the revised listing rules for the *Novo Mercado* segment of BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros, the Brazilian Securities, Commodities and Futures Exchange.

Marfrig Alimentos S.A. is a public company whose shares trade on the Novo Mercado listing segment of BM&FBOVESPA. The *Novo Mercado* Listing Regulation has been revised and the revised rules are set to take effect in 2014 with amendments that require we amend our Bylaws accordingly. Thus, we propose to amend the Company Bylaws pursuant to the wording provided in the comparative table of current bylaws provisions, proposed amendments and related justifications included in **Exhibit IV** to this Proposal. Consistent with the requirements of article 11, item II, of CVM Instruction 481, set forth below is a more detailed account and explanation of the proposed amendments, including brief considerations on the legal and financial effects of such changes.

i. Article 3 – paragraphs 2 and 3 added under the main provision to clarify that the Company, the shareholders, directors, officers and Fiscal Council members are subject to, and bound by the provisions of the *Novo Mercado* Listing Regulation;

ii. Article 7 – wording of the main provision amended as required by the Listing Regulation in connection with mandatory bylaws provisions, to make it clear the Company may not and shall not issue preferred shares;

iii. Article 13, new 4th paragraph added to disallow a single person from accumulating the offices of chairman of the board and chief executive officer or lead executive. New article 45 to clarify that the prohibition is effective from 10 May, 2014, as per item 14.5 of the revised Novo Mercado Listing Regulation.

iv. Article 19 – new indent XXIII added under the main provision requiring the board of directors to issue a reasoned opinion advising shareholders on the timing and merits of any tender offer announced for shares issued by the Company, as required under the revised Listing Regulation in connection with mandatory bylaws provisions;

v. Article 19 – new indent XXIV added under the main provision to establish the board of directors is responsible for providing the shareholders with a triple list of candidate specialist firms for a valuation of the shares in case a tender offer is to be conducted as part of a going private process or a process to delist the shares from the *Novo Mercado*, such as required under the revised Listing Regulation;

vi. Article 32 – wording of current indent II under the main provision amended to include a mandatory bylaws' provision foreseen in the revised Listing Regulation, which requires a shareholder acquiring a controlling interest under a private transaction with the controlling shareholder, will be required (i) to conduct a tender offer for all other shares of the company and, *(ii)* to reimburse counterparties from whom it may have purchased shares by trading on the stock exchange in the six-month period preceding the date of the private transaction, in which case the reimbursement price will be the difference (if any) between the bid price per share (in the tender offer) and the adjusted price per share paid in the relevant exchange transactions;

vii. Article 34 – wording amended in line with the requirement included in the revised Listing Regulation, which provides that where a company is set to delist due to a corporate restructuring process where the surviving company fails to list the shares to trade on the *Novo Mercado* within one hundred and twenty days (120) after the date of the shareholders' meeting that approves the restructuring transaction, the controlling shareholder is required to conduct a tender offer for the shares at a bid price not lower than the economic value per share;

viii. New article 35 – new article (and paragraphs 1 and 2) added to include provisions required under the revised Listing Regulation, to the effect that, absent a controlling shareholder due to widely dispersed ownership, if a shareholders' meeting votes to approve a going private process, a delisting from the *Novo Mercado*, or a corporate reorganization (where the surviving company fails to list the shares on the *Novo Mercado*), the meeting attendees are required to define the party or parties responsible for conducting the tender offer. Subsequent articles are renumbered;

ix. New article 36 – new article (and paragraphs 1 to 4) added for consistency with the revised Listing Regulation, to require a tender offer to be conducted in the event of violation of the Listing Regulation. The responsibility for conducting the tender offer lies with the controlling shareholder or, absent the latter due to widely dispersed ownership, lies with the shareholders that vote to approve action in violation of the Listing Regulation. Additionally, where (regardless of whether or not a company has a controlling shareholder) the tender offer requirement is triggered due to an "act or fact of management" in breach of the listing rules, the directors and officers are required to call a shareholders' meeting at which the shareholders will be asked to decide on how to remedy the violation of the listing rules or, as the case may be, to decide for a delisting process, in which case the shareholders will also be asked to define the party or parties responsible for conducting the tender offer. Subsequent articles are renumbered;

x. Articles 12 (item IX), 13 (paragraph 2), 27 (paragraph 2), 31 (item II), 33, 37 (as renumbered), 38 (as renumbered), 40 (as renumbered), 41 (as renumbered) and 42 (as renumbered) – these provisions require minor amendments for consistency with the revised listing rules, including as to certain defined terms, mostly to update the stock exchange's corporate name to BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros.

1.2. Other proposed amendments.

i. Article 16 – wording of the main provision amended to eliminate the words "all shareholders," as holding shares is no longer a director eligibility requirement under Brazilian Corporate Law (as amended by Law No. 12,431 dated June 24, 2011); and to add words to the effect that, consistent with article 122 of Brazilian Corporate Law, the annual general meeting has authority to elect *or remove* the directors.

ii. Article 26 –paragraph 2 added under the main provision giving the Chief Executive Officer authority to grant specific powers of attorney permitting a single executive officer or attorney-in-fact to act on behalf of, and represent or bind the Company in specified circumstances. While devoid of financial impact per se, the amendment seeks to facilitate in certain cases an expedient decision-making process and nimbler response to circumstances.

iii. Article 28 – intent *'b'* of paragraph 3 under the main provision is amended to correct the article on mandatory dividend referenced in the provision, which should read “article 29” rather “article 33.”

iv. Elimination of current article 43, a transitory provision introduced early on in the bylaws to condition the effectiveness of certain provisions to the consummation of our IPO, which was implemented in 2007

v. Various other minor amendments to the Bylaws in order to update references, remissions and definitions, as shown in **Exhibit IV** to the Management Proposal.

2. We further propose to reinstate the Bylaws of the Company, pursuant to the wording provided in Exhibit V to this Proposal.

3. Acquisition of the totality of the shares of Seara Alimentos Ltda. by Marfrig Alimentos S.A., pursuant to article 256 of Brazilian Corporate Law.

Consistent with article 256 of Brazilian Corporate Law (Law No. 6,404/76, as amended), Management proposes and asks shareholders to **(a)** ratify the acquisition of all shares representing the capital stock of Seara Alimentos Ltda., currently named Seara Alimentos S.A. (“Seara”), enrolled with the Corporate Taxpayers’ Registry of the Ministry of Finance under CNPJ/MF No. 02.914.460/0112-76, based in the City of São Paulo, State of São Paulo, at Avenida Chedid Jafet 222, Tower A, 2nd floor, Suite 01, district of Vila Olimpia, Postal Code 04551-065 and the execution of the related share purchase agreement, as amended, by Marfrig Alimentos S.A. and Cargill, Incorporated; **(b)** to confirm the appointment of Apsis Consultoria Empresarial Ltda., as the specialist firm charged with preparing a valuation report for purposes of articles 8 and 256, paragraphs 1 and 2 of Brazilian Corporate Law; and **(c)** to confirm the valuation report prepared by Apsis, which from today’s date will be available for shareholders **(Exhibit VI)**.

Consistent with the requirement of article 19 and Annex 19 of CVM Instruction 481, additional information on the proposed ratification is provided in **Exhibit VII** to this Proposal.

Additionally, as required under article 21 and Annex 21 of CVM Instruction 481, additional information concerning the abovementioned valuation firm is provided in **Exhibit VIII** to this Proposal.

The following documents are available for shareholders at the registered office address at Avenida Chedid Jafet 222, Tower A, 5th floor, district of Vila Olimpia, in the City of São Paulo, State of São Paulo, Postal Code 04551-065, and may be accessed through our Investor Relations website at www.marfrig.com.br/ri, as well as at the websites of BM&FBOVESPA at www.bmfbovespa.com.br and the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or CVM, at www.cvm.gov.br: (i) the Management’s Annual Report; (ii) the 2011 Financial Statements; (iii) the Independent Auditors’ Report; (iv) the Fiscal Council Report; (v) the Audit Committee Report; (vi) the Proposal on Allocation of Results for the year ended December 31, 2011; (vii) the Proposal on Compensation of Directors, Officers and Fiscal Council Members for 2012, (viii) the Comparative Table of Current Bylaws Provisions, Proposed Amendments and Related Justifications; (ix) the proposed Restated Bylaws; (x) the Valuation Report for the ratification of the acquisition of Seara Alimentos Ltda, pursuant to article 256 of Brazilian Corporate Law; and (xi) the Shareholders’ Practical Guide to the Combined Annual and Extraordinary General Meeting, which contains the information required under CVM Instructions 480 and 481.

São Paulo, March 28, 2012.

The Management of
MARFRIG ALIMENTOS S.A.

EXHIBIT I

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL SITUATION AND OPERATING RESULTS

ITEM 10.1.A. GENERAL FINANCIAL AND EQUITY CONDITIONS

Marfrig Alimentos S.A. is a Brazilian publicly held multinational corporation operating in the food and food services industry in Brazil and abroad. It is engaged in the production, processing, marketing and distribution of food made from animal proteins (beef, pork, lamb, poultry and processed products) and the distribution of other food products (frozen foods, cold cuts and sausages, fish, ready-to-eat meals and pasta) and semi-finished and finished leather.

Headquartered in the city of São Paulo, Marfrig Group operates nationwide in Brazil as well as in 21 other countries (Argentina, Uruguay, Chile, USA, France, Northern Ireland, United Kingdom, Holland, South Africa, Mexico, Germany, United Arab Emirates, Kuwait, Qatar, Bahrain, China, Thailand, Malaysia, South Korea, Australia and New Zealand) through 150 production units, distribution centers and sales offices, with production capacity of more than 120,000 tons of processed food per month. It is present on five continents, employs over 85,000 direct employees and exports its products to more than 140 countries, including Europe, the Middle East, Asia and the Americas. In 2007, the Group went public and listed its shares on the Novo Mercado corporate governance segment of the BM&FBovespa.

As part of its initiative to diversify its operations across different geographic regions and animal proteins, Marfrig launched a series of acquisitions of assets, companies and brands, which over the past four years have totaled 40 operations. As a result, the Group has consolidated itself as one of the leading companies in the food global industry, ranking as the third largest player in the global protein industry, the world's fourth largest beef producer and Brazil's second largest producer and exporter of poultry and processed products.

With approximately 85,000 employees, the Marfrig Group is the largest poultry producer in the United Kingdom, the largest private company in Uruguay and Northern Ireland, the largest lamb producer in South America, the largest meat company in Argentina and the fourth largest food company in the world, as well as the world's third largest producer of beef products and Brazil's second largest producer and exporter of poultry and processed products.

In 2010, it was recognized as the "Best Agribusiness Company" and "Best Meat Company" by *Exame* magazine's "Best and Biggest Guide" published by Grupo Abril, the "Best Company in Financial Sustainability" by *Isto É Dinheiro* magazine and the "Best Meat Company" by *Globo Rural* magazine published by Organizações Globo. In 2011, it was once again elected the "Best Meat Company" by *Exame* magazine's "Best and Biggest Guide" and the "Best Meat Company" by *Globo Rural* magazine and also received the 2011 Transparency Trophy from Anefac, Fipecafi and Serasa Experian, which marked the first time this trophy was awarded to a food company.

With stock traded on the Novo Mercado special corporate governance segment of the BM&FBovespa S.A. - Securities, Commodities and Futures Exchange under the ticker MRFG3, Marfrig is a component of the main performance indicators for Brazil's capital markets, such as the Bovespa Index, the IBrX-50 and the Carbon Efficient Index (ICO2), the latter formed by companies that have adopted transparent practices for their greenhouse gas emissions.

To ensure the long-term sustainability of its business, the Marfrig Group develops and implements innovative actions and a comprehensive policy of social and environmental responsibility throughout its supply chain. It has a unified Code of Ethics that permeates the Corporation and is applied in all countries where it operates. This enables the formation of a unique and global culture, guided by the same social and environmental values. The most visible face of the Corporation's engagement in sustainability practices lies in the working groups that it leads and the public commitments that it has assumed in partnership with the world's largest organizations in defense of sustainable production and the conservation of biodiversity.

Our business model also includes a vast distribution network that allows us to offer a complete portfolio of high-quality brands and products to restaurants and retailers in over 160 countries. Our sales volume, which combines exports with direct sales in domestic markets, gives us sufficient scale to maintain and expand our operations in competitive markets and build long-term relationships with clients.

Seeking to gain agility in decision-making processes and capture more synergy and efficiency gains across our operations, the Group's operational structure was strategically organized into two segments based on the animal proteins that are the source of our revenue:

(i) MARFRIG BEEF, which consists of the beef, lamb and leather operations of our production units in Brazil, Argentina, Uruguay and Chile; and

(ii) SEARA FOODS, which consists of the operations involving poultry, pork and elaborated and processed products, with integrated production chains in Brazil, Europe, the United States and Asia.

Since the initial public offering carried out in 2007, a strategy for expanding the operations was implemented based on a global and diversified business model that focuses on increasing the share in the sales mix of processed and elaborated products, generating consistent results and maximizing value in production chains and for shareholders. This strategy has guaranteed the financial and equity conditions needed to fulfill our short- and long-term commitments and to execute our investment plan.

We do not practice any operations leveraged in derivatives or similar instruments that do not have the objective of minimizing the exposure to foreign currencies and to variations in agricultural commodity prices and we maintain a conservative policy of not undertaking any operation that could jeopardize our financial position. We maintain a solid financial policy that includes holding high balances of cash and short-term investments while concentrating debt in long-term instruments with maturities well distributed to avoid high concentrations in a single year.

In 2011, net revenue was R$21,884.9 million, which increased 37.8% from R$15,872.5 million in 2010. We seek to balance our sales between the domestic and export market in order to minimize the level of risks and exposure to markets. In 2011, 65% of revenue came from sales to domestic markets, demonstrating our strength and presence in the markets where we are established, and 35% came from exports.

Our cash generation measured by EBITDA was R$1,773.9 million in 2011, with EBITDA margin of 8.1%, increasing from the EBITDA of R$1,502.5 million in 2010, with EBITDA margin of 9.5%.

At the end of 2011, our gross debt was R$11,262.1 million. The Corporation's consolidated gross debt increased by R$2,189.0 million during the year. The Corporation ended the period with R$3,477.0 million in cash.

Net debt, which is composed of total gross debt less cash, increased by 48.7% to R$7,785.1 million in 2011, compared to R$5,351.5 million in 2010. The increase in net debt was driven by the higher disbursements to cover the investments in working capital, especially in the first half of the year, when we faced a series of pressures on production and raw material costs worldwide, by the slower pace of recovery in the global economy due to the deterioration in the European sovereign debt crisis, and by the noncash impact from currency translation on our debt.

The leverage ratio (net debt of R$7,785.1 million and EBITDA of R$1,773.8 million) stood at 4.39 times. The composition of gross debt by currency was 23.5% in Brazilian real and 76.5% in other currencies, which was consistent with the 74.3% of the Group's revenue generated in currencies other than the BRL in 2011. The variation in the ratio is primarily explained by the noncash impact from the appreciation in the U.S. dollar against the Brazilian real in the year. We remain committed to reducing the level of this indicator and to continue improving the debt profile by lengthening the average term.

At the close of 2011, 20.8% of debt was short-term, compared to 30.9% in 2010. Cash and cash equivalents stood at R$3,477.0 million on December 31, 2011, decreasing 10.3% from R$3,876.4 million in the prior year and sufficient to cover 1.4 times the short-term debt of R$2,457.3 million.

In 2011, the management of the capital structure advanced as planned, with a lengthening of the debt profile and a reduction in the weighted average cost of operations.

We do not practice any operations leveraged in derivatives or similar instruments that do not have the objective of minimizing the exposure to foreign currencies and to variations in agricultural commodity prices and we maintain a conservative policy of not undertaking any operation that could jeopardize our financial position. We maintain a solid financial policy that includes holding high balances of cash and short-term investments while concentrating debt in long-term instruments with maturities well distributed to avoid high concentrations in a single year.

In the second quarter, we concluded a US$750-million issue of 7-year bonds through our subsidiary Marfrig Holdings (Europe) B.V. The bonds, which come due on May 9, 2018, were issued with an annual coupon of 8.375% and were assigned foreign-currency credit-risk ratings of B1 by Moody's and B+ by Standard & Poor's and Fitch. The transaction was conducted with an extensive base of high-quality investors located in the United States, Europe, Asia and Latin America.

10.1.A. GENERAL FINANCIAL AND EQUITY CONDITIONS

We believe the Corporation, through its diversification strategy based on increasing the share of processed products and focusing on offering higher-value-added services and products that meet the needs of our customers, combined with its position in the global food industry, has the financial and equity conditions required to honor its short- and long-term commitments and execute its short- and long-term investment plan. We have made various acquisitions over the last 5 years, which were basically funded by the capital markets (bonds and equity), which has allowed us to attain an important position in the global food industry.

a. Capital structure and possibility of share redemptions

The capital structure of Marfrig Alimentos S.A. is composed of 23.8% own capital and 76.2% third-party capital. The Corporation does not have redeemable shares.

b. Payment capacity regarding financial commitments

The Corporation's capacity to pay its financial commitments is considered comfortable, given its level of cash and equivalents, its debt profile with 21.4% of debt concentrated in the short term and its expected level of cash generation. We currently have a comfortable level of cash of R$3,477.0 million, which yields a short-term liquidity index of 1.4x. Additionally, we seek to balance our long-term debt by adequately distributing these maturities over the long term.

c. Sources of working capital and capital expenditure financing

Our main sources of cash comprise: (i) cash flow generated by our operating activities; (ii) short and long term bank debt; (iii) issuance of shares (equity); and (iv) issuances of debt (bonds and debentures).

Our main uses of these financing sources involve costs and expenses related to the operation of our business, capital disbursements including investment in new plants, expansions and/or modernizations of existing plants and the payment obligations related to our debt.

d. **<u>Sources of working capital and capital expenditure financing that the Corporation plans to use to cover liquidity deficiencies</u>**

Currently the Corporation's cash and equivalents reduce the need to contract new loans in the market. However, we maintain low-cost, long-term loans and financing lines, such as financing from development agencies such as the Brazilian Development Bank (BNDES), Caixa Econômica Federal, Banco do Brasil and others, with the funds used primarily to finance fixed capital and to renew operations.

In addition to the cash flow generated by our operating activities, we believe we have a good financial situation that ensures a good relationship with prime banks, which leaves us comfortable regarding the availability of funding for working capital and investments in long term assets. As mentioned in the previous item, the capital markets are also a potential source for funding for the Corporation for future expansions either organically or through acquisitions. In the next item "10.1.f" of this Form, we describe the main financing lines taken out by the Corporation and the characteristics of each.

e. **<u>Debt levels and characteristics of such debts, indicating:</u>**

<u>i. Relevant loan and financing contracts;</u>

The following table shows the consolidated debt as of December 31, 2011 and 2010, described by type, with the respective weighted average rates and terms:

Consolidated

Credit facility	Charges (% p.a.)	Weighted average interest rate (p.a.)	Weighted average maturity (years)	Balance on 12/31/11	Balance on 12/31/10
Local currency					
FINAME	TJLP + Fixed Rate	6.57	2.87	5,961	9,940
BNDES Finem	TJLP + 1.80	7.61	2.08	9,331	14,789
FINEP	TJLP + 1%	5.47	4.53	45,755	39,725
NCE	Fixed Rate+%CDI	12.54	2.77	1,028,946	1,109,086
Working capital (R$)	Fixed Rate+%CDI	14.37	3.10	386,675	475,547
Rural credit note (R$)	Fixed Rate	6.79	0.75	274,868	276,962
Prepayment (interest)	%CDI	-	-	-	2,010
FCO - Mid-West Region Fund	Fixed Rate	10.00	3.00	5,755	8,633
Procer	Fixed Rate	11.27	0.90	234,501	204,812
BNDES Exim	Fixed Rate	-	-	-	149,483
Total local currency		11.74		1,991,792	2,290,987
Foreign currency					
Financing of industrial complex (US$)	Libor+Fixed Rate + FX	2.44	0.61	5,994	28,443
Prepayment (US$)	Libor+Fixed Rate + FX	7.05	3.63	2,595,233	2,629,232
Bonds (US$)	Fixed Rate + FX	9.04	6.74	2,976,158	1,423,948
BNDES Finem	Currency basket + 1.30	1.30	1.11	878	1,535
NCE (US$) / ACC	%CDI+Fixed Rate+FX(US$) +Libor	8.11	4.28	1,644,355	1,805,134
Working capital (US$)	Fixed Rate + Libor	5.08	1.38	205,561	186,758
Working capital (Pesos)	Development unit	6.90	0.20	1,837	1,858
Bank loan (US$)	Fixed Rate + FX	3.78	0.73	1,107,969	773,870
PAE (US$)	Fixed Rate + FX	-	-	-	7,453
Financing agreements (US$)	Fixed Rate + FX	1.94	0.25	15,976	18
Guaranteed account (US$)	Libor + Fixed Rate + FX	-	-	-	2,052
Tradeable liabilities	Fixed Rate	6.70	3.34	57,325	76,517
Total foreign currency		7.17		8,611,286	6,936,818
Total indebtedness		8.01		10,603,078	9,227,805
Current liabilities				2,277,035	2,852,561
Non-current liabilities				8,326,043	6,375,244
				-	-

The types of loans and financings contracted by the Corporation may be described as follows:

FINAME – Financing of Machinery and Equipment

This is a credit line for the acquisition of capital goods from the Brazilian Development Bank (BNDES). The currency used by the BNDES to adjust amounts is the Long-Term Interest Rate Reference Unit (URTJLP), which is based on the Long-Term Interest Rate (TJLP). These transactions are secured by the actual asset being acquired. The repayment schedule is through January 2021.

BNDES FINEM – Financing of Businesses

This is a BNDES credit line for financing enterprises. The loans were taken out to acquire machinery and equipment and to expand production facilities. This operation is restated by the Long-Term Interest Rate (TJLP) while the other operations are restated by the Monetary Unit of the Brazilian Development Bank (UMBNDES), which is composed of a basket of currencies that reflects the daily fluctuations in the currencies in which the BNDES carries out funding operations. This type of financing is secured by bank guarantees issued by Banco Bradesco. The operation, which matures in February 2013, is repaid monthly with the installments subject to interest.

FINEP – Financing for Research and Projects

The credit line from FINEP is for financing research studies and projects. FINEP is a government institution linked to the Ministry of Science and Technology. The currency used for adjusting the financing agreement is the URTJ01 (a monetary unit used by FINEP), which is based on the variation in the Long-Term Interest Rate (TJLP). The operation is secured by a performance contract with Banco Bradesco. The operation will be repaid monthly until March 2016.

NCE - Export Credit Notes

This is a credit line for exporters that has tax benefits. The exports made must be adequately substantiated. The funds raised through this credit line are used for working capital. The transactions are denominated in BRL and USD and are guaranteed by trade notes, endorsements and supply contracts; in some cases, no guarantee is given. The indexes used to restate transactions in U.S. dollar are the London Interbank Offered Rate (Libor) and/or a fixed rate, while transactions in Brazilian real are restated by the CDI overnight rate and/or a fixed rate. The transaction will be repaid through April 2018.

Working capital

The funds raised through this credit line are used to finance working capital. Operations are denominated in Brazilian real, U.S. dollar and pesos. The operations are secured by endorsements and mortgages. The indexes used to restate the operation are the CDI rate and/or a fixed rate. The transaction will be repaid through May 2015.

Rural Credit Notes

This is a credit line for financing the integration system between rural producers (partners) and the meatpacking plants. The funds contracted through this credit line are denominated in BRL and linked to production. The credit line is guaranteed by endorsement and restated by a fixed rate. The credit line matures in November 2012.

ACC – Advance on Exchange Contracts

This is an external credit line for exporters. The funds raised under this credit line are used for export financing. ACC transactions are carried out in U.S. dollar. Payment is linked to exports and guaranteed by promissory notes. The transactions are restated by a fixed rate. Repayments for this operation will be made through November 2012.

Financing of Industrial Facilities

This is an external credit line for the acquisition of equipment. The transaction is conducted in U.S. dollar and is guaranteed by the actual equipment financed. The indexes used to restate the transactions are the London Interbank Offered Rate (Libor) plus a fixed rate and currency variation. Repayment is scheduled through July 2012, with quarterly installments for the principal and interest.

Prepayment

This is an external credit line for exporters. The funds raised under this credit line are used for export financing. This transaction is conducted in U.S. dollar and guaranteed by promissory notes, endorsements, supply contracts and export documents. In some cases no collateral is offered. The indexes used to restate the transactions are the London Interbank Offered Rate (Libor) plus a fixed rate. Repayments will be made through December 2016.

FCO – Midwest Constitution Fund

This is a credit line to finance enterprises located exclusively in the states of Goiás, Mato Grosso do Sul and the Federal District. The financing terms are established in accordance with the item to be financed. This line is guaranteed by mortgage and adjusted by a fixed rate. Repayments will be made on a monthly through December 2013, with the installments restated.

Senior Notes - Bonds

These are long-term debt operations in U.S. dollar consisting of the international issue of bonds exclusively to qualified international investors ((Rule 144A/Reg S), with the issue not registered at the Securities and Exchange Commission of Brazil (CVM), in accordance with the U.S. Securities Act of 1933, as amended.

The Corporation has carried out three issues of this type since 2006, which were assigned foreign currency risk ratings of B1 by Moody's and B+ by Standard & Poor's and Fitch, as shown below:

- The first bond issue was concluded in November 2006, with the issue by the Corporation's wholly owned subsidiary of US$375 million in senior notes, with a coupon of 9.625% p.a., semiannual interest payments beginning in May 2007 and maturity of the principal in 10 years (November 2016). The proceeds from the issue were used by the Corporation to acquire business units in Argentina and Uruguay.

In March 2010, the holders of these Senior Notes agreed to an addendum amending certain clauses of the Indenture governing the issue, including changing and/or suppressing restrictions on the pledging of guarantees by the Corporation and its subsidiaries, as well as the inclusion of an endorsement from Marfrig Alimentos S.A. and its subsidiaries União Frederiquense Participações Ltda., Marfrig Holdings (Europe) B.V. and Seara Alimentos S.A. to guarantee the obligations of the issuer to the holders of the outstanding Bonds. The addendum did not contain any modifications to the financial conditions of the liability, which maintained the same maturity and interest rate as previously.

- The second issue was carried out in April 2010, with the issue by Marfrig Overseas Ltd. of US$500 million in Senior Notes, with a coupon of 9.50% p.a., semiannual interest payments beginning in November 2010 and maturity of the principal in 10 years (May 2020). This operation also was guaranteed by Marfrig Alimentos S.A. and its subsidiaries União Frederiquense Participações Ltda., Marfrig Holdings (Europe) BV and Seara Alimentos S.A., with the proceeds used to lengthen the Corporation's debt profile.

- The third issue was carried out in May 2011, with the issue by Marfrig Holdings (Europe) B.V. of US$750 million in Senior Notes, with a coupon of 8.375% p.a., semiannual interest payments beginning in November 2011 and maturity of the principal in 7 years (May 2018). This operation was guaranteed by Marfrig Alimentos S.A. and its subsidiaries União Frederiquense Participações Ltda., Marfrig Overseas Limited and Seara Alimentos S.A., with the proceeds used to lengthen the Corporation's debt profile and strengthen its working capital.

BOND	Maturity	Amount (US$ '000)	Coupon (per annum)	Payment
MARFRIG (16)	11/16/2016	375,000	9.625%	Half-yearly
MARFRIG (18)	5/9/2018	750,000	8.375%	Half-yearly
MARFRIG (20)	4/29/2020	500,000	9.500%	Half-yearly

The amounts raised in April 2010 are shown below:

Funding statement – 2010 Bonds	US$ thousand
Principal amount	500,000
(-) Depreciation (face value of 98.426%)	(7,870)
(-) Bank commission	(4,500)
(-) Attorneys' fees	(331)
Net Value	487,299

The amounts raised in May 2011 are shown below:

Funding statement – 2011 Bonds	US$ mil
Principal amount	750,000
(-) Depreciation (face value of 98.835%)	(8,738)
(-) Bank commission	(9,375)
Net Value	731,887

Since the Senior Notes issued in 2006, 2010 and 2011 represented 27.62% of the Corporation's consolidated debt on December 31, 2011 (and represented 15.43% of such debt on December 31, 2010), the obligation to maintain a ratio of adjusted net debt to EBITDA in the last 12 months of a maximum of 4.75x, as provided for in the Indenture of the Senior Notes, includes the other loans and financings of the Corporation outstanding at the close of the period, as well as the debentures described in Note 23.2.

PAE – Export Loans

This is a Chilean credit line for exporters. The funds raised through this credit line, which may be used for any export product, are used to finance the exports of lamb, fish and other products destined for Brazil. The difference between this line and a normal credit line is that it is exempt from Chile's Impuesto de Timbre y Estampilla (ITE), which is equivalent to Brazil's financial transactions tax. The lines are denominated in U.S. dollar and are secured by bank guarantees. The repayments for this operation will be made through December 31, 2011.

BNDES PROCER – Financing for Working Capital

This BNDES credit line is used to finance working capital to boost the competitiveness of companies in the agriculture and livestock and agribusiness industries. This cost of this credit line is 11.25% per annum. The operation, which matures in October 2012, is repaid monthly with the installments subject to interest.

BNDES Exim - Export Financing

Credit line offered by BNDES to export companies under the BNDES Investment Support Programme – Pre-shipment export subprogram. The funds raised under this credit line are used for export financing. This credit line is denominated in Brazilian real and secured by endorsements from Marfrig Alimentos S.A. It bears annual interest of 7%. Repayments will be made through December 2011.

Bank Borrowings

Funds raised under this credit line are used to finance working capital. The Corporation holds transactions in U.S. dollar and peso, which in some cases may only be used to pay for inventories and fixed assets. These transactions are guaranteed by endorsements and mortgages, although in some cases no guarantee is given. The transactions in peso are restated by the Buenos Aires Deposits of Large Amount Rate (BADLAR), while the credit lines in U.S. dollar have fixed rates. Repayments will be made until October 2016.

Negotiable Liabilities

Funding in U.S. dollar contracted by our subsidiaries in Argentina and Uruguay. The operations are used for working capital and are unsecured, with repayment through September 2016.

Maturity schedule:
The debt maturity schedule follows:

	Company		Consolidated	
	12/31/11	12/31/10	12/31/11	12/31/10
Domestic currency				
1Q11	-	31,601	-	218,792
2Q11	-	258,011	-	345,163
3Q11	-	241,502	-	366,502
4Q11	-	129,680	-	323,843
1Q12	101,861	-	405,614	-
2Q12	133,260	-	192,199	-
3Q12	35,354	-	130,109	-
4Q12	38,694	-	48,234	-
2012	-	390,219	-	568,524
2013	543,740	220,063	769,159	279,323
2014	214,798	74,805	239,440	128,149
2015	100,843	5,789	102,139	58,789
2016	34,479	1,902	35,775	1,902
2017	32,498	-	33,794	-
2018	32,498	-	33,793	-
2019	13	-	1,308	-
2020	12	-	227	-
2021	1	-	1	-
	1,268,051	1,353,572	1,991,792	2,290,987

	Company		Consolidated	
	12/31/11	12/31/10	12/31/11	12/31/10
Foreign currency				
1Q11	-	342,110	-	811,531
2Q11	-	109,098	-	272,533
3Q11	-	239,442	-	325,055
4Q11	-	107,702	-	189,142
1Q12	174,743	-	728,270	-
2Q12	114,857	-	282,159	-
3Q12	223,579	-	291,804	-
4Q12	78,125	-	198,646	-
2012	-	583,541	-	765,206
2013	1,055,441	909,261	1,233,542	975,625
2014	1,025,021	812,672	1,699,960	1,317,616
2015	958,765	689,345	994,396	702,887
2016	207,745	158,845	915,067	763,481
2017	-	-	9,636	12
2018	-	-	1,352,636	-
2020	-	-	905,170	813,730
	3,838,276	3,952,016	8,611,286	6,936,818
Total debt	5,106,327	5,305,588	10,603,078	9,227,805

The guarantees of the loans and financing lines follow:

	Parent Company		Consolidated	
	12/31/11	12/31/10	12/31/11	12/31/10
Balance of financing	5,106,327	5,305,588	10,603,078	9,227,805
Guarantees:				
Promissory notes	2,155,087	1,860,041	2,301,707	2,250,357
Trade notes	42,532	240,046	101,591	267,272
Bank Guarantee	5,394	9,270	43,520	43,135
Supply Agreement	-	33,584	1,833	35,383
Surety	1,673,858	982,401	2,746,919	2,281,649
Leased Asset	1,233	720	10,815	17,042
Export document	-	-	26,489	9,935
Facilities	33,520	44,152	33,520	44,152
Mortgage	-	-	47,074	46,363
Financial Investment	237,099	150,103	259,956	150,103
Export Credit	-	-	45,421	67,861
No Guarantees	957,604	1,985,271	4,984,233	4,014,553

iv. Any restrictions imposed on the issuer, especially those relating to limits on debt and the contracting of new debt, the distribution of dividends, the disposal of assets, the issuance of new securities and the transfer of control.

Covenants

In their most restrictive form, all loan and financing contracts are based on the level of debt as a maximum ratio of Net Debt to EBITDA, which under the covenants is 4.75.

f. Financing line use limits already contracted

Not applicable.

g. Significant modifications in each item of the financial statements

Our financial information for the fiscal years as of and ended December 31, 2011 and 2010, were extracted from the consolidated financial statements, which were reviewed by KPMG Auditores Independentes.

The following sections present a summary of our financial and operational information for the periods indicated. The following information should be read and analyzed in conjunction with the Corporation's standardized financial statements and the consolidated financial statements of the Corporation and its subsidiaries and accompanying notes, which are available on the Corporation's website (www.marfrig.com.br/ri) and on the website of the Securities and Exchange Commission of Brazil - CVM (www.cvm.gov.br).

Comparative analysis of the Balance Sheets as of December 31, 2010 and 2011

Current Assets
Current assets decreased 0.4%, from R$9,400.2 million on December 31, 2010 to R$9,359.1 million on December 31, 2011. The main variations were:

Cash and cash equivalents
Cash and equivalents decreased 10.3%, from R$3,876.4 million on December 31, 2010 to R$ 3,477.0 million on December 31, 2011, which is explained by the higher cash burn in the first half of the year due to the higher prices of raw materials (cattle and grain). The Corporation has a strategy of maintaining a comfortable cash position.

Trade accounts receivable
The line Trade Accounts Receivable decreased 4.33%, driven by better management of and negotiations with clients, seeking improvements and reductions in the receivables period, as part of the effort to optimize the cash conversion cycle begun in mid-2010, on which the Corporation continues to work, seeking to continue optimizing its cash conversion cycle.

Inventories
The increase of 10.0% in Inventories, from R$2,942.3 million on December 31, 2010 to R$3,238.0 million on December 31, 2011, is also explained by the integration of the acquisitions made in 2010 and by the Corporation's organic growth of 12.1%.

Long Term Assets
Long term assets increased 9.5%, from R$13,199.3 million on December 31, 2010 to R$14,464.3 million on December 31, 2011. The most important lines were *Deferred Taxes* and *Recoverable Taxes*, which increased due to the higher sales in the period, driven by the Corporation's organic growth and by the consolidation of the acquisitions made, as already mentioned.

Fixed Assets
Fixed Assets: increase of 6.1%, from R$6,685.6 million on December 31, 2010 to R$7,095.3 million on December 31, 2011, due to the consolidation of the companies acquired in 2010.

Intangible assets
Intangible Assets: increase of 4.0%, from R$4,186.7 million on December 31, 2010 to R$4,355.0 million on December 31, 2011. This line presented growth due to the premium paid in the acquisitions given the expectations for the future profitability of the companies acquired, as well as the brands and patents, software and systems that were also part of the acquisitions made in 2010.

Current Liabilities

Current liabilities decreased 4.0%, from R$6,948.6 million on December 31, 2010 to R$6,673.1 million on December 31, 2011. The main variations were:

Suppliers

Suppliers: increase of 20.4%, from R$2,310.8 million on December 31, 2010 to R$2,783.1 million on December 31, 2011, driven by better management and negotiations with clients of our payment periods, seeking to improve the cash conversion cycle begun and increase the supplier payment period, where the Corporation continues to work to continue optimizing its cash conversion cycle.

Loans and Financing

Loans and Financing: reduction of 20.2%, from R$2,852.6 million on December 31, 2010 to R$2,277.0 million on December 31, 2011. The reduction was part of the strategy adopted by the Corporation to hold approximately 20% in short-term debt and the remaining 80% in long-term debt, with maturities well distributed across years.

Long Term Liabilities

Long Term Liabilities increased 24.8%, from R$9,154.6 million on December 31, 2010 to R$11,251.8 million on December 31, 2011. The most relevant lines in the period were:

Loans and Financing

Loans and Financing: increase of 30.6%, from R$6,375.2 million on December 31, 2010 to R$8,326.0 million on December 31, 2011. This increase was driven by:

1- the strategy adopted of debt composed approximately 80% by long-term debt and with maturities well distributed across years.
2- the R$600.0-million nonconvertible Debentures issue;
3- the US$750.0-million bond issue; and
4- the financing facilities contracted to meet the Corporation’s working capital requirements to accompany the growth in its sales.

Shareholders’ Equity

Shareholders' equity increased by 9.8%, from R$6,353.3 million on December 31, 2010 to R$5,733.7 million on December 31, 2011. The main explanation for the decrease was the net loss of R$746.0 million registered in the year, which was basically driven by the increase in Financial Expenses due to the noncash effects of currency translation given the depreciation in the Brazilian real against the U.S. dollar in the period (12.6%) and the increase in interest provisioning.

*COMPARATIVE ANALYSIS OF THE CONSOLIDATED BALANCE SHEETS AS OF FISCAL YEARS **2010** AND **2011***

Fiscal year ended December 31, 2011 and 2010
(in R$ thousand)

	2010	AV	2011	AV	Var. 2011 x 2010
NET OPERATING REVENUE	**15,878.5**	**100.0%**	**21,884.9**	**100.0%**	**37.8%**
Cost of products sold	(13,277.0)	-83.6%	(18,742.3)	-85.6%	41.2%
GROSS PROFIT	**2,601.4**	**16.4%**	**3,142.6**	**14.4%**	**20.8%**
OPERATING REVENUES (EXPENSES)	(1,725.7)	-10.9%	(2,110.3)	-9.6%	22.3%
Selling	(1,407.5)	-8.9%	(1,487.4)	-6.8%	5.7%
General and administrative	(562.7)	-3.5%	(796.8)	-3.6%	41.6%
Other operating revenues (expenses)	244.5	1.5%	173.8	0.8%	-28.9%
OPERATING RESULT	**875.7**	**5.5%**	**1,032.3**	**4.7%**	**17.9%**
Financial result	(1,147.2)	-7.2%	(2,329.1)	-10.6%	103.0%
Financial income	253.6	1.6%	398.8	1.8%	57.3%
Exchange variation - gain	282.7	1.8%	565.0	2.6%	99.8%
Financial expenses	(1,295.8)	-8.2%	(1,927.1)	-8.8%	48.7%
Exchange variation - loss	(387.8)	-2.4%	(1,365.9)	-6.2%	252.3%
LOSSES BEFORE TAXES	**(271.5)**	**-1.7%**	**(1,296.9)**	**-5.9%**	**377.7%**
PROVISION FOR INCOME AND SOC. CONTR. TAXES	411.6	2.6%	520.1	2.4%	26.4%
Income Tax	296.4	1.9%	399.1	1.8%	34.7%
Social Contribution	115.2	0.7%	120.9	0.6%	5.0%
NET INCOME (LOSS) FOR THE PERIOD	**140.1**	**0.9%**	**(776.8)**	**-3.5%**	**-654.5%**
# Shares (million)	347.0		347.0		
Earnings (loss) per share	0.4		(2.2)		**-654.5%**
EBITDA	**1,502.5**		**1,773.8**		**18.1%**
EBITDA Margin	9.5%		8.1%		

Net Operating Revenue

In 2011, Consolidated Net Revenue was R$21.9 billion, growing 37.8% from R$15.9 billion in 2010. Organic growth in net revenue, e.g., compared to the proforma base in 2010, which includes the companies acquired in the year, was 12.4%. The main drivers of revenue growth in 2011 were:

- the higher beef prices in Brazil's domestic market and the good performance of the Food Service segment;
- the positive evolution in the Poultry, Pork, Processed and Elaborated Products segment (Seara Foods), with the growth of the Seara brand in Brazil's domestic market;
- the higher share of processed and elaborated products (higher value) in the Corporation's sales mix.

In 2011, domestic sales in the countries where the Corporation has operations accounted for 65.0% of consolidated revenue, compared to 60.0% in 2010, which shows that conditions remained positive in these domestic markets. The share of export sales decreased to 35.3%, compared to 40.2% in 2010, reflecting the better conditions in domestic markets and the strong Brazilian real through September 2011.

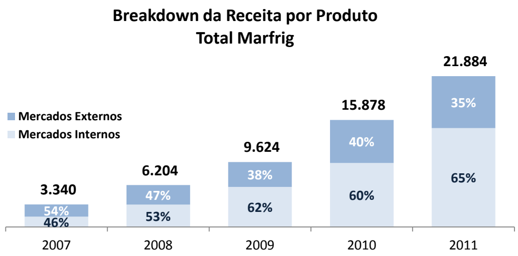


Chart IV – Breakdown of Marfrig Group's Net Revenue by market

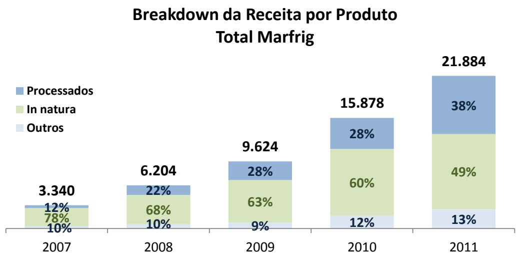
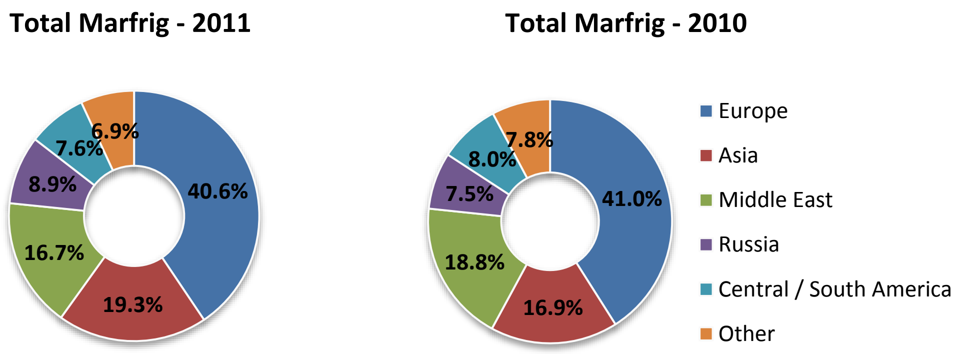


Chart V – Breakdown of Marfrig Group's Net Revenue by segment

In 2011, domestic sales in the countries where the Corporation has operations accounted for 65.0% of consolidated revenue, compared to 60.0% in 2010, which shows that conditions remained positive in these domestic markets. The share of export sales decreased to 35.3%, compared to 40.2% in 2010, reflecting the better conditions in domestic markets and the strong Brazilian real through September 2011.

In terms of diversification across animal proteins, the Seara Foods segment corresponded to 65.1% of Net Revenue in 2011, compared to 56.8% in 2010, in line with the Corporation's strategy of increasing the share of processed and elaborated products in its sales mix.

A breakdown is presented below of Net Revenue by main export destination in 2011 compared to 2010. Europe remained the main destination of the group's exports, followed by Asia and the Middle East. The Corporation remains focused on directing its exports to the most profitable regions.



Graph 5 – Breakdown of Marfrig Group revenue by export market in 2011 and 2010.

Chart VI – Breakdown of Marfrig Group's Net Revenue by export market in 2011 and 2010

Cost of Goods Sold

COGS increased 41.2%, from R$13,277.0 million in 2010 to R$18,742.3 million in 2011, accompanying the growth in the Corporation's net revenue and also due to the higher prices for raw materials (cattle and grains) in 2011 and the organic growth in the Poultry, Pork and Processed and Elaborated Products division.

Raw materials, which include cattle and inputs for feed (grains), remain the main component of COGS, accounting for 66.7% in 2011, in line with 2010.

The beef division represented 32.0% of COGS, while the poultry, pork, elaborated and processed foods operations accounted for 68.0% of the total. In the Beef Division, cattle represented approximately 82% of COGS, while in the poultry, pork, prepared foods and processed foods operations, grains and meals accounted for approximately 65%.

COGS	2011	%	2010	%	Var. % 2011 / 2010
Raw Material	**(12,493.2)**	**66.7%**	**(8,752.7)**	**65.9%**	42.7%
Packaging	(721.2)	3.8%	(549.9)	4.1%	31.2%
Electricity	(142.8)	0.8%	(157.5)	1.2%	-9.4%
Dir. Exp. + MOD (*)	(4,536.6)	24.2%	(2,973.9)	22.4%	52.5%
Indir. Exp. + MOID (*)	(848.5)	4.5%	(670.6)	5.1%	26.5%
IFRS ADJUSTMENTS		0.0%	(172.3)	1.3%	-99.4%
TOTAL	**(18,742.3)**	**100.0%**	**(13,276.9)**	**100.0%**	**41.2%**

Gross Income and Gross Margin

In 2011, Gross Income was R$3,142.6 million, up 20.8% from R$2,601.4 million in 2010. Gross margin was 14.4%, down 202 bps from 16.4% in 2010, primarily driven by the higher raw material costs and inflationary pressures in certain countries where the Corporation operates.

Gross income growth was driven by the organic growth in sales revenue. The Corporation continues to focus on improving its sales mix, with a higher share of processed and elaborated products (higher value added) in the sales mix, which should reduce the volatility in margins. Another driver of gross income growth was the various initiatives implemented in the last two quarters to obtain operational improvements, such as optimizing the production infrastructure to dilute fixed costs at plants and improvements in raw material sourcing. These initiatives, along with the Corporation’s organizational restructuring, should lead to sustainable margins over the medium and long term.

Operating Expenses

In 2011, selling, general and administrative (SG&A) expenses were R$2,284.2 million, increasing 15.9% from R$1,970.2 million in 2010, which is explained by the Corporation’s organic growth and by the expenses with marketing and advertising associated with the development of the group's brands, especially the global brand Seara.

In 2011, SG&A expenses corresponded to 10.4% of net revenue, decreasing 197 bps from 12.4% in 2010. In addition to the strategy to rigorously control expenses, the Corporation captured important synergies from the integration of structures at the units acquired in recent years, which made it possible to exchange best practices across units and to dilute fixed costs and expenses.

EBITDA and EBITDA Margin

In 2011, Marfrig’s consolidated EBITDA (earnings before interest tax, depreciation and amortization) was R$1,773.8 million, up 18.1% from R$1,502.5 million in 2010. Excluding the effects from nonrecurring events, such as the adjustments from the adoption of IFRS in 2010 and the reversal of the provision for the contingent payment of the OSI acquisition in 2011, Adjusted EBITDA grew by 27.2%.

EBITDA margin was 8.1%, compared to 9.5% in 2010. The contraction in EBITDA margin is explained by: the appreciation in the Brazilian real through September 2011, which negatively impacted exports; the high grain and cattle costs; and inflationary pressures in certain countries where we have operations. Due to the above factors, Adjusted EBITDA Margin decreased by 0.6 percentage point.

	2011	2010	Var. % 2011 / 2010
EBITDA	1,773.8	1,502.5	18.1%
EBITDA margin	8.1%	9.5%	-136 bps
Adjusted EBITDA	1,600.0	1,258.0	27.2%
Adjusted EBITDA MARGIN	7.3%	7.9%	-61 bps

The evolution in EBITDA is explained by:

- organic growth;
- the operational improvements at Seara Foods and the Marfrig Beef Division, which reflect the actions implemented over the course of the year mentioned above;
- the focus on directing exports to the most profitable markets and channels, which partially offset the reduction in export volume compared to the prior year.

Financial Result

In 2011, the Corporation recorded a net financial expense of R$2,328.3 million, compared to R$1,260.2 million in 2010.

FINANCIAL RESULT	2011		2010	VAR. % 2011 / 2010
Financial Income	**398,877**		**253,585**	**57.3%**
Financial Result from derivatives	122,218		50,299	143.0%
Interest from financial investments	248,744		190,035	30.9%
Discounts, other	27,875		13,251	110.4%
Exchange variation – Gains	**564.983**		**282.714**	**99,8%**
Total financial income	**963,861**		**536,298**	**79.7%**
Financial Expenses	**(1,927,054)**	**#**	**(1,295,786)**	
Provisioned interest	(958,552)		(656,402)	46.0%
Interest on debentures	(401,864)		(132,000)	204.4%
Interest on leasing	(26,520)		(25,886)	2.5%
Derivatives	(379,625)		(300,490)	26.3%
Bank fees, commissions and charges	(117,569)		(102,080)	15.2%
Other	(42,923)		(78,929)	-45.6%
Exchange variation – Losses	**(1,365,894)**		**(387,754)**	**252.3%**
Total financial expenses	**(3,292,948)**		**(1,683,541)**	**95.6%**
Net financial result	**(2,329,087)**		**(1,147,242)**	**103.0%**

In 2011, given the average appreciation in the Brazilian real against the U.S. dollar of 12.6%, the Corporation recorded a currency translation loss (non-cash) of R$800.9 million in the period, compared to R$105.0 million in 2010.

Interest expenses increased 72.5% in the year, due to the higher net debt generated by the investments in working capital, especially in the first half of 2011, which were driven by the higher raw material costs and the funding operations carried out in 2010.

Marfrig does not contract leveraged operations involving derivatives or similar instruments that do not have the objective of providing minimum protection against its exposure to other currencies, in accordance with its conservative policy of not contracting operations that could jeopardize its financial position. The net loss from Market Operations was R$358.5 million, which is explained by the hedge instruments described in Note 31 to the annual financial statements.

Net Income / Loss and Net Margin

In 2011, the Corporation recorded a net loss of R$746.7 million, compared to the net income of R$146.1 million in 2010. The net loss in the period was driven by the non-cash accounting impact caused by the local currency appreciation on the portion of dollar-denominated debt of R$800.9 million.

We believe the strategy adopted by Marfrig of diversifying its operations in terms of regions and proteins combined with its globalized distribution platform with a higher share of elaborated and processed products will give the Corporation the conditions required for maintaining sustainable profitability in the medium and long term.

Comparative analysis of the Balance Sheets as of December 31, 2009 and 2010

Current Assets

Current assets increased 61.4%, from R$5,822 million on December 31, 2009 to R$9,400 million on December 31, 2010. The main variations were:

Cash and cash equivalents

The increase of 27.8% in Cash and equivalents, from R$3,033 million on December 31, 2009, to R$3,876 million on December 31, 2010, which is explained by the funding operations in 2010, the Corporation's strategy of maintaining a comfortable cash level and the latest issue carried out by Marfrig in the 2nd issue of mandatorily convertible debentures, which raised R$2.5 billion, which was used to acquire Keystone Foods and strengthen the Corporation's cash;

Trade accounts receivable

The increase of 70.8% in the Trade accounts receivables line, which was due to the higher sales in the year driven by the group's organic growth and by the consolidation of the companies acquired in 2010, namely: Seara Alimentos, which was fully consolidated in the year; O'Kane Poultry, which was partially consolidated; and Keystone Foods (USA), which consolidated only in 4Q10;

Inventories

The increase of 117.3% in Inventories, from R$1,354 million on December 31, 2009, to R$2,942 million on December 31, 2010, which is also explained by the integration of the acquisitions made in 2010.

Long term receivables

Noncurrent assets increased 188.9%, from R$706 million to R$2,039 million. The most important lines were Deferred Taxes and Recoverable Taxes, which increased due to the higher sales in the period, driven by the Corporation's organic growth and by the consolidation of the acquisitions made, as already mentioned.

Permanent Assets

Permanent assets grew 94.9%, from R$5,726 million on December 31, 2009, to R$11,160 million on December 31, 2010. The most significant variations were:

Fixed Assets

Fixed Assets: increase of 83.6%, from R$3,792 million on December 31, 2009 to R$6,963 million on December 31, 2010, due to the consolidation of the companies acquired in 2010;

Intangible assets

Intangible Assets: increase of 116.5%, from R$1,934 million on December 31, 2009 to R$4,187 million on December 31, 2010. This line presented growth due to the premium paid in the acquisitions given the expectations for the future profitability of the companies acquired, as well as the brands and patents, software and systems that were also part of the acquisitions made in 2010.

Current Liabilities

Current liabilities grew 118.3%, from R$3,183 million on December 31, 2009 to R$6,948 million on December 31, 2010. The most significant variations were:

Suppliers

Suppliers: increase of 147.0%, from R$935 million on December 31, 2009 to R$2,311 million on December 31, 2010, due to the consolidation of the companies acquired in 2010;

Loans and Financing

Loans and Financing: increase of 93.6%, from R$1,474 million on December 31, 2009 to R$2,853 million on December 31, 2010. The increase is explained by the assumption of debt at the companies acquired in 2010, and the financing facilities contracted to meet the Corporation's working capital requirements.

Noncurrent Liabilities

Noncurrent liabilities increased 73.2%, from R$5,286 million on December 31, 2009 to R$9,155 million on December 31, 2010. The most important lines were:

Loans and Financing

Loans and Financing: increase of 73.2%, from R$3,681 million on December 31, 2009 to R$6,375 million on December 31, 2010. The increase is explained by the assumption of debt at the companies acquired in 2010, the US$500.0-million bond issue and the financing facilities contracted to meet the Corporation's working capital requirements to accompany the growth in its sales.

Shareholders' Equity

Shareholders' Equity increased by 68.4%, from R$3,772 million on December 31, 2009 to R$6,353 million on December 31, 2010. The main explanation for this increase in Shareholders' Equity was the recognition of the R$2,500 million in proceeds from the 2nd issue of mandatorily convertible debentures. The Corporation, based on the characteristics of the operation, recognized these proceeds in the Capital Reserve line. The debentures were issued on July 15, 2010 through a private subscription, with a term of 60 months and annual restatement by an interest rate proportional to 100% of the accrued variation in the average Interbank Deposit (*Depósitos Interfinanceiros*) overnight rate for one day, plus a spread of one percent (1%). The remuneration of these debentures is classified under current liabilities.

As established in the Indenture of the Issue and except in the case of voluntary conversion, the conversion price will be the lowest value of the following items: (i) R$21.50, plus the percentage of interest effectively paid to debenture holders over the face value of the issue and less the payments distributed to each share, both restated by the CDI overnight rate as of the date of the effective payment in the case of interest on the debentures, or as of the ex-payment date in the case of the payments, up to the conversion date; and (ii) the highest of either the market price or R$24.50, with this latter figure not adjusted for cash payments or monetary restatement.

The Corporation incurred R$12,329 in expenses with the debentures issue, which was registered as a reduction in the Capital Reserve, as determined by the accounting rules for capital instruments.

COMPARATIVE ANALYSIS OF THE CONSOLIDATED BALANCE SHEETS AS OF FISCAL YEARS 2009 AND 2010

Fiscal Year ended on December 31st
(in R$ million)

Income statement	2009	AV (1)	2010	AV (1)	Var. 2010x2009
NET OPERATING INCOME	**9.623,6**	**100,0%**	**15.878,5**	**100,0%**	**65,0%**
Cost of products sold	(8.369,4)	-87,0%	(13.277,0)	-83,6%	58,6%
GROSS PROFIT	**1.254,2**	**13,0%**	**2.601,4**	**16,4%**	**107,4%**
OPERATING REVENUES (EXPENSES)	(850,2)	-8,8%	(1.725,7)	-10,9%	103,0%
Sales	(641,5)	-6,7%	(1.407,5)	-8,9%	119,4%
Administrative and general	(289,7)	-3,0%	(562,7)	-3,5%	94,3%
Other operating revenues (expenses)	81,0	0,8%	244,5	1,5%	201,7%
OPERATING RESULT	**404,0**	**4,2%**	**875,7**	**5,5%**	**116,8%**
Financial result	145,1	1,5%	(1.147,2)	-7,2%	-890,7%
Financial revenues	176,7	1,8%	253,6	1,6%	43,5%
Active exchange variation	728,7	7,6%	282,7	1,8%	-61,2%
Financial expenses	(675,1)	-7,0%	(1.295,8)	-8,2%	91,9%
Passive exchange variation	(85,2)	-0,9%	(387,8)	-2,4%	355,3%
EARNINGS BEFORE TAXES	**549,1**	**5,7%**	**(271,5)**	**-1,7%**	**N/A**
PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTI	(6,7)	-0,1%	411,6	2,6%	N/A
Income tax	(0,5)	0,0%	296,4	1,9%	N/A
Social contribution	(6,2)	-0,1%	115,2	0,7%	N/A
PROFIT/LOSS BEFORE MINOR INTEREST	**542,4**	**5,6%**	**140,1**	**0,9%**	**-74,2%**
Minor interest	(8,0)	-0,1%	6,0	0,0%	N/A
NET PROFIT (LOSS) IN THE ACCOUNTING PERIOD	**534,4**	**5,6%**	**146,1**	**0,9%**	**-72,7%**
# Stocks (million)	**347,0**		**347,0**		
Earning per share (R$)	1,99		0,4216		-78,8%
EBITDA	**725,0**	**7,5%**	**1.502,5**	**9,5%**	**107,2%**
EBITDA Margin	7,5%		9,5%		

N/A = not measurable

Net Operating Revenue
In 2010, the Consolidated Net Revenue of the Marfrig Group was R$15,878.5 million, increasing by 65.0% from R$9,623.6 million in 2009. On a pro-forma basis, net revenue was R$19,485.2 million. The main drivers of revenue growth in 2010 were:

- higher capacity utilization in the Beef Division and the positive performance of the Food Service business;
- full consolidation of the Seara operations in the year;
- consolidation of the Keystone Foods operations in 4Q10;
- consolidation of the O'Kane Poultry operations at the Europe Division;
- higher sales at the Europe Division, which recorded a solid performance in 2010; and
- organic growth of our operations.

Cost of Goods Sold
Cost of Goods Sold increased 58.6%, from R$8,369.4 million in 2009 to R$13,277.0 million in 2010, reflecting the increase in raw material prices (cattle and grains) in 2010, the full consolidation of SEARA in the year, the startup of operations of O'Kane and Keystone, the higher capacity utilization of the beef division and the organic growth.

The main component of COGS continues to be raw materials, which include animals and feed inputs (grains) and accounted for 66.6% of total COGS in 2010, in comparison with 67.3% in 2009.

The beef division represented 43.0% of COGS, while the poultry, pork, elaborated and processed foods operations accounted for 57.0% of the total. In the beef division, cattle represented approximately 80% of COGS, while in the poultry, pork, prepared foods and processed foods operations, grains and meals accounted for approximately 40% of COGS.

Gross Income and Gross Margin

In 2010, Gross Margin was 16.4%, increasing 340 basis points from 13.0% in 2009. This margin expansion is explained by the increase in capacity utilization at the Beef Division - Brazil, the improvement in the European operations and the still gradual ramp-up in sales of elaborated and processed products, which have higher margins. Pro-forma consolidated gross margin in 2010 was 15.6%.

Gross Income was R$2,601.4 million, growing 107.4% from R$1,254.2 million in 2009, reflecting the reasons cited above and the incorporation of the operations of Seara Alimentos, O'Kane Poultry and Keystone Foods in 2010. Pro-forma consolidated gross income in 2010 was R$3,048.7 million.

Operating Expenses

In 2010, selling, general and administrative (SG&A) expenses were R$1,969.0 million, increasing 111.4% from R$929.1 million in 2009, which is explained by the higher headcount due to the incorporation of the units from Seara Alimentos, O'Kane Poultry and Keystone Foods during 2010 and by the expenses with marketing and advertising associated with the development of the group's brands, especially the global brand SEARA.

In the year, SG&A expenses corresponded to 12.4% of net revenue, increasing 270 bps from 9.7% of net revenue in 2009. The main lines recording increases were freight charges on sales, marketing, labor and benefits and charges, which accompanied the growth in sales.

Operating revenue/expenses include the negative goodwill from the acquisition of Seara of R$192.0 million and are detailed in Item 2.3 of the notes accompanying the financial statements.

The Corporation has been maintaining its strategy of controlling costs and expenses, which was led by its efforts to merge the structures of the recently acquired units, exchange best practices and dilute fixed costs.

EBITDA and EBITDA Margin

In 2010, Marfrig's consolidated EBITDA (earnings before interest tax, depreciation and amortization) came to R$ 1,497.6 million, up 98.4% from R$ 755.0 million in 2009. Pro-forma EBITDA in the year was R$ 1,735.4 million, 129.8% higher than in 2009.

	ACTUAL IFRS			PRO - FORMA		
	2010	2009	2010 / 2009	2010	2009	2010 / 2009
EBITDA	1,502.5	725.0	107.2%	1,740.9	765.4	127.4%
EBITDA MARGIN	9.5%	7.5%	193 bps	8.9%	4.5%	448 bps

EBITDA margin was 9.5%, compared to 7.5% in 2009. The expansion in EBITDA margin is explained by: the increase in capacity utilization at the beef plants in Brazil (diluting costs and improving margins); the higher sales in the Food Service operations; the growth in export sales to more profitable channels; the higher sales and synergy gains from the full consolidation of SEARA operations in the year; the Corporation's ability to pass through higher costs and the solid performance of the Europe Division, as well as the adjustments related to the adoption of IFRS.

The inclusion of the Keystone operations will help support the strategy adopted for 2011, by increasing the share of elaborated and processed products in the revenue mix and due to the sales through more profitable distribution channels, which should lead to margins that are more sustainable over the long term.

Financial Result

	2010	2009	2010 / 2009
Financial income	253.6	176.7	43.5%
Exchange variation – gain	282.7	728.7	-61.2%
Financial expenses	(1,295.8)	(675.1)	91.9%
Exchange variation – loss	(378.8)	(85.2)	355.3%
Financial result	**(1,147.2)**	**145.1**	**N/A**

In 2010, the Corporation recorded a net financial expense of R$1,147.2 million, compared to the net financial income of R$145.1 million in 2009.

Interest expenses increased 89.5%, reflecting the higher net debt generated by the investments in working capital for the expansion of existing plants in 2009 and the new funding operations for the acquisitions made in 2010.

In 2010, given the appreciation in the Brazilian real against the U.S. dollar of 11.8% in the period, the Corporation recorded a currency translation loss of R$105.1 million, reversing the currency translation gain of R$643.5 million in 2009.

The net loss from Market Operations was R$218.8 million, which is explained by the hedge instruments for the Keystone Foods acquisition, which were partially offset by acquisition price.

Other Financial Expenses increased by 89.2% to R$184.9 million, due to the higher volume of financial operations, the fees and charges generated by the Corporation's transactions that were mainly increased by Seara and Keystone in 2010.

Marfrig does not contract leveraged operations involving derivatives or similar instruments that do not have the objective of providing minimum protection against its exposure to other currencies, and maintains a conservative policy of not contracting operations that could jeopardize its financial position.

Net Income and Net Margin

Net income in 2010 was R$146.1 million, decreasing 72.7% compared to 2009 (R$534.4 million), when net income was leveraged by the foreign currency translation gain of R$643.5 million. Net margin was 0.9%, compared to 5.6% in 2009. On a pro-forma basis, net income was R$259.1 million, with net margin of 1.3%.

The temporary impacts caused by foreign exchange variation on debt and the financial impacts of working capital investments were the main negative drivers of net income in 2010.

We believe the strategy adopted by Marfrig of diversifying its operations in terms of regions and proteins combined with a globalized distribution platform with a higher share of elaborated and processed products will give us the ideal conditions for attaining increasingly more sustainable profitability in the medium and long term.

Due to the adoption of International Financial Reporting Standards (IFRS) in 2010, the financial information for fiscal year 2008 is not comparable and therefore will not be included in field 10.1.

10.2.

a. Results of the issuer's operations:

i. description of any important revenue components;

We manufacture food made from animal proteins. Our revenues come from the sale of fresh, processed and processed beef, pork, lamb and poultry products to clients in Brazil and abroad, as well as from the distribution of food products (fresh and processed meats, frozen pre-cooked potatoes, vegetables, fish, ready-to-eat meals and pastas) and other items used in fast food chains, such as soft drinks, cups, napkins, straws, packaging, etc.

The revenues derive both from the domestic markets in which we have operations and from the international market, where we export our products to more than 160 countries.

ii. factors that materially affect the operating results

Various factors on both the supply and demand sides directly affect our results and profitability.

On the supply side, these factors include the availability and price of the raw materials to which we have exposure, which include cattle and grains in the countries where we have production operations. The low availability of raw materials could increase our acquisition costs and subsequently compromise our margins if we are unable to pass through these increases to the prices of our final products.

On the demand side, one example is a global economic crisis in which employment levels contract and consequently impact the disposable income and consumption of households related to food, which could significantly impact our operations due to the change in the consumption mix of the people affected by such as crisis.

Another example of a factor that could impact our results is foreign exchange volatility, given that a significant portion of our sales are originated in other currencies, such as the U.S. dollar, pound sterling, euro, yuan, Argentine peso and Uruguayan peso.

Furthermore, disease outbreaks in animals can result in trade and sanitary barriers and consequently impact our sales.

Below we comment more on the items that could affect our results:

GDP growth in countries where we have operations and the demand for our products

We believe the growth in foods and animal-protein consumption is directly linked to population and income growth. The performance of GDP in the countries where we sell our products could adversely affect our operating results.

Effects from fluctuations in the prices of raw materials (cattle and grains)

The main component of our production costs is the purchase of raw materials, which includes the purchase of animals (cattle, poultry and swine) and inputs for animal feed (grains). Any fluctuations in grain and cattle prices in the domestic and export markets in which we operate significantly affect our net operating revenue and cost of goods sold.

We do not control grain and cattle prices in the markets where we operate. Grain and cattle costs vary in accordance with prices in the internal and external markets, which fluctuate in accordance with supply and demand. Consequently, fluctuations in market prices have direct impacts on our cost of goods sold.

Sales prices in domestic and export markets

The prices of our products in the domestic and exports markets where we operate are generally established by the market conditions, over which we have no control. Our prices in the domestic market are also affected by the prices we are able to charge our various wholesale and retail customers that resell our products, some of which are negotiated on a case-by-case basis.

Impacts from foreign exchange volatility

Our operating results and financial situation have been and will continue to be affected by volatility in the currencies with which we operate. A good portion of our revenues are originated in currencies other than the Brazilian real. Furthermore, we hold debt in U.S. dollar that require us to pay principal and interest in this currency.

Exports, which allow us to generate receivables in foreign currency, tend to have approximately the same share of foreign currencies as our debt, which gives us a so-called “natural hedge” on the portion of our dollar-denominated debt-service obligations.

Inflation

Inflation and anti-inflation measures adopted by the governments of countries where we operate could have considerable impacts on the economies of these countries and consequently on our business. Inflationary pressures may lead to intervention by governments in the economy, including the implementation of government policies that could have adverse impacts on us and our clients. Additionally, if we face high inflation rates in the countries where we operate, we may not be able to sufficiently increase our product prices to offset the inflationary impacts on our cost structure, which could adversely affect our operations.

b. Revenue variations attributable to changes in prices, exchange rates, inflation, volumes and the launch of new products and services

As mentioned above, various factors influence our revenues. In 2011, our revenues were mainly impacted by:

- Foreign exchange volatility: The U.S. dollar devalued sharply against the Brazilian real in the first half of 2011, driven by the challenging economic scenario and the weak U.S. economy, where economic indicators failed to recover.

This devaluation led Brazil’s export products to lose competitiveness in the international market, which in turn impacted the country’s exports. Note that high volatility in the exchange rates of the U.S. dollar and the other currencies we use could negatively impact our sales.

As of the second half of the year, the U.S. dollar reversed the trend it followed in the first half of the year and in September began to appreciate sharply against the Brazilian real, which led Brazil’s exports to gain competitiveness in the international market.

As we mentioned above, foreign exchange volatility impacts our results. A considerable part of Brazil’s exports are denominated in U.S. dollar and a significant part of our revenues is denominated in pound sterling. Furthermore, we hold debt in U.S. dollar that obliges us to pay principal and interest in this currency. A good portion of our dollar-denominated debt is pegged to currency variation plus a fixed rate.

- Scenarios in Argentina and Uruguay: Both countries faced low cattle availability caused by the cattle production cycle and especially the droughts that affected both countries in 2009 and 2010. The low availability caused prices to increase, which forced the industry to reduce slaughter rates in order to optimize operations. In South America’s beef industry, 2011 was also marked by increases in finished cattle costs of 15% (in Brazilian real) based on the annual averages in various regional markets in Brazil, and of around 32% in Argentina and Uruguay (in Argentine peso and U.S. dollar, respectively, according to the ONCCA and INAC), which are explained by the slow recovery in the cattle production cycle and the tight inventories in relation to demand.

c. Impact of inflation, variations in the main input and product prices and foreign exchange and interest rates on the operational and financial results of the issuer

- Inflation and inputs: In 2011, the prices of food products made from animal proteins in Brazil suffered inflationary impacts, which on the one hand were driven by the higher costs of raw materials (mainly grains) and on the other hand by the higher household income and consumption levels in Brazil (robust demand).

The average corn price in Brazil (ESALQ) in Brazil increased by 42.4% compared to 4Q10, while the soybean price (ESALQ) increased by 15.8%. On the Chicago Board of Trade (CBOT), the scenario was equally unfavorable, with average price increases of 59.1% for corn (CBOT), 25.8% for soybean (CBOT) and 22.3% for wheat (CBOT), which is also used abroad to make feed

In South America's beef industry, 2011 was also marked by increases in finished cattle costs of 15% (in Brazilian real) based on the annual averages in various regional markets in Brasil, and of around 32% in Argentina and Uruguay (in Argentine peso and U.S. dollar, respectively, according to the ONCCA and INAC), which are explained by the slow recovery in the cattle production cycle and the tight inventories in relation to demand.

Brazil's domestic market, driven by increases in household income and consumption, remained very strong, which allowed for directing production to this market at the expenses of the export market. According to Ministry of Development, Industry and Foreign Trade, in 2011, 1,097 million tonnes of beef were exported in 2011, 4.9% less than in 2010. Meanwhile, Brazilian beef consumption reached 39.9 kg per capita in 2011, compared to 39.8 kg in 2010, according to the Food and Agricultural Policy Research Institute (FAPRI).

Meanwhile, according to the Brazilian Poultry Production Union (Ubabef), Brazil's per-capital chicken consumption increased 7.5% in 2011, to 47.4 kg/year. Of the 13.1 million tonnes of chicken produced in 2011 in Brazil (the world's third-largest producer), 69.8% was allocated to the domestic market. In the global ranking, Brazil is already the seventh-largest consumer of chicken per capita, behind the United Arab Emirates, Kuwait, Bahrain, Saudi Arabia, Jamaica and Qatar, according to the USDA.

10.3.

a. Introduction or disposal of an operational segment

There were no introductions or disposals of operational segments in our activities during the fiscal years ended December 31, 2009 and 2010

On February 13, 2012, we announced to shareholders and the general market that, subsequent to the material fact notice dated September 18, 2011, the conclusion of the due diligence process and the execution of a final and binding agreement for the sale of the logistics services business specializing in serving the quick service restaurant industry in the United States, Europe, the Middle East, Oceania and Asia of its subsidiary Keystone Foods LLC. to The Martin-Brower Company, L.L.C.

The aggregate price for the acquisition of the assets and businesses was confirmed at four hundred million U.S. dollars (US$400 million), with the transaction subject to approval by the international antitrust agencies.

The sale of these logistics assets will enable the Marfrig Group to focus on its core business, which is the development, production and marketing of processed food products made from poultry, beef, pork, lamb and fish, on a global scale.

b. Constitution, acquisition or disposal of stockholdings

On September 18, pursuant to Article 157, Paragraph 4 of Law 6,404/76 and Instruction 358 issued by the Securities and Exchange Commission of Brazil ("CVM") on January 3, 2002 ("CVM Instruction 358”), Marfrig Alimentos S.A. (“Corporation”) announced to its shareholders and the general market that it received a proposal from The Martin-Brower Company, L.L.C. for the acquisition of its quick service restaurants (QSR) logistics assets and businesses in the United States, Europe, the Middle East, Oceania and Asia from its subsidiary Keystone Foods LLC.

The aggregate price of the assets and businesses is four hundred million U.S. dollars (US$400 million), to be paid upon the conclusion of the transaction, following negotiations of the contractual terms, completion of the due diligence and obtaining the corporate and legal approvals typical to transactions of this type.

The sale of these distribution and logistics assets will allow Marfrig and Keystone Foods to focus strategically on their core proteins business and leverage their considerable global competency in beef, pork, poultry and fish processing and in elaborated products. “Our distribution business is world class,” said Larry S. McWilliams, CEO of Keystone Foods. “However, we feel that by strategically focusing our resources on our proteins business, we will be able to add greater value to our customers in the QSR market.” Keystone Foods and Marfrig will however maintain their position in the recently announced JV with COFCO for development of logistics in China.

On March 20, 2012, the Managements of Marfrig Alimentos S.A. ("Marfrig" - Bovespa: MRFG3; ADR Level 1: MRTTY) and of BRF – Brasil Foods S.A. ("BRF" - Bovespa: BRFS3; NYSE: BRFS) announced that, pursuant to CVM (Securities and Exchange Commission of Brazil) Instruction 358 of January 3, 2002 and Paragraph 4, Article 157 of the Brazilian Corporations Act (Federal Law 6404 of December 15, 1976), and complementing the Notice of Material Fact released by BRF and Marfrig on December 8, 2011, that on this date, the Asset Exchange Contract and Other Covenants ("Exchange Contract") was entered into between BRF, Sadia S.A. ("Sadia" and, together with BRF, "BRF Parties") and Sadia Alimentos S.A. ("Sadia Alimentos") on one side and Marfrig. More details are available in the following links.

http://ri.marfrig.com.br/port/downloads/fato_relevante/08,12,11_Fato_Relevante.pdf

http://ri.marfrig.com.br/port/downloads/fato_relevante/2012_03_20_Minuta_de_Fato_Relevante_Conjunto_PORT.pdf

The Corporation did not carry out a tender offer for stock issued by other companies and was not the object of a stock tender offer for the transfer of control carried out by third parties in the current and last fiscal years.

c. Atypical events or transactions

There were no atypical or unusual events or transactions involving the Corporation and/or its activities during the fiscal years ended on December 31, 2009, 2010 and 2011, that caused or are expected to cause material impacts on the financial statements or results of our Corporation.

10.4.

a. Material changes in accounting practices

b. Relevant effects of modifications on accounting practices

There were no material changes in accounting practices in 2011.

These consolidated financial statements of the Corporation and its subsidiaries were prepared in accordance with International Financial Reporting Standards (IFRS), as required by the International Accounting Standards Board (IASB). The Corporation adopted IFRS under IFRS 1 First-time adoption of International Financial Reporting Standards. The first date on which IFRS was applied was January 1, 2009 ("Transition Date"). In accordance with IFRS, the Corporation:

- has presented comparative financial information;
- has applied the same accounting practices for all the years reported;
- has applied retrospectively all IFRS standards in effect as of December 31, 2011, as required; and
- has applied certain optional exemptions and mandatory exceptions applicable for first-time adopters of IFRS.

The Corporation's previous consolidated financial statements were prepared in accordance with generally accepted accounting practices in Brazil (BR GAAP).

First-time adoption

The applicable exemptions under IFRS 1 and the exceptions in the transition from BR GAAP to IFRS are described below.

c. Qualifications and emphasis of matter paragraphs in the auditor's report

Independent auditors' report on the financial statements

To
The Board of Directors and Shareholders
Marfrig Alimentos S.A.
São Paulo - SP

We have audited the accompanying individual and consolidated financial statements of Marfrig Alimentos S.A. ("the Company"), identified as Parent and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2011 and the related statements of income, other comprehensive income, changes in shareholders equity and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these individual financial statements in accordance with the accounting practices adopted in Brazil and of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) , and in accordance with accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing selected procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the individual financial statements

In our opinion, the aforementioned individual financial statements present fairly, in all material respects, the individual financial position of Marfrig Alimentos S.A. as at December 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with the accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of Marfrig Alimentos S.A. as of December 31, 2011, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the accounting practices adopted in Brazil.

Emphasis of matter paragraph

As mentioned in note 2.1, the individual financial statements were prepared in accordance with the accounting practices adopted in Brazil. In the case of Marfrig Alimentos S.A. these practices differ from the IFRS, applicable to the separate financial statements, only with respect to the measurements of investments in subsidiaries, associated companies and jointly controlled entities measured by the equity method, while for IFRS purposes these investments would be measured at cost or fair value. Our opinion is not qualified due to this matter.

Other matters

Statements of value added

We also audited the individual and consolidated statement of value added (DVA) for the year ended December 31, 2011, which is required to be presented by Brazilian corporate law applicable to publicly-held companies and is additional information for IFRS, which do not require this disclosure. This statement was submitted to the same audit procedures previously described and, in our opinion, is fairly presented in all its material respects, in relation to the financial statements taken as whole.

Audit of the corresponding amounts from the prior year

On April 4, 2011, BDO Auditores Independentes, a legal entity established in Brazil which held the legal right to use the BDO international trademark, was integrated into the KPMG network of professional service firms with the new denomination of KPMG Auditores Associados (and was subsequently merged into KPMG Auditores Independentes on December 2, 2011). BDO Auditores Independentes audited the financial statements for the year ended December 31, 2010 while it still had the right to use the BDO trademark and issued an unmodified auditors´ report dated March 28, 2011.

São Paulo, March 25, 2012

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report in Portuguese signed by
José Luiz de Souza Gurgel
Accountant CRC 1RJ087339/O-4 “S” SP

10.5.

SIGNIFICANT ACCOUNTING PRACTICES

The significant accounting practices adopted to prepare these financial statements are as follows:

Results of operations

Results of operations are recorded on the accrual basis.

Revenue

Revenue arising from the sale of goods is recognised when the Group transfers all risks and benefits of ownership of the asset to the buyer and it is probable that the Group will receive the agreed payment. The ownership of risks and benefits are transferred upon the shipment of products with the respective sales invoices, taking into account the incoterms. These conditions are met when the goods are delivered to the buyer, complying with main freights modalities used by the Company.

Revenue is shown net of related taxes returns, rebates and discounts, and in case of consolidated financial statements is also net of intercompany sales eliminations including unrealized profit in inventories.

Financial income and expenses

It comprises gains on changes in the value of financial assets measured at fair value through profit or loss, as well as interest income obtained with the effective interest method.

They include interest income on invested amounts (including financial assets available for sale), gains on the disposal of financial assets available for sale and changes in the fair value of financial assets measured at fair value through profit or loss. Interest income is recognised in the statement of operations using the effective interest method.

Financial expenses basically comprise interest on loans. Loan costs not directly attributable to acquisition, construction or manufacture of a qualified asset are recognised in the statement of operations using the effective interest method.

Segment Reporting

The information by operating segment is based on internal reporting to the chief operating decision maker, under CPC 22. The chief operating decision maker is defined as the administration team a Board, which includes the Chief Executive Officer, the Operating Officer and the Chief Financial Officer.

The Company Management identified two main reportable segments that are strategically organised according to animal protein, namely (i) beef, sheep and leather; and (ii) poultry, pork and manufactured and processed products, which meet the quantitative and qualitative thresholds for reportable segments, as per note 29.

Poultry, pork, and prepared and processed product segment comprises services relating to the distribution in international markets, which is not reported separately because it does not meet the quantitative criteria for such presentation.

Accounting estimates

The preparation of the parent company and consolidated financial statements in accordance with Brazilian accounting practices and IFRS requires Management to make estimates and assumptions that, in its best judgment, affect the reported amounts of assets and liabilities. These estimates and assumptions include, when applicable, the determination of the residual value of property, plant and equipment, allowance for doubtful accounts, inventories, deferred income and social contribution tax assets and provisions for tax, labour and civil contingencies. Transaction settlement involving those estimates may result in values different from estimates, due to the inherent inaccuracy of the process. The Company and its subsidiaries review estimates and assumptions at least quarterly.

The issues requiring Company's estimates are as follows:

- useful life of property, plant and equipment and intangible assets with defined useful life;
- determination of fair value of biological assets;
- impairment of taxes;
- loss on impairment of intangible assets with undefined life, including goodwill;
- measurement of items arising from business combinations at fair value;
- fair value of financial instruments and derivatives;
- losses on doubtful accounts;
- provision for inventory obsolescence;
- deferred income and social contribution tax assets and liabilities;
- provision for contingencies (legal, tax, labour and civil proceedings);
- stock option plan; and
- discount to present value.

Financial instruments

Non-derivative financial instruments include financial investments, debt and equity instruments, accounts receivable and other receivables, cash and cash equivalents, loans and financing, as well as accounts payable and other debts.

Non-derivative financial instruments are initially recognised at their fair values plus, for instruments which are not recognised at fair value through profit or loss, any directly attributable transaction costs. In relation to financial investments and instruments classified as cash and cash equivalents after initial recognition, these non-derivative financial instruments are measured according to their respective classification, as follows:

Measured at fair value through profit or loss

An instrument is measured at fair value through profit or loss if it is held for trading, i.e. designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages these investments and makes decisions to buy and sell the investments based on the investment's fair value according to the Company's investment and risk Management strategy. After initial recognition, transaction costs that are attributable to the acquisition of the investment are recognised in the statement of operations when incurred. Financial instruments stated at fair value through profit or loss are measured at fair value and changes in fair value are recognised in the statement of operations. The Company's instruments recorded under this category are described in the notes 4 and 5.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market, initially recognized at fair value plus any attributable transaction costs. After initial recognition, loans and receivables are measured at amortized cost using the effective interest method, excluding any impairment loss.

Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method, adjusted for any reductions in the settlement value.

Derivative financial instruments

Derivative financial instruments are measured at fair value and are derivative financial instruments traded in an active organized market and their fair value is determined based on quoted market prices at the closing date of the financial statements. Upon initial recognition, they are recognised as other financial assets and/or liabilities with an offsetting entry in the statement of operations under the captions "financial income (expenses)".

Foreign currency

Management defined the Brazilian real as the Company's and its Brazilian subsidiaries' functional currency, according to the provisions of CPC Technical Pronouncement 02 (R2) – *Effects on Changes in Foreign Exchange Rates and Translation of Financial Statements*, approved by CVM Resolution No. 640/10. The functional currency of foreign companies is the legal tender of the country in which they operate, except for companies located in Uruguay, whose functional currency is the US dollar. Translations into the reporting currency are also in accordance with CPC Technical Pronouncement 02 (R2).

Foreign currency transactions, i.e., all transactions not made in the functional currency, are translated using the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the closing exchange rate. Non-monetary assets and liabilities acquired or entered into in foreign currency are translated using the exchange rates on the transaction dates or the dates at which they are stated at fair value when fair value is used. Gains and losses on exchange rate variations of monetary and non-monetary assets and liabilities are recognised in the statement of operations.

Current and non-current assets

Cash and cash equivalents

Cash and cash equivalents consist of cash, banks and highly liquid financial investments falling due within 90 days on the acquisition date, that are readily converted to known amounts of cash and that are subject to an insignificant risk of changes in value.

Market Securities

Market securities are those whose maturity exceeds three months as of the date of respective contract.

Trade accounts receivable

Trade accounts receivable are recorded at fair value and when applicable, discounted to present value, under CPC 12.

The allowance for doubtful accounts is set up in an amount deemed sufficient by Management to cover possible losses on the realisation of receivables and verified on an individual basis.

Inventories

Inventories are stated at the average acquisition or production cost, adjusted by net realizable amount, when lower than average cost.

Investments

Company’s investments in subsidiaries and affiliates are accounted for using the equity method in the parent company financial statements.

Property, plant and equipment

Property, plant and equipment are stated at acquisition or construction cost, less depreciation calculated using the straight-line method at the rates mentioned in note 13 and take into consideration the estimated useful lives of assets and property lease terms with respect to leasehold improvements.

Finance charges on financing agreements incurred by the Company when property, plant and equipment items are being built are capitalized until the asset begins its operations.

Other costs are capitalized only if the economic benefits associated with the property, plant and equipment item increase. Another type of cost is recognised as an expense when incurred.

Pursuant to CPC 01 (R1), an asset is tested for impairment on an annual basis. The asset’s value must be estimated only if there is any indication of impairment.

Lease

Finance lease

Certain lease agreements transfer substantially all risks and benefits of ownership of an asset to the Company. These agreements are finance leases and are initially recognised as property, plant and equipment against liabilities by the smaller amount between present value and fair value, under CPC 06.

Operating lease

Certain agreements are classified as operating leases when its substance does not meet the finance lease requirements. Payments of these agreements are recognised as expenses in the statement of operations on a straight-line basis over the period the agreements are effective and the asset is used.

The Company’s leases are described in note 18.

Intangible assets

Intangible assets consist of assets acquired from third parties, including through business combinations, and those generated internally by the Company. They are stated at acquisition or formation cost, less amortisation calculated using the straight-line method, according to the terms of lease agreements and recovery estimated periods.

Intangible assets with indefinite useful lives and goodwill resulting from expected future profitability are not amortized and are tested annually for impairment.

The goodwill represents the excess of total consideration paid over the difference between the fair value of acquired assets and liabilities assumed on the takeover date of the acquired company.

Goodwill is capitalized as an intangible asset and any impairment is recognised in the statement of operations. Whenever the fair value of the acquired assets and assumed liabilities exceeds total consideration paid, the full difference will be recognised in the consolidated comprehensive (loss) income on the acquisition date.

Biological assets

According to CPC 29, agricultural activity is the management of the biological transformation of assets (living animals and/or plants) for sale, into agricultural products or into additional biological assets. The Company classifies living cattle, poultry and pork as biological assets.

The Company recognises biological assets when it controls these assets as a result of past events and it is probable that future economic benefits will flow to the Company and the fair value of the asset can be reliably measured.

Under CPC 29, biological assets should be measured on initial recognition and at the end of each reporting period at fair value less costs to sell, unless fair value cannot be reliably measured.

The Company valuates cattle at its fair value based on market prices, while poultry and pork are valued at the acquisition cost since there is no market for poultry and pork.

Impairment

Impairment tests on goodwill and other intangible assets with indefinite economic useful life are annually conducted at the end of the fiscal year. Other non-financial assets are submitted to impairment tests whenever events or changes in circumstances indicate that its book value may not be recoverable. Once the book value of an asset exceeds its recoverable value (i.e., the highest between the use and fair value minus selling costs), a provision is recognised to bring the book value to its recoverable value.

When it is not possible to estimate the impairment of an individual asset, the impairment test is conducted in its cash generating unit (CGU): the smallest group of assets to which the asset belongs and for which there are cash flows separately identifiable. Goodwill is allocated in the initial recording of each CGU of the group that expects to benefit from combination synergies that originated the goodwill.

Impairment losses are included in the statement of operations. An impairment loss recorded as goodwill is not reversed.

Current and non-current liabilities

Current and non-current liabilities are stated at known or estimated amounts, plus the related charges, exchange rate gains (losses) and/or monetary changes incurred through the balance sheet date, when applicable.

Provisions

Provisions are recognised as a result of past events that originated a liability, and it is likely that an economic resource is required to settle it. Provisions are recognised when losses are considered probable, based on the best estimates of risks involved.

Share-based compensation plan

The effects of the share-based compensation plan are calculated at fair value and recognised in the balance sheet and the statement of operations as contract conditions are met and as commented in note 27.5.

Income and social contribution taxes

Income tax is calculated on taxable income. Income and social contribution taxes are paid monthly on estimated calculation bases, at the rates and in the manners provided for in prevailing legislation.

Deferred tax assets recognised for income and social contribution tax losses and temporary differences are recognised pursuant to tax legislation and CVM Resolution No. 599/09 – Income Taxes ("CPC 32"). They take into consideration the Company's history of profitability and the expected future generation of taxable income supported by an annually reviewed technical feasibility study.

The Company and its subsidiaries opted for the Transition Tax System (RTT) established by Executive Act No. 449/08, converted into Law No. 11.941, of May 27, 2009, declaring their irrevocable option for RTT in the Corporate Income Tax Return of 2009.

Deferred tax assets and liabilities are recognised when the carrying amount of an asset or liability differs from their tax base, except for the differences that arise from:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither book income or taxable income; and
- the investments in subsidiaries and joint ventures where the Group is able to control the timing of the reversal of the difference and it is probable that the reversal will not occur in the foreseeable future.
- Deferred tax asset is recognised only if it is probable that taxable income will be available against which the difference can be utilised.

- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised and the liability is settled, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

- Deferred tax assets and liabilities are offset when the legally enforceable right to offset current tax assets and liabilities exists and the deferred tax assets and liabilities relate to income taxes levied by the same taxing authority on the following cases:

- for the same entity of the taxable group; or

- for different entities of the group that intend to settle on a net basis or realise the asset and settle the liability at the same time, in each future year in which significant amounts of deferred tax assets and deferred tax liabilities are to be realised or settled.

Dividends and interest on equity

Management's proposal for distribution of dividends and interest on equity within the mandatory minimum dividend amount is recorded as current liabilities since it is considered a legal obligation set forth in the bylaws. However, the amount that exceeds mandatory minimum dividend, which is declared by Management before the end of the reporting year and has not yet been approved by the shareholders, is recorded as proposed additional dividend in shareholders' equity.

For reporting purposes, interest on equity capital is shown as allocation of income directly in shareholders' equity, however the tax effect is presented in the statement of operations.

Earnings per share

Basic

Basic earnings per share is calculated by dividing the earnings attributable to the Company's controlling and non-controlling shareholders by the weighted average number of common shares outstanding during the period, pursuant to CVM Resolution No. 636/10 (CPC 41 – Earnings per share), excluding the common shares held as treasury shares.

Diluted

Diluted earnings (loss) per share is calculated by dividing the earnings attributed to the Company's common shareholders by the weighted average number of common shares, which would be issued in the conversion of all diluted potential common shares into common shares. The effect of dilution of earnings (loss) per share does not generate significant difference between basic and diluted earnings (loss). The dilution percentage is shown in Note 27.5.

Discount to present value

In accordance with CPC Technical Pronouncement No. 12, approved by CVM Resolution No. 564/2008, non-current assets and liabilities, as well as current assets and liabilities, when material, are recorded present value, on the respective transaction date according to interest rates that reflect each transaction's term, currency and risk. The offsetting entry to discounts to present value is made to the accounts that originated the asset or the liability. The difference between the present value of a transaction and the face value of an asset or liability is recorded in the statement of operations during the assets or liabilities' life according to the amortized cost and effective interest method.

Discounts to present value were determined using the average between Selic (Central Bank overnight rate) used by the Company to compensate the shareholders (established as the rate of return on equity) and the average rate at which funds are raised in financial markets (rate established as that of return on debt capital), thus reaching the average rate of 10.32% p.a., as of December 31, 2011 (10.16% p.a. as of December 31, 2010).

The terms adopted for determining discounts to present value vary according to the operating activity and correspond to the average expected period to settle it, for example: average sales collection term, average payment term, tax debt instalment payment terms and others deemed necessary.

The established rates and periods in relation to the risk factors involved in the Company's operations are perfectly reflected on the discount to present value.

Share issuance expenses

In accordance with Technical Pronouncement CPC No. 8 (R1), approved by CVM Resolution No. 649/2010, transaction costs incurred with the raising of funds through the issuance of equity securities should be separately recorded in a valuation allowance which reduces shareholders' equity, less possible tax effects.

Shares held in Treasury

Share held in treasury are Company shares acquired by the Company itself and kept in the treasury with the specific purpose of carrying out the Company's stock option plan, as per note 23.3.2. Treasury shares are recorded in a separate account, and, for the purpose of balance sheet presentation, are deducted from the Income Reserve, whose balance was used in such operation.

Business combination

Business combinations are recognised using the acquisition method. Cost of an acquisition is the sum of the consideration transferred, measured at fair value on the acquisition date, and any non-controlling interest in the acquiree. For each business combination, the acquirer should measure the non-controlling interest in the acquiree at the fair value or based on the acquirer's share in fair value of the acquiree's identifiable net assets. Costs that are directly attributable to the acquisition should be recorded as an expense when incurred.

In a business acquisition, Management assesses the assets acquired and the liabilities assumed with the objective of classifying and allocating them according to contractual provisions, economic circumstances and relevant conditions on the acquisition date.

Goodwill is initially measured as the excess of the consideration transferred in the business combination over the fair value of the net assets acquired (identifiable assets and liabilities assumed, net). If the consideration is less than the fair value of the net assets acquired, the difference should be recognised as a gain in the statement of operations.

During the year ended December 31, 2011, there were no business combinations.

Consolidation

Accounting practices are uniformly applied to all consolidated companies and are consistent with those applied in previous periods.

Description of the main consolidation procedures:

- Elimination of the balances of intercompany assets and liabilities;
- Elimination of ownership interest, reserves and retained earnings of subsidiaries;
- Elimination of the balances of intercompany revenues and expenses and unrealised profits resulting from intercompany transactions.

Statement of value added

The Company prepared the parent company and consolidated statement of value added in accordance with CPC technical pronouncement 09 – Statement of Value Added, which is an integral part of the financial statements under BRGAAP applicable to publicly-held companies, while it represents additional financial information for IFRS standards.

New standards and interpretations not adopted yet

The following interpretations and amendments to prevailing standards, applicable to the next accounting periods, were published by IASB and their application in the Company's financial statements to be filed at CVM only will occur if the Brazilian authority so deliberates. Therefore, these standards were not early adopted.

IAS 19 – Employee benefits

In June 2011, IASB issued amendment to IAS 19, covering aspects related to the accounting and disclosure of employee benefits. This standard is effective for annual periods beginning on or after January 1, 2013. The Company is assessing the impacts of this standard on its financial statements.

IAS 1 – Presentation of Items of Other Comprehensive Income

In June 2011, IASB issued amendment to IAS 1 covering aspects related to the disclosure of items of other comprehensive income and creates the need of separating items which are not reclassified in the future to statement of operations and items that may be reclassified in the future to statement of operations. This standard is effective for annual periods beginning on or after July 1, 2012. The Company is assessing the impacts of this standard on its financial statements.

IFRS 10 – Consolidated Financial Statements

In May 2011, IASB issued the standard IFRS 10. This standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities. This standard is effective for annual periods beginning on or after January 1, 2013. The Company is assessing the impacts of this standard on its financial statements.

IFRS 11 – Joint Ventures

In May 2011, IASB issued the standard IFRS 11 covering aspects related to the accounting treatment of entities with shared control and shared operations. This standard also restricts the use of proportional consolidation only for companies with shared operations then only accepting the equity method for companies with shared control. This standard is effective for annual periods beginning on or after January 1, 2013. The Company is assessing the impacts of this standard on its financial statements.

IFRS 12 – Disclosure of Interests in Other Entities

In May 2011, IASB issued the standard IFRS 12 covering aspects related to the disclosure of the nature and risks associated with interests in subsidiaries, joint ventures, associates. This standard is effective for annual periods beginning on or after January 1, 2013. The Company is assessing the impacts of this standard on its financial statements.

IFRS 13 – Fair Value Measurement

In May 2011, IASB issued the standard IFRS 13, which defines fair value and concentrates in a single standard the fair value measurement aspects and establishes reporting requirements related to fair value. This standard is effective for annual periods beginning on or after January 1, 2013. The Company is assessing the impacts of this standard on its financial statements.

IAS 27 – Separate Financial Statements

In May 2011, IASB issued an amendment to IAS 27 covering aspects related to investments in subsidiaries, shared control entities or associates when an entity prepares separate financial statements. This amendment is effective for annual periods beginning on or after January 1, 2013. According to the Company, this amendment will not affect its consolidated financial statements as it does not report separate financial statements.

IAS 28 – Investments in associates and joint ventures

In May 2011, IASB issued an amendment to IAS 28 covering aspects related to the accounting for investments in associates and establishes the requirements to apply the equity method in the accounting for investments in associates and joint ventures. This amendment is effective for annual periods beginning on or after January 1, 2013. The Company is assessing the impacts of this standard on its financial statements.

IAS 12 – Income Taxes

In December 2010, IASB issued an amendment to IAS 12 covering aspects related to the determination of expected way of recovering deferred income tax assets and liabilities when the property investments is measured through fair value of IAS 40. This standard is effective for annual periods beginning on or after January 1, 2012. The Company's Management does not foresee impacts deriving from this amendment on its financial statements.

IFRS 9 – Financial instruments

In October 2010, IASB issued an amendment to IFRS 9, which introduces new requirements to classify and measure financial assets. This standard shall be effective as of January 1, 2013. The Company is assessing the impacts of this amendment and any differences in relation to IAS 39 on its financial statements.

CPC has not yet issued pronouncements equivalent to IFRSs above mentioned, but it is expected to before the date they come into force. Early adoption of IFRSs is subject to previous approval disclosed in a CVM Normative Act.

10.6.

a. Efficiency level of such controls, indicating any imperfections and measures adopted to correct them

The evaluation of the internal controls for the preparation of the Financial Statements has the objective of providing a reasonable level of comfort regarding the reliability of the accounting information and the preparation of the financial statements for external disclosure in accordance with generally accepted accounting principles.

The Corporation uses internal and external audits to ensure the efficiency of the controls and internal practices. The external audit services are rendered by BDO Auditores Independentes, whose work includes contributing to improvements in the internal controls. The results from the internal and external audits are presented to the Board of Directors, the Fiscal Council and the Audit Committee, who also contribute to improving the Corporation's processes and internal controls.

We believe in the efficiency of the procedures and internal controls we adopt to ensure the quality, accuracy and reliability of our accounting statements. Accordingly, in our opinion, our accounting statements adequately present the result of our operations and our equity and financial situation on the respective dates.

b. Deficiencies and recommendations regarding the internal controls included in the independent auditor's report

The reports on the internal controls issued by our independent auditors for the fiscal years ended on January 31, 2009, 2010 and 2011 did not indicate any significant deficiencies in the procedures and internal controls we use to prepare our accounting statements.

10.7. If the Corporation has carried out a public securities offering:

a. How the proceeds from the offering were used

Not applicable

b. If there were any relevant deviations between the actual use of proceeds and the proposed uses disclosed in the respective distribution prospectuses

Not applicable

c. If there were any deviations, the reasons for such deviations

Not applicable

10.8.

a. The assets and liabilities directly or indirectly held by the issuer that are not stated on its balance sheet (off-balance sheet items), such as:

i. Operating leases, assets and liabilities; ii. receivables portfolios written off for which the entity maintains risks and responsibilities, indicating the respective liabilities; iii. contracts for the future purchase and sale of products or services; iv. construction contracts that have not terminated; and v. contracts for the future receipt of financing:

The Corporation does not directly or indirectly hold any assets or liabilities that are not stated in this Form and/or on its financial statements and accompanying notes.

b. Other items not stated in the financial statements

As mentioned in the previous item (10.8.a), the Corporation does not directly or indirectly hold any assets or liabilities that are not stated in this Form and/or on its financial statements and accompanying notes.

10.9.

a. How such items change or may change the revenues, expenses, operating income, financial expenses or other items on the issuer's financial statement

Not applicable.

b. Nature and purpose of the transaction

Not applicable.

c. Nature and amount of the obligations undertaken and the rights generated on behalf of the issuer arising from the transaction

Not applicable.

10.10. Comment on the main elements of the Corporation's business plan:

a. Investments including:

i. Quantitative and qualitative description of ongoing and projected investments

In line with the Corporation's strategy of consistently growing its operations based on a globalized and diversified business model, seeking to strengthen its presence in the global food industry and also meet the world's growing demand for animal proteins, over the last five years we have invested approximately R$6.5 billion to acquire 40 companies, more than half of which were located abroad, ensuring a presence in 22 countries. Also in line with the Group's strategy, we are investing in the processed and elaborated food market and in the food service market.

Due to the constant pursuit of efficiency and scale gains, cost reductions and operational improvements, the operating activities of the Marfrig Group require regular investments.

We also plan to continue investing in environmental projects, such as the construction of biodigestors for treating water and effluents and cogeneration projects to generate own energy to power our industrial plants. We will also continue to invest in social projects, mainly in the communities surrounding our plants.

The following table presents a breakdown of the investments made in the last 2 years:

Investments (R$ million)	2011	2010	Var. % 2011 / 2010
Investment in Fixed Assets	**912.8**	**2,654.0**	**-65.6%**
Fixed Assets	632.5	2,420.7	-73.8%
Breeding stock	280.3	233.3	20.1
Investments in intangible assets	**33.9**	**1,284.1**	**-97.2%**
Total Investments	**946.5**	**3,938.1**	**-75.9%**

ii. Sources of investment financing

The Corporation's sources of financing include its own cash, as well as the capital and debt markets. In 2007, a portion of investments was financed through a bond issue in November 2006, which raised US$375 million, and through an initial public offering ("IPO"), which raised R$1.0 billion. In 2008, a portion of investments was financed through the private issue of shares, which raised R$1.4 billion. Part of the investments announced in 2009 (Seara acquisition) was financed through the public issue of 79,040,000 common shares, at the price of R$19 each, which corresponds to proceeds of approximately R$1.5 billion. In 2010, we issued mandatorily convertible Debentures, which raised R$2.5 billion. Part of this amount was used for the acquisition of Keystone in 2010. In 2011, we placed a US$750.0 million bond issue and a R$600 million convertible debenture issue.

iii. Relevant ongoing and projected divestments

On February 13, 2012, we announced to shareholders and the general market that, subsequent to the material fact notice dated September 18, 2011, the conclusion of the due diligence process and the execution of a final and binding agreement for the sale of the logistics services business specializing in serving the quick service restaurant industry in the United States, Europe, the Middle East, Oceania and Asia of its subsidiary Keystone Foods LLC. to The Martin-Brower Company, L.L.C.

The aggregate price for the acquisition of the assets and businesses was confirmed at four hundred million U.S. dollars (US$400 million), with the transaction subject to approval by the international antitrust agencies.

The sale of these logistics assets will enable the Marfrig Group to focus on its core business, which is the development, production and marketing of processed food products made from poultry, beef, pork, lamb and fish, on a global scale.

b. If already disclosed, indicate the acquisition of plants, equipment, patents or other assets that should materially influence the issuer's production capacity

All acquisitions expected to materially influence production capacity were already mentioned in items "6.5" and "8.3" of the 2010 Reference Form and in item "10.3.b" of this Report. The Corporation does not disclose any plans and/or projects involving the acquisition of plants, equipment, patents or other assets that could materially influence its production capacity.

c. New products and services, indicating:

h. Description of the ongoing research already disclosed;

None.

ii. Total amounts spent by the issuer on research for developing new products and services;

None.

iii. Ongoing projects already disclosed;

Not aplicable.

iv. Total amounts spent by the issuer on developing new products or services.

None.

10.11. All the Corporation's relevant information was identified and commented in the items in this section.

EXHIBIT II

ITEM 12.6. FOR EVERY OFFICER AND MEMBER OF THE FISCAL COUNCIL AT THE ISSUER, PLEASE INDICATE IN TABULAR FORMAT:

- **a.** Name
- **b.** Age
- **c.** Profession
- **d.** CPF (Individual Taxpayer's ID) or Passport number
- **e.** Elective Position Held
- **f.** Election Date
- **g.** Investiture Date
- **h.** Term of Office
- **i.** Other positions held by the issuer
- **j.** Indication if elected or not by the company

Board of Directors:

Name:	Age:	Profession:	CPF (Individual Taxpayer's ID) or Passport number:	Elective Position Held:	Election Date:	Investiture Date:	Term of Office:	Other positions held by the issuer:	Indication if elected or not by the company:
Marcos Antonio Molina dos Santos	42	Entrepreneur	102.174.668-18	Chairman of the Board of Directors	04/30/2011	04/30/2011	General Shareholders Meeting 2013	Chief Officer Member of the Corporate Governance and Remuneration and Sales Advisory Commitees	Yes
Marcia Ap. Pascoal Marçal dos Santos	39	Entrepreneur	182.070.698-21	Board of Directors	04/30/2011	04/30/2011	General Shareholders Meeting 2013	Member of the Audit Commitee	Yes
Rodrigo Marçal Filho	38	Entrepreneur	184.346.398-90	Board of Directors	04/30/2011	04/30/2011	General Shareholders Meeting 2013	-	Yes
Alain Emilie Henry Martinet	69	Business Administrator	233.887.318-10	Board of Directors	04/30/2011	04/30/2011	General Shareholders Meeting 2013	-	Yes
David G. McDonald	48	Business Administrator	233.461.648-61	Board of Directors	04/30/2011	04/30/2011	General Shareholders Meeting 2013	Sales Advisory Commitees Cordinator	No

Carlos Geraldo Langoni.	68	Economist	110.847.077-72	Board of Directors (Independent Member)	04/30/2011	04/30/2011	General Shareholders Meeting 2013	Finance Committee Coordinator	No
Marcelo Maia de Azevedo Correa	56	Civil Engineer	425.052.917-72	Board of Directors (Independent Member)	04/30/2011	04/30/2011	General Shareholders Meeting 2013	Audit Committee Coordinator	No
Antonio Maciel Neto	55	Mechanical Engineer	532.774.067-68	Board of Directors (Independent Member)	04/30/2011	04/30/2011	General Shareholders Meeting 2013	Remuneration Committee Coordinator	No

Fiscal Council:

Name:	Age:	Profession:	CPF (Individual Taxpayer's ID) or Passport number:	Elective Position Held:	Election Date:	Investiture Date:	Term of Office:	Other positions held by the issuer:	Indication if elected or not by the company:
Peter Vaz da Fonseca	45	Accountant	073.247.468-02	Effective Member of the Fiscal Council	04/30/2011	04/30/2011	1 year	-	Yes
Marcílio José da Silva	49	Accountant	329.564.871-91	Effective Member of the Fiscal Council	04/30/2011	04/30/2011	1 year	-	Yes
Angelo Guilherme da Silva	63	Lawyer	272.943.748-72	Effective Member of the Fiscal Council	04/28/2012	04/28/2012	1 year	-	Yes
Marcello Froldi Negro	44	Business Administrator	117.885.478-70	Deputy Member of the Fiscal Council	04/28/2012	04/28/2012	1 year	-	Yes
Marcelo Silva	39	Graduated in Law	118.990.828-08	Deputy Member of the Fiscal Council	04/30/2011	04/30/2011	1 year	-	Yes
Carlos Alberto Loureiro Guimarães Junior	39	Lawyer	117.822.608-54	Deputy Member of the Fiscal Council	04/28/2012	04/28/2012	1 year	-	Yes

Statutory Directors:

Name:	Age:	Profession:	CPF (Individual Taxpayer's ID) or Passport number:	Elective Position Held:	Election Date:	Investiture Date:	Term of Office:	Other positions held by the issuer:	Indication if elected or not by the company:
Marcos Antonio Molina dos Santos	42	Entrepreneur	102.174.668-18	Director Executive Officer	03/25/2010	03/25/2010	3 years	Chairman of the Board of Directors Member of the Finance Committee , Corporate Governance and Remuneration and Sales Advisory	Elected by the Board of Directors
Alexandre José Mazzuco	42	Business Administrator	072.631.548-62	Finance and Administrative Officer	03/25/2010	03/25/2010	3 years	Member of the Finance Committee	Elected by the Board of Directors
Ricardo Florence dos Santos	57	Chemical Engineer	812.578.998-72	Planning Director and Investor Relations Officer	03/25/2010	03/25/2010	3 years	-	Elected by the Board of Directors
James David Ramsay Cruden	64	Entrepreneur	673.882.728-87	Chief Operating Officer	03/25/2010	03/25/2010	3 years	-	Elected by the Board of Directors

ITEM 12.7. Provide the information mentioned in 12.6 for member of statutory committees, the audit committee, the risk committee, the finance committee, the remuneration committee, even if such committees or structures are not established by the Bylaws

Finance Committee:

Name:	Age:	Profession:	CPF (Individual Taxpayer's ID) or Passport number:	Elective Position Held:	Election Date:	Investiture Date:	Term of Office:	Other positions held by the issuer:	Indication if elected or not by the company:
Carlos Geraldo Langoni.	68	Economist	110.847.077-72	Coordinator	11/12/2010	11/12/2010	05/31/2011	Board of Directors (Independent Member)	Appointed by the Board of Directors
José Eduardo de Oliveira Miron	47	Entrepreneur	042.332.028-90	Member of the Committee	11/12/2010	11/12/2010	05/31/2011	Corporate Officer of International Finances	Yes
Ricardo Florence dos Santos	57	Chemical Engineer	812.578.998-72	Member of the Committee	11/12/2010	11/12/2010	05/31/2011	Planning Director and Investor Relations Officer	Appointed by the Board of Directors
Alexandre José Mazzuco	42	Business Administrator	072.631.548-62	Member of the Committee	11/12/2010	11/12/2010	05/31/2011	Finance and Administrative Officer	Appointed by the Board of Directors

Corporate Governance and Remuneration Committee:

Name:	Age:	Profession:	CPF (Individual Taxpayer's ID) or Passport number:	Elective Position Held:	Election Date:	Investiture Date:	Term of Office:	Other positions held by the issuer:	Indication if elected or not by the company:
Antonio Maciel Neto	56	Mechanical Engineer	532.774.067-68	Coordinator	11/12/2010	11/12/2010	05/31/2011	Board of Directors (Independent Member)	Appointed by the Board of Directors
Marcos Antonio Molina dos Santos	42	Entrepreneur	102.174.668-18	Member of the Committee	11/12/2010	11/12/2010	05/31/2011	Chief Executive Officer Chairman of the Board of Directors Member of the Finance and Sales Advisory Committees	Yes
Tang David	42	Business Administrator	213.882.168-41	Member of the Committee	11/12/2010	11/12/2010	05/31/2011	Director of the Audit Committee	Appointed by the Board of Directors

Audit Committee:

Name:	Age:	Profession:	CPF (Individual Taxpayer's ID) or Passport number:	Elective Position Held:	Election Date:	Investiture Date:	Term of Office:	Other positions held by the issuer:	Indication if elected or not by the company:
Marcelo Maia de Azevedo Correa	56	Civil Engineer	425.052.917-72	Coordinator	11/12/2010	11/12/2010	05/31/2011	Board of Directors (Independent Member)	Appointed by the Board of Directors
Marcia Ap. Pascoal Marçal dos Santos	39	Entrepreneur	182.070.698-21	Member of the Committee	11/12/2010	11/12/2010	05/31/2011	Member of Board Of Directors	Yes
Tang David	42	Business Administrator	213.882.168-41	Member of the Committee	11/12/2010	11/12/2010	05/31/2011	Director of the Audit Committee	Appointed by the Board of Directors
Heraldo Geres	43	Legal Director	119.691.688-89	Member of the Committee	11/12/2010	11/12/2010	05/31/2011	Company's Legal Director	Appointed by the Board of Directors

Sales Advisory Committee:

Name:	Age:	Profession:	CPF (Individual Taxpayer's ID) or Passport number:	Elective Position Held:	Election Date:	Investiture Date:	Term of Office:	Other positions held by the issuer:	Indication if elected or not by the company:
David G. McDonald	48	Business Administrator	233.461.648-61	Chief Officer of the Committee	10/31/2008	10/31/2008	Undetermined	Board of Directors	Appointed by the Board of Directors
Marcos Antonio Molina dos Santos	42	Entrepreneur	102.174.668-18	Member of the Committee	10/31/2008	10/31/2008	Undetermined	Chief Executive Officer Chairman of the Board of Directors Member of the Finance Committee , Corporate Governance and Remuneration and Sales Advisory	Yes
James David Ramsay Cruden	64	Entrepreneur	673.882.728-87	Member of the Committee	10/31/2008	10/31/2008	Undetermined	Chief Operating Officer	Appointed by the Board of Directors
José Mayr Bonassi	62	Director	006.450.109-44	Member of the Committee	10/31/2008	10/31/2008	Undetermined	-----	Appointed by the Board of Directors

ITEM 12.8. FOR EVERY OFFICER AND MEMBER OF THE FISCAL COUNCIL, PLEASE PROVIDE:

a. resume, outlining following information:

i. main professional experience in the last five years, outlining:

- name of the company
- positions held and the respective functions
- main activity of the companies whereby those positions were held highlighting the entities or corporations that integrate (i) the issuer's economic group or (ii) partners with direct or indirect participation equal to or above 5% the same class or type of the issuer

ii. specify all management positions currently held or previously held in publicly-held companies

b. description of any of the following events that may have happened over the last 5 years:

i. any conviction for a crime:

ii. any conviction in an administrative proceeding by CVM and penalties applied

iii. any final judicial or administrative conviction that led to the suspension or inability to practice any professional or commercial activities

Board of Directors:

Marcos Antonio Molina dos Santos

a. Mr. Molina dos Santos is the Chairman of the Board of Directors of the Company. He holds a large experience in the sector Marfrig actuates. He has worked in the beef sector at the age of 16, when he started his own business. Since the incorporation of the Company, Mr. Marcos Molina has been the Company's chief executive officer. Mr. Marcos Antonio Molina dos Santos is also shareholder and Chief Executive Officer of MMS Participações S.A., which is the controlling company.
b. Nothing on Record

Marcia Ap. Pascoal Marçal dos Santos

a. Mrs. Marçal dos Santos is member of the Board of Directors of the Company. He holds a long experience at Marfrig, having been responsible for the financial area from 2000 to 2006 and for the internal audit from 2000 to 2006.
b. Nothing on Record

Rodrigo Marçal Filho

a. Mr. Marçal Filho is member of the Board of Directors of the Company. His professional experience is bound to the agribusiness segment, having held position of farm manager until he joined the Company. He started working in May 2009, whereby he was responsible for the purchase of cattle and later became its officer in charge of infrastructure.
b. Nothing on Record

Alain Emilie Henry Martinet

a. Mr. Alain Martinet is member of the Board of Directors of the Company. Mr. Alain Martinet, French-Argentinean, has more than 30 years of experience in the beef industry, having been the international operations manager of Louis Dreyfus Corporation USA (1978 to 1984). He was general manager (1985 to 1991) and commercial director (1991 to 1992) of Frigorífico Rio – Platense. He served as director of SWIFT Argentina for five years, since 2001. He started at the Company in October 2006, having already occupied the position of director for the Argentinean Operations of the "Trading" companies and for the American branch of Marfrig Group.
b. Nothing on Record

David G. McDonald

a. Mr. McDonald is member of the Board of Directors of the Company. He is also member of the Board of Directors of the OSI Group. He joined Marfrig's Board of Directors in 2008 after it had acquired OSI Group operations in Europe and Brazil. Mr. McDonald holds a degree in Animal Science from Iowa State University, in 1987, when he joined OSI group, a multinational food processing company with more than 70 facilities in 38 countries (www.osigroup.com) as Project Manager and currently he holds the position of President and Chief Operating Director.
b. Nothing on Record

Carlos Geraldo Langoni.

a. Mr. Langoni is and independent member of the Board of Directors of the Company. Currently, he is also member of the board of directors of Souza Cruz, member of the consulting council of Guardian Industries; President of Projeta Consultoria Econômica Ltda. and Senior Consultant of Companhia Vale do Rio Doce. He has also held the position of Chairman of the Central Bank between 1980 and 1983. Langoni graduated in Economics by the Federal University of Rio de Janeiro in 1968 and received a Ph.D. in Economics from the University of Chicago in 1970.
b. Nothing on Record

Marcelo Maia de Azevedo Correa

a. Mr. Correa is and independent member of the Board of Directors of the Company. Currently he is the Chief Executive Officer of Grupo Neonergia S.A. and is member of the Board of Directors of the: ONS – Operador Nacional do Sistema Elétrico (Operator of Electric System), Coelba, Cosern, Celpe, Itapebi, Termopernambuco, PCH I, Afluente, Goiás Sul and Baguari I. He also held the position of Chairman at VBC Energia S.A. (1997 to 2004) and of the Board of Directors of CPFL – Piratininga (2001 to 2002) and member of the Fiscal Council of RGE – Rio Grande Energia (1997 to 1999) and CPFL – Paulista (2000). Mr. Correa graduated in Civil Engineering from PUC-RJ in 1982 and holds MBA in Finance by IBMEC obtained in 1992.
b. Nothing on Record

Antonio Maciel Neto

a. Mr. Maciel Neto is and independent member of the Board of Directors of the Company. He was President of Ford do Brasil and South America and Corporate Vice-President of Ford (1999 to May 2006).

He was also President of the Grupo Itamarati (1997 to 1999) and of CECRISA - Revestimentos Cerâmicos (1993 to 1997). From 1990 and 1993 he held various positions in the Federal Government in Brasilia such as: adjunct executive officer of the Industry and Commerce Department and National Adjunct Secretary of Economics, both in Ministry of Economy. At the inception of the Ministry of Industry Commerce and Tourism, he held the position of Executive Secretary (Vice-Minister) for eight months. In the last three years Mr. Maciel has actuated as Technical Coordinator of the Brazilian Quality and Productivity Program (Programa Brasileiro de Qualidade e Produtividade) - PBQP. He started his professional carrier at Petrobras in 1980, where he worked for 10 years. Since 2006 he has been the Chairman of the Board of Directors of Suzano Papel and Celulose. Currently he is member of the global Board of Directors of Archer Daniels Midland Company. Mr. Maciel Neto was graduated in Mechanical Engineering from Federal University of Rio de Janeiro - UFRJ in 1979.

b. Nothing on Record

Fiscal Council:

Peter Vaz da Fonseca

a. Accountant with specialization in Business Economics MBA - São Paulo University (USP) and Specialization in Auditing and Forensics from Faculdade Álvares Penteado (FECAP). Accounting Consultant and responsible for several companies in different segments of the market. He also works as external quality auditor of various segments of the market. Experience as member of the Fiscal Council.
b. Nothing on Record

Marcílio José da Silva

a. Accountant, graduated from FACEC Candido Rondon - Cuiabá - MT holds great experience in meat packing plant. Experience as member of the Fiscal Council.
b. Nothing on Record

Angelo Guilherme da Silva

a. Lawyer and Accontant Tecnic from Tecnical Commerce School in Mogi Mirim -SP. He is partner of Acconting and Tax Consultant Contalegis Company.
b. Nothing on Record

Marcello Froldi Negro:

a. Holds a bachelor’s degree in Business Administration from PUC-SP. He has vast experience in the financial system, joining Banco JPMorgan in 1989, and later working at Banco Fibra as FX Manager from 1992 to 1999 and at Banco BMC as Treasury Superintendent from 2000 to 2007. Since 2007 he has served at Banco Fator as Treasury Director, where he is responsible for the bank’s proprietary position. He is an authorized Securities Portfolio Manager by the Securities and Exchange Commission of Brazil (CVM).
b. Nothing on Record

Marcelo Silva

a. Graduated in law from Paulista University (UNIP); Accounting tecnhician from SENAC/SP and and post-graduated in Tax Law by Brazilian Institute of Tax(IBET) and specialization in some professional actualization courses. He has 18 years of experience in tax planning in middle and big size companies focusing on analysing and recovering of tax credits.
b. Nothing on Record

Carlos Alberto Loureiro Guimarães Junior

c. Lawyer, graduated by Brás Cubas University , pos graduated in accounting from Presbiteriana Mackenzie University, with especialization in Tax Accounting by Getulio Vargas Foundation (GV Law) and direct and indirect tax from APET – Paulista Tax Association . He is member of Lawyers Association in São Paulo - AASP. He has 15 years of experience in Tax Consultant and tax planning in middle and big size companies focusing on analysing and recovering of tax credits.
a. Nothing on Record

Statutory Directors:

Marcos Antonio Molina dos Santos

a. Mr. Molina dos Santos is the Chairman of the Board of Directors of the Company. He holds a large experience in the sector Marfrig actuates. He has worked in the beef sector at the age of 16, when he started his own business. Since the incorporation of the Company, Mr. Marcos Molina has been the Company's chief executive officer.
b. Nothing on Record

Alexandre José Mazzuco

a. Mr. Mazzuco is the Finance and Administrative Officer of Marfrig Alimentos S/A. He works in financing since 1985 having great experience in controllership and relations with market and companies that performed great "turnarounds" (recoveries), including operational re-structuring and modifications in the capital structure. He started his career at Companhia Paulista de Fertilizantes in 1985, where he worked for 12 years. After this period, Mr. Mazzuco has worked as controller for the Fábrica Nacional de Vidros de Segurança Ltda., or FANAVID, between 1999 and 2002. He led negotiations for the acquisition of FANAVID BY Asahi Glass Group (one of the leading group of the sector). He also led the process of ISO 9000 and implementation of ERP Software in this Company. Mr. Mazzuco started at the Company in 2002.
b. Nothing on Record

Ricardo Florence dos Santos

a. Mr. Florence is the Planning Director and Investor Relations Officer of Marfrig Alimentos S/A. He worked at Pão de Açúcar for 16 years (ince 1984) as Financial Planning Executive Officer and the

Investor Relations Statutory Executive Officer. He worked for two years (between 200 and 2001) at UOL Inc. (Grupo Folha de São Paulo) as Investor Relations Statutory Executive Officer. He was also Adjunct Director of Investor Relations for Brasil Telecom (2006 to 2007). He was member of the Board of Directors of Grupo Pão de Açúcar (1995 to 1999), UOL - Grupo Folha (2001) and Brazilian Institute of Investor Relations (IBRI) (1998 to 2001) and of Consultant Board of Dentalcorp S.A. (2002 to 2006). Currently he is the Chief Executive Officer of IBRI.

b. Nothing on Record

James David Ramsay Cruden

a. Mr. Cruden is the Chief Operating Officer of the Company. He started his career at Angliss Co. of Australia (1970 to 1973), company affiliated to Vestey Groupl Ltd., a traditional British company in the food sector. In 1974 he moved to Brazil to work for Anglo Alimentos S.A. a slaughterhouse Vestey Group, where he remained until 1979. From 1980 to 1982 he worked as General Manager of Vestey Group in the Netherlands. As of 1982, Mr. Cruden was transferred to Vestey's Group in Brazil to be vice-president, commercial director and superintendent, successively, until 1986. From 1986 to 1989 he held various positions at Frigorífico Bordon. Between 1989 and 1992 he was Chief Executive Officer of Pampeano. Between 1993 and 1996 he was director of Anglo Alimentos. As of 1996 to 1998, Mr. Cruden has managed his own business as cattle raiser. In 1998 he returned to Anglo Alimentos S.A. and in 2000 he became President of BF Produtos Alimentícios S.A., one of the largest beef companies for the production of processes, cooked bee. He held the position until 2004 when he started in the Company as Operations Officer, having the responsibility over the Company's industrial process and in the wholesale and export activities.

b. Nothing on Record

12.9 Family relationship among the administrators, as well as among the administrators and shareholders of the company.

Mr. Marcos Antonio Molina dos Santos, Chairman of the Board of Directors and Chief Executive Officer of the Company and his wife Mrs. Márcia Aparecida Pascoal Marçal dos Santos, member of our Board of Directors, holds direct and indirectly, in May 31, 2010, 43.49% of the voting capital. Mr. Rodrigo Marçal Filho, member of our Board of Directors is brother to Mrs. Márcia Aparecida Pascoal Marçal dos Santos.

12.10 Inform about the relationship of subordination, provision of services or control maintained in the last 3 fiscal years, between managers of the issuer and:

MMS Participações S.A. is a company constituted according to the Brazilian laws, registered under Corporate Taxpayer's ID No. 08.542.030/0001-31, headquartered in the city of Sao Paulo, State of Sao Paulo, which scope consists in the administration of its own assets, national and international interest equities and investments in general. MMS Participações is the controlling shareholder of the Company, with 43.49% of ownership interests and the only shareholders are Mr. Marcos Antonio Molina dos Santos and Mrs. Márcia Aparecida Pascoal Marçal dos Santos.

EXHIBIT III

13.1 – Describe the policy or practice for compensating the board of directors, statutory and non-statutory officers and members of the fiscal council, statutory committees and the audit, risk, financial and compensation committees, covering the following aspects:

a) objectives of the compensation policy or practice

The compensation policy establishes the criteria, responsibilities and definitions for the compensation of administrators of the Marfrig Group in the short and long term (Bonus and Stock Option Program).

The purpose of the policy is to motivate executives at the MARFRIG GROUP to grow and develop to reach their maximum potential, to align their performance with the business objectives and to recognize this performance through the payment of Incentives (Short- and Long-Term).

The Corporate Governance and Compensation Committee is the deliberative body charged with evaluating and analyzing the compensation of the administrators. The committee is formed by the following executives: Member of the Board of Directors (coordinator), Chief Executive Officer and HR Vice-President. The meetings are held on a monthly basis and focus on strategic issues concerning Human Resources.

The parameters used to determine the compensation of the administrators are based on market practices.

b) composition of the compensation, indicating;

i) a description of compensation elements and their individual purposes
ii) the proportion of each element in the total compensation
iii) the calculation and adjustment methodology used for each compensation element
iv) the reasons justifying the composition of the compensation

b.1 Directors

An annual amount is defined for each of the members to convert into shares – Stock Option Program – only long-term. The stock price is based on the average price in the last 20 trading sessions prior to March 3 of each year.

The stock options vest over 4 years (25% each year), as shown in the table below for statutory officers.
The composition of the compensation of the directors is determined based on a market survey of the leading companies in the industry in order to determine the compensation base to be validated by the corporate governance and compensation committee of Marfrig.

b.2 Statutory Officers

Short-Term (Bonus) and Long-Term (Stock Option Plan) – The targets established by the Corporation to assess the administrators are generally comprised of economic goals (EBITDA of the division and Net Income of the Marfrig Group) and individual goals.

Financial benefits from the Stock Option Program are linked to appreciation in the market price of the stock. In other words, the value added to the Corporation by administrators will be reflected in the benefits they receive from this type of compensation.

The Exercise Price for stock compensation is based on the last 20 trading sessions prior to March 3 of every year, with a 50% discount.

The vesting period follows the criteria below:

- 25% after 12 months from the grant date;
- 25% after 24 months from the grant date;
- 25% after 36 months from the grant date;
- 25% after 48 months from the grant date.

The composition of compensation for the officers is made by conducting a market survey of the leading companies in the industry, with measurement criteria established based on the importance of the function at the organization. Macro policies are approved by the Corporate Governance and Compensation Committee.

- **Bonus (Short Term)**

Position	Goal Cap (100%)
Executive Officer	8 monthly salaries
Director	6 monthly salaries

- **Long-Term Incentive Plan**

Position	Goal Cap (100%)
Executive Officer	4 monthly salaries
Director	3 monthly salaries

Note: The stock price is based on the average price in the last 20 trading sessions prior to March 3 of each year.

c) key performance indicators considered to determine each compensation element

Position	100% of Goal Reached		
	DIVISION (EBITDA)	MARFRIG GROUP (Net Income)	INDIVIDUAL (Up to 5 goals)
Executive Officer	40%	30%	30%
Director	30%	30%	40%

d) how the compensation is structured to reflect the evolution in performance indicators

The variable compensation is determined by the performance indicators of each Division. Individual targets are established for each goal (division's EBITDA, Net Profit of Marfrig Group and Individual Goals), which are evaluated at the end of the year against the proposed target, generating the index to be applied to each person.

e) how the compensation policy or practice is aligned with the short-, medium- and long-term interests of the issuer

Since the Corporation adopts market practices to determine its compensation policy (both fixed and variable), the practices motivate and recognize the executives' efforts towards achieving the business objectives, which further aligns the relationship between the Corporation and the administrator.

f) existence of compensation borne by the subsidiaries or direct or indirect controlling shareholders

Not applicable

g) existence of any compensation or benefits linked to the occurrence of certain corporate events, such as the transfer of control of the issuer

Not applicable

13.2 – Total Compensation Board of Directors, Statutory Officers and Audit Committee

Body	Number of Members				Salary				Benefits				Bônus			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
Board of Directors	**7**	**8**	**8**	**7,2**	2.194.347	2.194.494	2.194.494	2.685.989			10.080	-				1.500.000
Audit Committee			**6**	**6**	-	-	321.000	538.500	-	-	3.731	-	-		-	
Statutory Officers	**4**	**4**	**4**	**3,8**	1.980.588	3.136.588	4.393.053	7.359.470	41.737	53.358	63.530	73.183	350.000	2.030.000	2.233.143	1.091.249
Total	**11**	**12**	**18**	**17**	4.174.935	5.331.082	6.908.547	10.583.959	41.737	53.358	77.341	73.183	350.000	2.030.000	2.233.143	2.591.249

13.3 – Variable Compensation

(in R$ thousand)

Body	Minimum Bonus			Bonus Cap				Bonus Paid			
Year	2008	2009	2010	2008	2009	2010	2011	2008	2009	2010	2011
Board of Directors											1,500.00
Statutory Officers				1,322.1	2,078.1	4,420.6	4,360.08	350.0	2,030.0	2,233.1	1,091.24

13.4 - Regarding the stock-based compensation plan of the board of directors and statutory officers in force during the last fiscal year and projected for the current fiscal year, describe

a) the general terms and conditions

Administration of the Plan

The Plan is managed by the Board of Directors of the Corporation, which may delegate its functions, observing the restrictions provided for by law, to a committee especially created for such purpose ("Committee").

If a Committee is created, it must be formed by at least three (3) members, one of whom must be a Director at the Corporation, while the other members must be elected by the Board of Directors. The members of this Committee are not eligible to become beneficiaries of the Plan.

If the general conditions of the Plan and the guidelines established by the Shareholders' Meeting have been fulfilled, the Board of Directors of the Corporation shall have broad powers to take all the necessary and appropriate measures to manage the Plan, including:

(a) granting options under the terms of the Plan, as well as drafting and applying the specific rules for each grant, subject to the terms of the Plan;
(b) defining goals for the performance of the administrators, employees and service providers of the Corporation or other legal entities under its control, with the aim of establishing objective criteria for selecting the Beneficiaries;
(c) selecting the Beneficiaries of the Plan and authorizing the granting of stock options to them, establishing all the conditions for the options to be granted and modifying such conditions when required to align the options with governing law and regulations;
(d) issuing new shares in the Corporation within the authorized capital limit in order to meet the needs for exercising the options granted under the terms of the Plan;
(e) creating Specific Programs (defined below) for granting the stock options.

In the exercise of its powers, the Board of Directors shall be subject only to the limits established by law and in the Plan, with it clear that the Board of Directors may adopt different treatments for the administrators, employees and service providers of the Corporation or the other legal entities under its control in similar situations, and that it is not obliged by any equal-treatment rule to extend to everyone conditions that it deems applicable only to certain individuals or groups of individuals.

The decisions of the Board of Directors are binding for the Corporation for all matters related to the Plan.

Creation of Specific Programs

Periodically, the Board of Directors or Committee may create stock option grant programs with specific conditions concerning the members, the number of options granted, the performance goals to be met, the option exercise price and other conditions ("Specific Programs"), which may not have any relationship to the general conditions established by the Plan. Regardless of the particular conditions in each program, the stock options of each Specific Program shall not grant rights to a number of Shares that exceeds zero point five percent (0.5%) of the total number of shares issued by the Corporation, while also respecting the overall limit of 2% of the total number of shares issued by the Corporation.

The Directors of the Corporation are not eligible to participate in any Specific Program, which means they may not be designated beneficiaries of any Specific Program.

Duration of the Plan

The Plan shall be in force from the date of its approval by the Shareholder's Meeting of the Corporation and may be terminated at any time by decision of the Shareholders' Meeting. The termination of the Plan does not affect the validity of the options still in force granted under the plan.

General Provisions

The granting of options under the terms of the Plan does not prevent the Corporation from being involved in ownership reorganizations, such as conversions, mergers, consolidations and spin-offs. The Board of Directors of the Corporation and the legal entities involved in such operations may, at their discretion, decide, without prejudice to the other measures they decide based on fair treatment: (a) to substitute the shares that are the object of the option with shares in the Corporation's successor company; (b) to move forward the acquisition of the right to exercise the stock option in order to ensure the inclusion of corresponding shares in the operation in question; and/or (c) to effect a payment in cash of the amount that the Beneficiary would be entitled to under the terms of the Plan.

If the number, type and class of existing shares on the Plan approval date are changed as a result of bonuses, stock splits, stock groupings or the conversion of shares from one type or class to another or the conversion into shares of other securities issued by the Corporation, the Board of Directors will be responsible for adjusting the corresponding number, type and class of shares that are the object of the options granted and their respective exercise price in order to prevent any distortions in the application of the Plan.

No provision of the Plan or option granted under the terms of the Plan should entitle any Beneficiary to remain an administrator and/or employee of the Corporation and should not interfere in any way in the right of the Corporation to, at any time and subject to the legal and contractual conditions, terminate the employment agreement of the employee and/or suspend their mandate as administrator.

Each Beneficiary must explicitly comply with the terms of the Plan and sign a written declaration without any qualifications and in accordance with the terms of the Stock Trading Policy of Marfrig.

In the interest of the Corporation and its shareholders, the Board of Directors may review the conditions of the Plan, provided it does not change its basic principles.

Any significant legal developments regarding regulations involving corporations, publicly traded companies and/or the tax impacts of a stock option plan could lead to a full review of the Plan.

Any omissions shall be regulated by the Board of Directors by consulting, when it deems appropriate, the Shareholder's Meeting. Any option granted under the Plan is subject to all the terms and conditions established herein, which shall prevail in the event of any inconsistency in the provisions of any contract or document mentioned in this document.

b) main objectives of the plan

The compensation policy aims to establish the criteria, responsibilities and definitions for the compensation of the administrators of the Marfrig Group.

The objective of the Plan is to allow the administrators, employees and service providers of the Corporation and other legal entities under its control, subject to certain conditions, to acquire stock in the Corporation, in order to: (a) promote the expansion, success and execution of the corporate objectives; (b) align the interests of the Corporation's shareholders with those of its directors, officers, employees and service provides or other companies under its control; and (c) enable the Corporation or its subsidiaries to contract and retain directors, officers, employees and service providers.

c) how the plan contributes to these objectives

By establishing the guidelines and rules, the Plan motivates the executives at the Marfrig Group to grow and develop in order to reach their maximum potential, consistent with the business objectives, and to recognize this performance through the payment of Incentives. As mentioned in the previous item: (a) to promote the expansion, success and execution of the corporate objectives; (b) to align the interests of the Corporation's shareholders with those of its directors, officers, employees and service provides or other companies under its control; and (c) to enable the Corporation or its subsidiaries to contract and retain directors, officers, employees and service providers.

d) how the plan contributes as an element of the issuer's compensation policy

The compensation plan is compatible with the interests of the Corporation in promoting professional development by determining compensation based on the performance of the executive and the Corporation.

e) how the plan aligns the short-, medium- and long-term interests of the directors and officers and those of the issuer

The compensation plan involves both short- and long-term compensation, thus contributing to the creation of an environment of continuous growth and talent retention.

f) maximum number of shares involved

The stock options granted under the terms of the Plan may grant rights to acquire a certain number of Stocks that shall not exceed zero point five percent (0.5%) of the shares issued by the Corporation, provided that the total number of shares issued or that may be issued under the terms of the Plan is always within the limits of the authorized capital of the Corporation.

g) Maximum number of options to be granted

Considering the six (6) programs developed and reviewed by the Corporate Governance and Compensation Committee , and submitted to the Board of Directors, the total number of stock options granted as of 2011 was 1,198,580 shares,

The total number of shares granted by these six (6) plans corresponds to 0.35% of the capital stock, and as such is within the 0.5% limit established by the Shareholder's Meeting on May 29, 2009 for approval by the Board of Directors.

There were 308 participants in the stock option program of the Corporation on December 31, 2011.

The expected dilution of ownership interest of current shareholders, when stock options are exercised at the vesting date, up to the limit of shares held in the treasury for this purpose, is 0.34%, as detailed in the table below:

Dilution percentage							**2011**
	Master Plan 07-08	**Master Plan 08-09**	**ESP Plan I 07-08**	**ESP Plan II 08-09**	**ESP Plan III 08-09**	**ESP Plan IV 09-10**	**Total**
Granting date	03/03/08	07/28/09	07/28/09	07/28/09	07/28/09	07/01/10	-
Outstanding agreements	27,600	82,950	50,000	-	216,989	240,275	**617,814**
Outstanding shares							**180,840,606**
Dilution percentage	**0.02%**	**0.05%**	**0.03%**	**0.00%**	**0.12%**	**0.13%**	**0.34%**

h) conditions for acquiring shares

The stock options granted under the terms of the Plan may confer rights for the acquisition of a number of Shares that does not exceed five percent (5%) of the shares issued by the Corporation, provided that the total number of shares issued or to be issued under the terms of the Plan always remains within the limit of the authorized capital of the Corporation.

To satisfy the exercise of stock options granted under the terms of the Plan, the Corporation may, at the discretion of the Board of Directors: (a) issue new shares within the limit of the capital authorized; or (b) sell shares held in treasury.

The shareholders shall not be entitled to preemptive rights in the granting or exercise of stock options under the Plan, as set forth in Article 171, Paragraph 3 of Federal Law 6,404/76.

The Shares acquired due to the exercise of options under the terms of the Plan shall maintain all rights inherent to their type, except in the case of item 7.2.1. of the Stock Option Plan, as well as any provision to the contrary established by the Board of Directors.

i) criteria for determining the acquisition or exercise price

The Board of Directors shall be responsible for setting the exercise price of the options granted under the terms of the Plan, based on the average price weighted by volume of the Corporation's stock observed in the last twenty (20) trading sessions on the BOVESPA immediately prior to the option grant date, with a discount of up to 20% on the value ascertained.

The exercise price shall be paid by the Beneficiaries in cash, in accordance with the methods and periods determined by the Board of Directors.

Until the exercise price is fully paid, the shares acquired through the exercise of options under the terms of the Plan may not be sold to third parties, except with the prior authorization of the Board of Directors, in which case the proceeds from the sale will first be used to settle the debits of the Beneficiary owed to the Corporation.

j) criteria for setting the vesting period

The options granted under the terms of the Plan may be exercised: twenty-five percent (25%) at the end of the first year; twenty-five percent (25%) at the end of the second year; twenty-five percent (25%) at the end of the third year; and twenty-five percent (25%) at the end of the fourth year; as of the execution of the corresponding Stock Option Agreement and also observing the terms and conditions stipulated by the Board of Directors and the terms and conditions provided for in the respective Stock Option Grant Agreements.

The Beneficiary shall have twelve (12) months to exercise the options as of the dates described above.

The portions of the option not exercised within the stipulated periods and conditions shall be considered automatically terminated, with no right to indemnification.

k) payment method

Beneficiaries wishing to exercise their stock options shall inform the Corporation in writing of their intent, in accordance with communication template to be disclosed by the Board of Directors.

l) restrictions on transferring the shares

The Board of Directors may impose precedent terms and/or conditions for the exercise of the options, observing the minimum clauses defined in the Plan, impose restrictions on the transfer of the shares acquired from the exercise of the options and reserve for the Corporation the option to buy back the shares or preemptive rights in the event of the sale by the Beneficiary of these shares, until the expiration of the period and/or the fulfillment of the conditions established.

m) criteria and events that if verified cause the suspension, modification or termination of the plan

The Board of Directors may determine the suspension of the right to exercise the options whenever situations are verified that, subject to governing law and regulations, restrict or prevent stock trading by the Beneficiaries.

No Beneficiary shall have any rights and privileges of the Corporation's shareholders until their stock option is duly exercised under the terms of the Plan and the respective Option Agreement. No shares shall be delivered to the holder arising from the exercise of the option unless all legal and regulatory requirements have been completely fulfilled.

n) effects of the termination of the director and officer from the issuer's entities on their rights under the share-based compensation plan

In the event of the termination of a Beneficiary due to voluntary or involuntary termination of the service agreement, with or without just cause, resignation or abandonment, retirement, permanent disability or death, the rights granted to them under the Plan may be terminated or modified, in accordance with the provisions of Item 9.2. below.

If at any time during the validity of the Plan the Beneficiary:

Terminates their relationship with the Corporation on their own initiative, voluntarily terminating their relationship, terminating the service agreement or resigning their function as administrator: (i) the rights not yet exercised under respective Option Agreement, on the date of their termination, shall automatically and lawfully expire, regardless of prior notice or indemnification; and (II) the rights that may already be exercised under respective Option Agreement, on the date of their termination, may be exercised within thirty (30) days from said date, after which such rights will automatically and lawfully expire, regardless of prior notice or indemnification;

If the termination is due to (i) involuntary termination or the rescission of the service agreement, with or without just cause, or the removal from office for any reason, or (ii) voluntary retirement, all rights that have already been exercised or that may not yet be exercised under the respective Option Agreement, on the date of their termination, will become automatically and lawfully expire, regardless of prior notice or indemnification;

In the event of termination from the Corporation due to compulsory retirement or permanent disability: (i) the rights that may not yet be exercised under the respective Option Agreement, on the date of their termination, will automatically become exercisable by moving forward the grace period; and (ii) the rights that may already be exercised under the Option Agreement on the date of their termination shall remain unchanged and may be exercised normally under the terms of the Contract;

In the case of termination from the Corporation due to death: (i) the rights that may not yet be exercised under the respective Option Agreement, on the date of their death, will automatically become exercisable by anticipating the grace period, and the heirs and legal successors of the Beneficiary will be entitled to exercise the respective stock option, provided they do so within six (6) months from the date of death. Once this period has expired, these rights will automatically and lawfully expire, regardless of prior notice or indemnification; and (ii) the rights that may already be exercised under the respective Option Agreement, on the date of their death, may be exercised by the heirs and legal successors of the Beneficiary provided they do so within six (6) months from the date of death, after which such rights will automatically and lawfully expire, regardless of prior notice or indemnification.

13.6 - Share-based compensation

SHARES

Body	Number of Members				Grant Date				Number of Options Granted			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
Board of Directors	4	4	4	7.2	07/28/09	N/A	N/A	N/A	110,850	-	-	-
Statutory Officers	4	4	4	3.8	7/29/09	7/1/10	4/20/2011	To be defined	117,600	32,500	94,400	To be defined

Body	Number of Members				Vesting Period				Period for Exercising the Options			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
Board of Directors	4	4	4	7.2	1 year	N/A	N/A	To be defined	4 years	N/A	N/A	N/A
Statutory Officers	4	4	4	3.8	1 year	1 year	1 year	1 year	4 years	4 years	4 years	4 years

The remaining information is available in the chart for Note 13.5.

SHARE-BASED COMPENSATION

Year	2008	2009	2010	2011
Board of Directors	750,358	-	-	-
Statutory Officers	994,267	357,514	663,169	To be defined
Total	1,744,625	357,514	663,169	To be defined

13.7 – For the unexercised options of the directors and directors at end of the last fiscal year, prepare a table with the following information:

a) body

b) number of members

c) for the options not yet exercisable

i) quantity

ii) date on which they become exercisable

iii) maximum period for exercising the options

iv) period restricting share transfers

v) average weighted exercise price

vi) fair value of the options on the last day of the accounting period

d) for the options not yet exercisable

i) quantity

ii) maximum period for exercising the options

iii) period restricting share transfers

iv) average weighted exercise price

v) fair value of the options on the last day of the accounting period

vi) total fair value of the options on the last day of the accounting period

All information requested in the above items is contained in the table on the next page, with the exception of:

c) for the options not yet exercisable

iv) period restricting share transfers: none

vi) fair value of the options on the last day of the accounting period: this item is detailed in the above table in the column “Option Value on 12/31/2011 (Black Scholes) in R$”

d) for the options not yet exercisable

iii) period restricting share transfers: none.

v) fair value of the options on the last day of the accounting period: this item is detailed in the above table in the column “Option Value on 12/31/2011 (Black Scholes) in R$”

Total de opções outorgadas:

Planos	Data de Concessão	Período de performance (Carência)	Data de Expiração da Opção	Total de Opções Concedidas	Total de Opções Vestidas	Opções Exercidas no Período	Opções Canceladas e/ou Vencidas no Período	Opções Exercidas e/ou Canceladas em Períodos Anteriores	Contratos em Aberto	Preço de Exercício da Opção
Total em	**31/12/2010**			**1.198.580**	**343.533**	**173.608**	**0**	**125.000**	**899.972**	
MASTER 07-08	03/03/2008	04/03/2009	03/03/2010	13.800	13.800	0	0	13.800	0	R$ 13,58700
MASTER 07-08	03/03/2008	04/03/2010	03/03/2011	13.800	13.800	9.200	4.600	0	0	R$ 13,58700
MASTER 07-08	03/03/2008	04/03/2011	03/03/2012	13.800	13.800	0	0	0	13.800	R$ 13,58700
MASTER 07-08	03/03/2008	04/03/2012	03/03/2013	13.800	0	0	0	0	13.800	R$ 13,58700
				55.200	**41.400**	**9.200**	**4.600**	**13.800**	**27.600**	
MASTER 08-09	28/07/2009	04/03/2010	03/03/2011	27.900	27.900	27.900	0	0	0	R$ 6,77830
MASTER 08-09	28/07/2009	04/03/2011	03/03/2012	27.650	27.650	0	0	0	27.650	R$ 6,77830
MASTER 08-09	28/07/2009	04/03/2012	03/03/2013	27.650	0	0	0	0	27.650	R$ 6,77830
MASTER 08-09	28/07/2009	04/03/2013	03/03/2014	27.650	0	0	0	0	27.650	R$ 6,77830
				110.850	**55.550**	**27.900**	**0**	**0**	**82.950**	
ESP I LP 07-08	28/07/2009	28/07/2009	30/11/2009	50.000	50.000	0	0	50.000	0	R$ 0,75485
ESP I LP 07-08	28/07/2009	03/03/2010	02/09/2010	50.000	50.000	0	0	50.000	0	R$ 0,75485
ESP I LP 07-08	28/07/2009	03/03/2011	02/09/2011	50.000	50.000	39.175	10.825	0	0	R$ 0,75485
ESP I LP 07-08	28/07/2009	03/03/2012	02/09/2012	50.000	0	0	0	0	50.000	R$ 0,75485
				200.000	**150.000**	**39.175**	**10.825**	**100.000**	**50.000**	
ESP II CP 08-09	28/07/2009	28/07/2009	30/11/2009	80.200	80.200	0	0	80.200	0	R$ 1,03823
				80.200	**80.200**	**0**	**0**	**80.200**	**0**	
ESP III LP 08-09	28/07/2009	03/03/2010	02/09/2010	108.083	108.083	800	2.675	104.608	0	R$ 0,67783
ESP III LP 08-09	28/07/2009	03/03/2011	02/09/2011	108.083	108.083	69.575	37.683	0	825	R$ 0,67783
ESP III LP 08-09	28/07/2009	03/03/2012	02/09/2012	108.082	0	0	0	0	108.082	R$ 0,67783
ESP III LP 08-09	28/07/2009	03/03/2013	02/09/2013	108.082	0	0	0	0	108.082	R$ 0,67783
				432.330	**216.166**	**70.375**	**40.358**	**104.608**	**216.989**	
ESP IV LP 09-10	01/07/2010	03/03/2011	02/09/2011	80.000	80.000	14.950	64.775	0	275	R$ 11,02605
ESP IV LP 09-10	01/07/2010	03/03/2012	02/09/2012	80.000	0	0	0	0	80.000	R$ 11,02605
ESP IV LP 09-10	01/07/2010	03/03/2013	02/09/2013	80.000	0	0	0	0	80.000	R$ 11,02605
ESP IV LP 09-10	01/07/2010	03/03/2014	02/09/2014	80.000	0	0	0	0	80.000	R$ 11,02605
				320.000	**80.000**	**14.950**	**64.775**	**0**	**240.275**	
Total em	**31/12/2011**			**1.198.580**	**623.316**	**161.600**	**120.558**	**298.608**	**617.814**	

SHARES

Body	Number of Members				Grant Date				Number of Options Granted			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
Board of Directors	4	4	4	7.2	16/10/09	N/A	N/A	N/A	110,700	-	-	-
Statutory Officers	4	4	4	3.8	29/07/09	01/07/10	20/4/2011	To be defined	117,600	32,500	94,400	To be defined

Body	Number of Members				Vesting Period				Period for Exercising the Options			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
Board of Directors	4	4	4	7.2	1 year	N/A	N/A	To be defined	4 years	N/A	N/A	N/A
Statutory Officers	4	4	4	3.8	1 year	1 year	1 year	1 year	4 years	4 years	4 years	4 years

13.8 – For the options exercised and shares delivered as the share-based compensation of the directors and officers in the last 3 accounting periods, prepare a table with the following information:

a) body
b) number of members
c) for the options exercised inform:
i) number of shares
ii) average weighted exercise price
iii) the total difference between the exercise value and market value of the shares for the options exercised
d) for the shares delivered inform:
i) number of shares
ii) average weighted exercise price
iii) the total difference between the exercise value and market value of the shares delivered

Exercised Options - fiscal year ended 12/31/2009

	Board of Directors	**Statutory Officers**
Number of members	8	4
Exercised options		
Number of shares	13,800	70,000
Average weighted exercise price	R$ 6.7783	R$1.03823
Difference between the exercise price and price of the shares underlying the exercised options		
Delivered shares		
Number of shares	110,600	117,600
Average weighted exercise price	6.7783	R$1.03823
Difference between the exercise price and price of the shares underlying the exercised options	Not applicable	Average in the 20 trading sessions prior to May 11, 2009 (R$10.3823/share), with a discount of 90% on the average cited above (R$1.03823/share) Average in of the 20 trading periods prior to March 3, 2009 (R$6.7783/share), with a discount of 90% on the average cited above (R$0.67783/share)

* In 2009, the exercise of options related to the shares delivered in 2007 (long-term) and 2008 (short-term).

Exercised Options - fiscal year ended 12/31/2010

	Board of Directors	Statutory Officers
Number of members	8	4
Exercised options		
Number of shares	0	31,100
Average weighted exercise price	6.7783	R$1.03823
Difference between the exercise price and price of the shares underlying the exercised options		
Delivered shares		
Number of shares	0	32,500
Average weighted exercise price	R$ 22.0521	R$ 11.02605
Difference between the exercise price and price of the shares underlying the exercised options	Not applicable	Average in the 20 trading sessions prior to March 3, 2010,(R$22.0521/share), with a discount of 50% on the average cited above (R$11.02605/share)

*In 2010, the exercise of options related to the shares delivered in 2007, 2008 and 2009 (long-term).

Exercised Options - fiscal year ended 12/31/2011

	Board of Directors	Statutory Officers
Number of members	7.2	3.8
Exercised options		
Number of shares	37.100	30.850
Average weighted exercise price	6.7783	0.71559
Difference between the exercise price and price of the shares underlying the exercised options		
Delivered shares		
Number of shares	0	94,400
Average weighted exercise price	R$ 14.0503	R$ 7.02515
Difference between the exercise price and price of the shares underlying the exercised options	Not applicable	Average in the 20 trading sessions prior to March 3, 2011,(R$14.0503/share), with a discount of 50% on the average cited above (R$7.02515/share)

*In 2010, the exercise of options related to the shares delivered in 2007, 2008 and 2009 (long-term).

In 2008, 55,200 stock options were granted to the Board of Directors, based on the average of the 20 trading session prior to March 4, 2008, (R$15.097 / share), with a discount of 10% on the average value above (R$13.587 / share). Vesting was at the rate of 25% per year over 4 years, with 25% exercised at the end of the first year; 25% at the end of the second year; 25% at the end of the third year; and 25% at the end of the fourth year, in accordance with approved regulations. Additionally, 212,676 restricted shares were granted to 21 members of the Executive Board, which were related to rescission and substitution due to the reformulation of the Plan approved by the Shareholders' Meeting held on May 29, 2009 and the granting of Specific Plan I (2007/2008) that was approved at the Board of Directors' meeting held on July 28, 2009.

The granting in 2009 (relative to 2008) of 165,800 shares to the Board of Directors established in contract was re-ratified, at the price per share of R$6.7783 (55,200 at R$13.597 and 110,600 at R$6.7783), based on the average weighted price in the twenty (20) trading sessions prior to March 3, 2009, which is the grant date of the Master Stock Option Plan, to be exercised at the above price between 2010 and 2013 at the rate of 25% each year.

In 2010, 320,000 stock options (relative to 2009) were granted, which was restricted to executives at the Marfrig Group, as established in contract, at the price of R$11.02605 per share, based on the average weighted price in the twenty (20) trading session prior to March 3, 2010, under Specific Plan IV, to be exercised at the above price between 2011 and 2014 at the rate of 25% each year.

The granting of four (4) Specific Programs was approved by the Compensation and Corporate Governance Committee on June 29, 2009, and by the Board of Directors on July 28, 2009, as authorized by the Shareholders' Meetings held on May 29, 2009 and November 12, 2010, under the conditions described below:

1- For the accounting period 2007/2008, exercised in 4 periods of 25% each per year, with the first by November 30, 2009, and the three remaining periods as follows: March 3, 2010 to September 2 2010; March 3, 2011 to September 2, 2011; and March 3, 2012 to September 2, 2012.

2- For the accounting period 2008/2009 (Short Term) – exercise by November 30, 2009 (100%).

3- For the accounting period 2008/2009 (Long Term) – exercised in 4 periods of 25% each per year, within the following periods: March 3, 2010 to September 2 2010; March 3, 2011 to September 2, 2011; March 3, 2012 to September 2, 2012; March 3, 2013 to September 2, 2013.

For the accounting period 2009/2010 (Long Term) – exercised in 4 periods of 25% each per year, within the following periods: March 3, 2011 to September 2, 2011; March 3, 2012 to September 2, 2012; March 3, 2012 to September 2, 2013; March 3, 2014 to September 2, 2014.

The exercise prices are:

1- R$ 0.75485 per share for options granted for the accounting period 2007/2008;

2- R$1.03823 for shares related to the Short-Term grant for the accounting period 2008/2009;

3- R$0.67783 for shares related to the Long-Term grant for the accounting period 2008/2009.

4- R$ 11.02605 for shares related to the Long-Term grant for the accounting period 2009/2010.

To date, the following criteria have been adopted for granting stock options to executives at Marfrig:

1- In 2008:
- Average weighted price in the 20 trading sessions prior to 03/03/2008: R$15.097

2. In 2009:

- Specific Plan I – Long Term 2007/2008: Average weighted price in the 20 trading sessions prior to 03/03/2008: R$15.097
- Specific Plan II – Short Term 2008/2009: Average weighted price in the 20 trading sessions prior to 11/05/2009: R$10.3823
- Specific Plan III – Long Term 2008/2009: Average weighted price in the 20 trading sessions prior to 03/03/2009: R$6.7783

3- In 2010:

- Specific Plan IV – Long Term 2009/2010: Average weighted price in the 20 trading sessions prior to 03/03/2010: R$11.02605

The total number of shares granted under these four (4) programs through 2010 was 1,024,330, of which 113,800 expired in 2009, 160,133 in 2010 and the remainder through 2014.

The total number of shares granted by these three (3) plans corresponds to 0.26% of the capital stock, therefore, within the limit of 0.5% established by the Shareholders' Meeting held on May 29, 2009 for approval by the Board of Directors.

There were 147 participants in the stock option program of the Corporation on December 31, 2010.

In 2010, 173,608 shares were transferred to the administrators of the Corporation under the criteria established in the stock option plan, which represented a negative impact on profit and loss in the accounting period ended December 31, 2010 of R$11,633.

3- In 2011:

- Specific Plan V – Long Term 2010/2011: Average weighted price in the 20 trading sessions prior to 03/03/2011: R$7.0251

Considering the six (6) programs developed and reviewed by the Corporate Governance and Compensation Committee , and submitted to the Board of Directors, the total number of stock options granted as of 2011 was 1,198,580 shares,

The total number of shares granted by these six (6) plans corresponds to 0.35% of the capital stock, and as such is within the 0.5% limit established by the Shareholder's Meeting on May 29, 2009 for approval by the Board of Directors.

There were 308 participants in the stock option program of the Corporation on December 31, 2011.

In 2011, 173,608 shares were transferred to the administrators of the Corporation under the criteria established in the stock option plan, which represented a negative impact on profit and loss in the accounting period ended December 31, 2010 of R$11,633.

13.9 – Summary description of the information required to understand the data disclosed in items 13.6 to 13.8, such as an explanation of the method for pricing the shares and options, indicating at least:

a) Pricing model:

Black Scholes model.

b) data and assumptions used in the pricing model, including the average weighted share price, exercise price, expected volatility, option lifetime, expected dividends and risk-free interest rate

The fair value of the options was measured on an indirect basis, according to the Black-Scholes pricing method, based on the following assumptions:
Risk-free interest rate: 6% p.a. The Company uses as risk-free interest rate the Long Term Interest Rate (TJLP) annualised on calculation date and available on the federal revenue service website - www.receita.fazenda.gov.br/pessoajuridica/refis/tjlp.htm.
Volatility: 111.3%. Volatility is measured using the adjusted historical beta, taking into consideration the daily prices of Company's shares traded on BM&FBOVESPA under the ticker MRFG3, from January 3, 2011 to December 29, 2012, in comparison to IBOVESPA Index, which represents the Brazilian stock market.
The fair value per share as of December 31, 2011 in the different programs and maturities ranged between a maximum of R$4.5736 and a minimum of R$5.0470 negative per share for MASTER plans, specific for board members, and between a maximum of R$7.9214 and a minimum of R$2.4861 per share for SPECIAL plans, specific for Executive Officers.

In 2008:
- Average weighted price in the 20 trading sessions prior to 03/03/2008: R$15.097/share

In 2009:
- SP LT 07-08: Average weighted price in the 20 trading sessions prior to 03/03/2008: R$15.097/share
- SP ST 08-09: Average weighted price in the 20 trading sessions prior to 05/11/2009: R$10.3823/share
- SP LT 08-09: Average weighted price in the 20 trading sessions prior to 03/03/2009: R$6.7783/share

In 2010:
- Specific Plan IV – Long Term 2009/2010: Average weighted price in the 20 trading sessions prior to 03/03/2010: R$11.02605/share

The exercise prices are:

1. R$0.75485/share for SP LT 07-08
2. R$1.03823/share for SP ST 08-09
3. R$0.67783/share for SP LT 08-09
4. R$11.02605/share for SP LT 09-10

In 2011:
- Specific Plan V – Long Term 2010/2011: Average weighted price in the 20 trading sessions prior to 03/03/2011: R$7.0251/share

The exercise prices are:

5. R$0.75485/share for SP LT 07-08
6. R$1.03823/share for SP ST 08-09
7. R$0.67783/share for SP LT 08-09
8. R$11.02605/share for SP LT 09-10
9. R$7.0251/share for SP LT 10-11

Option lifetime: 4 years (for each Specific Plan).

All dividends and distributions, or their equivalent (whether in cash, stock or other form), on Restricted Shares not exercised are rights to which participants are entitled and are credited by the Corporation in their account and released on the expiration of the restrictions.

The Corporation has the option to pay such credits in accumulated dividends or distributions or their cash equivalent, in stock in the Corporation in lieu of cash or by any other means. For payments made in shares, the conversion is made by the average price in the last 20 trading sessions on the BM&FBOVESPA prior to the payment date, adjusted for the net value of income tax levied on the credit made.

c) method and assumptions used to incorporate the expected effects from the anticipated accounting period

The options granted under the terms of the Plan may be exercised: twenty-five percent (25%) at the end of the first year; twenty-five percent (25%) at the end of the second year; twenty-five percent (25%) at the end of the third year; and twenty-five percent (25%) at the end of the fourth year; as of the execution of the corresponding Stock Option Agreement and also observing the terms and conditions stipulated by the Board of Directors and the terms and conditions provided for in the respective Stock Option Grant Agreements.

For each of the Plans mentioned above, the Corporation has stipulated a time interval in which the beneficiary may exercise the option. This period is 6 months, from March 3 to September 2 of each year. Beneficiaries may not exercise their options prior to this period.

d) how to determine the expected volatility

Calculated using the standard deviation in the last 20 monthly returns based on the closing prices of the Corporation's stock.

e) if any other characteristic of the option was incorporated when measuring its fair value

All characteristics of the option were mentioned in the previous items of this Reference Form.

13.10 – Pension plans in force granted to directors and officers

Not applicable. The Corporation does not have a pension plan.

13.11 – Board of Directors, Statutory Officers and Audit Committee highest, lower and average compensation.

Body	Numbers of Members				Highest Individual Compensation				Lower Individual Compensation				Average Individual Compensation			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
Board of Directors	4	4	4	7,2	720.000	720.000	720.000	720.000	491.449	491.498	491.498	491.498	548.587	548.624	548.624	373.054
Audit Committee			6	6,0	-		71.333	120.000			35.667	20.000			53.500	89.750
Statutory Officers	4	4	4	3,8	720.000	1.800.000	2.220.000	2.400.000	208.588	208.588	615.170	1.111.348,0	495.147	784.147	1.098.263	1.936.703

Note: In the Board of Directors, 2 members have a menagement function in the company and 2 chose not to receive any compensation. The last 2 were not considered above.

13.12 – Describe any contractual arrangements, insurance policies or other instruments that from compensation or indemnification mechanisms for administrators in the event of their termination or retirement, indicating the financial consequences for the issuer

None.

13.13 – For the three last accounting periods, indicate the percentage of total compensation of each entity recognized in the profit and loss of the issuer related to the directors, officers or fiscal council members who are directly or indirectly related parties to the controlling shareholders, as defined by the accounting rules governing this matter

Not applicable.

13.14 – For the three last accounting periods, indicate the amounts recognized in the profit and loss of the issuer as compensation of the directors, officers or fiscal council members, grouped by body, for any reason other than the position they exercise, such as commissions and consulting or advisory services rendered

Not applicable.

13-15 – For the three last accounting periods, indicate the amount recognized in the profit and loss of the direct or indirect controlling shareholders of shared-control companies and subsidiaries of the issuer as compensation of the directors, officers or fiscal council members of the issuer, grouped by body, specifying for what reason the amounts were attributed to these individuals

Not applicable.

13.16 - Provide any other information that the issuer deems relevant

All the relevant information regarding the compensation of the administrators was mentioned in the previous items of this Reference Form.

EXHIBIT IV

PROPOSED AMENDMENTS TO THE BYLAWS OF MARFRIG ALIMENTOS S.A.
TO SHAREHOLDERS CONVENING IN THE COMBINED ANNUAL AND EXTRAORDINARY GENERAL MEETING SCHEDULED TO CONVENE ON APRIL 28, 2012

BYLAWS OF MARFRIG ALIMENTOS S.A.	PROPOSED AMENDMENTS	BACKGROUND
CHAPTER I	**CHAPTER I**	
CORPORATE NAME, HEAD OFFICES, PURPOSE AND TERM	**CORPORATE NAME, HEAD OFFICES, PURPOSE AND TERM**	
Article 1 - Marfrig Alimentos S/A ("Company") is a corporation governed by applicable law and these Bylaws.		
Article 2 - The Company has registered office and legal domicile in the City of São Paulo, State of São Paulo, at Avenida Chedid Jafet 222, Tower A, 5th floor, suite 01, district of Vila Olimpia, Postal Code (CEP) 04551-065. The Company may open and close branches, warehouses, offices, main branches, and any other type of establishment in Brazil and elsewhere by resolution of the board of executive officers.		
Article 3 - The corporate purpose of the Company is (a) to operate a meatpacking business, including by handling animal slaughtering and butchering (of cattle, buffalo, horses, pigs, goats, sheep and poultry), packaging, processing and		

distribution of edible or non-edible animal products and by-products, including, but not limited to, manufacturing and distribution of leather products and by-products, in its own or third–parties' establishments; (b) the purchase, sale, distribution, agency, import and export of food products in general, including alcoholic and non-alcoholic beverages, and other products; (c) the purchase and sale of livestock (cattle, buffalo, horses, pigs, goats, sheep); (d) the supply of manpower to other companies; (e) engaging in animal husbandry; (f) holding ownership interest, as partner or shareholder, in other commercial or civil companies; (g) engaging in distribution and sale of food products in general; (h) engaging in production, distribution and sale of soaps, detergents and washing preparations, disinfectants, softeners and other cleaning and hygiene products; (i) engaging in cogeneration and production and sale of energy and biodiesel; (j) operating in the financial market and in carbon market; (k) engaging in production and sale of vegetable-based products, oils, derivatives and substitutes; animal feed rations (feed and fodder), canned food and fats; and (l) transportation of its own and third-party's products; agency and other related activities, as necessary to fulfill the corporate purpose;		
Sole paragraph - The Company may engage in business in other fields of activity correlated with the corporate purpose set forth in article 3.	~~**Sole paragraph**~~ **Paragraph 1** - The Company may engage in business in other fields of activity correlated with the corporate purpose set forth in article 3.	Numbering update.
New paragraph	**Paragraph 2** – Following the approval for listing of Company shares on the *Novo Mercado* segment of BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e	Added under the main provision to clarify that the Company, the shareholders, directors, officers and fiscal council members are subject to,

	Futuros, the Brazilian Securities, Commodities and Futures Exchange ("BM&FBOVESPA"), the Company, the shareholders, directors, officers and fiscal council members are subject to, and bound by the provisions of the *Novo Mercado* Listing Regulation (hereinafter from time to time "*Novo Mercado* Listing Regulation" or "Listing Regulation").	and bound by the provisions of the *Novo Mercado* Listing Regulation;
New paragraph	**Paragraph 3** –The provisions of the *Novo Mercado* Listing Regulation shall prevail over the provisions of these Bylaws where the rights of shareholders in tender offer are better served under the provisions of the Listing Regulation.	Added under the main provision to clarify that the Company's provisions are subject to, and bound by the provisions of the *Novo Mercado* Listing Regulation;
Article 4 - The Company shall have an indefinite term of duration.		
CHAPTER II	**CHAPTER II**	
CAPITAL STOCK	**CAPITAL STOCK**	
Article 5 - The capital stock of the Company, totally subscribed, is R$4,061,478,051,00 (four billion sixty one million four hundred and seventy-eight thousand and fifty-one reais), divided into 346,983,954 (three hundred and forty-six million nine hundred and eighty-three thousand nine hundred and fifty-four) common shares, all nominative and without par		

value.		
Article 6 - The Company is authorized by resolution of the Executive Board to increase its capital stock, regardless of the statutory restatement, upon issuance of up to five hundred million (500,000,000) common shares, all nominative and without par value, including the current Company's Capital Stock.		
Paragraph 1 - The Executive Board shall establish the issuance conditions of the stocks referred to in the above caput, including the price and payment term, and resolve on the issuance of subscription bonuses, within the limit of the authorized capital.		
Paragraph 2 - Within the limit of the authorized capital and according to the plan approved by the General Meeting, the Executive Board may authorize the Company to grant stock options to its administrators, employees and service providers, as well as administrators, employees and service providers of other companies directly or indirectly controlled by the Company, without preemptive right to shareholders.		
Paragraph 3 - The Company shall not issue founder shares.		
Article 7 - The capital stock shall be represented solely by common shares. Each common share shall entitle the holder to one vote in decisions taken at shareholders' meetings.	**Article 7 -** The capital stock shall be represented solely by common shares. Each common share shall entitle the holder to one vote in decisions taken at shareholders' meetings. The Company may not and shall not issue preferred shares.	Wording of the main provision amended as required by the Listing Regulation in connection with mandatory bylaws provisions, to make it clear the Company may not and shall not issue preferred shares.

Article 8 - All shares of the Company shall be nominative or book entry shares and, in case of book entry stocks, they shall be maintained in a deposit account opened with a financial institution authorized by the Securities and Exchange Commission.		
Sole Paragraph - Observed the maximum limits established by the Securities and Exchange Commission, the transference and registry cost, as well as service costs related to the book entry stocks may be directly charged of the shareholder by the depositary institution, as defined in a stock book entry agreement.		
Article 9 - At the Executive Board discretion, it may be issued, without preemptive right or with term reduction set forth in §4 of art. 171 of Law No. 6.404/76, of shares and debentures convertible into shares or subscription bonus, whose placement is made by means of the sale in the share market or public subscription, or yet upon exchange of shares in public offering for the acquisition of control, as set forth by law, within the authorized capital limit.		
CHAPTER II	**CHAPTER III**	
DECISION-MAKING AND MANAGEMENT BODIES OF THE COMPANY	**DECISION-MAKING AND MANAGEMENT BODIES OF THE COMPANY**	

SECTION I **GENERAL SHAREHOLDERS' MEETING**	**SECTION I** **GENERAL SHAREHOLDERS' MEETING**	
Article 10 - The general meeting shall ordinarily meet once a year and, extraordinarily, whenever called, under the terms of the applicable law or these Bylaws.		
Article 11 - The General Meeting shall be installed and presided by the Chairman of the Executive Board or, in his absence, by any member of the Executive Board or, in his absence, by a shareholder or administrator of the Company elected by a majority of votes of the people present, and the Chairman of the General Meeting shall appoint the secretary, who may be a shareholder or not.		
Article 12 - The General Meeting, besides the attributions set forth by law and herein, shall be responsible for:		
I. electing and dismissing members of the Executive Board, as well as to appoint the Chairman of the Executive Board;		
II. establishing the aggregate annual compensation of the directors, officers and fiscal council members;		
II. annually taking the administrators' accounts and resolving on the financial statements presented by them;		

IV. restating the Bylaws;		
V. resolving on the dissolution, winding up, merger, split off, consolidation of the company, or of any other company into the company;		
VI. approving plans to grant shares option to its administrators and employees, as well as to the administrators and employees of other companies whether directly or indirectly controlled by the Company;		
VII. resolving, according to the proposal presented by the administration, on the destination of profits and distribution of dividends related to the fiscal year;		
VIII. electing the liquidator, as well as the Fiscal Council that shall operate during the winding up period;		
IX. resolving on the request to cancel the registry of the open corporation and removal from the special segment [illegible] referred to as Novo Mercado ("Novo Mercado") of São Paulo Stock Exchange - BOVESPA ("BOVESPA");	IX. resolving on the request to cancel the registry of the open corporation and removal from the special segment [illegible] referred to as Novo Mercado ("Novo Mercado") of BM&FBOVESPA. ~~of São Paulo Stock Exchange - BOVESPA ("BOVESPA");~~	Update the stock exchange's corporate name to BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros.
X. choosing a specialized company responsible for the preparation of the appraisal report related to the shares of the company, in case of canceling of the registry of the open corporation or removal from the *Novo Mercado*, as set forth in Chapter V of these Bylaws, among the companies appointed by the Executive Board; and		
XI. resolving on any matter submitted to it by the Executive Board.		

SECTION II **MANAGEMENT**	**SECTION II** **MANAGEMENT**	
Sub-section I: General Provisions	***Sub-section I: General Provisions***	
Article 13 - The Company shall be managed and directed by a Board of Directors and an Executive Board of Officers.		
Paragraph 1 - The directors and officers of the Company, who shall not be required to post bond, shall take office upon signing an instrument of investiture in the proper register.		
Paragraph 2 – Following the Company's adherence to the rules of the *Novo Mercado* listing segment of BOVESPA, the investiture in office of directors and officers of the Company is now conditioned upon their signing and delivering mandatory statements of adherence to the *Novo Mercado* Listing Regulation. Under the law and applicable regulations, the directors and officers are further required to give the Company and the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or CVM, and BOVESPA, as applicable, notice of their holdings and transactions from time to time carried out in securities issued by the Company.	**Paragraph 2 –** Following the Company's adherence to the rules of the Novo Mercado listing segment of BM&FBOVESPA, the investiture in office of directors and officers of the Company is now conditioned upon their signing and delivering mandatory statements of adherence to the Novo Mercado Listing Regulation *and other applicable legal requirements*. Under the law and applicable regulations, the directors and officers are further required to give the Company and the Brazilian Securities Commission (Comissão de Valores Mobiliários), or CVM, and BM&FBOVESPA, as applicable, notice of their holdings and transactions from time to time carried out in securities issued by the Company.	Update the stock exchange's corporate name to BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros and minor amendments for consistency with the revised listing rules, including as to certain defined terms.
Paragraph 3 – The directors and officers shall remain in office		

until a successor is elected and takes office.		
New paragraph	**Paragraph 4** – As stated on article 45 below, no single person shall be permitted to accumulating the offices of chairman of the board and chief executive officer or lead executive of the Company.	Added to disallow a single person from accumulating the offices of chairman of the board and chief executive officer or lead executive.
Article 14 - The meeting shall establish an annual global compensation limit to be distributed among the administrators and the Executive Board shall be responsible for resolving on the administrators' individual compensation, observing the provisions contained herein.		
Article 15 - Once regular notice, as set forth herein, is observed, any of the administrative bodies can meet if the majority of their members are present and adopt resolutions by the majority of the votes of everyone present.		
Sole Paragraph - Notice for the meeting shall only be waived if all members of the body holding the meeting are present, being admitted, for such purpose, that the presence of such members is verified upon presentation of written votes delivered by another member or sent to the Company prior to the meeting.		
Sub-section II: Board of Directors	***Sub-section II: Board of Directors***	
Article 16 - The Executive Board shall be comprised by at least	**Article 16 -** The Executive Board shall be comprised by	Amended to eliminate the words "all shareholders," as holding shares is no

five (05) and at the most eleven (11) members, all shareholders, elected by General Shareholders' Meeting, with a two year unified term of office, being permitted reelection.	at least five (05) and at the most eleven (11) members~~,~~ ~~all shareholders~~, elected or removed by General Meeting, with a two year unified term of office, being permitted reelection.	longer a director eligibility requirement under Brazilian Corporate Law (as amended by Law No. 12,431 dated June 24, 2011); and to add words to the effect that, consistent with article 122 of Brazilian Corporate Law, the annual general meeting has authority to elect *or remove* the directors.
Paragraph 1 - During the Ordinary General Meeting, the shareholders must resolve on the actual number of Directors.		
Paragraph 2 - At least twenty per cent (20%) of the members of the Board of Executive Officers of the Company shall be Independent Directors, as defined by the *Novo Mercado* Regulation, and the Condition of Independent Director shall mandatorily appear in the minutes of the Shareholders' General Meeting electing said member. Whenever the observance of the percentage referred to in this Paragraph 2 results in a fragmented number of directors, such number shall be rounded to an integral number; (i) immediately higher, whenever the fragment is equivalent or superior to 0.5 or (ii) immediately inferior, whenever the fragment is inferior to 0.5.		
Paragraph 3 - It shall also be considered Independent Directors those elected according to article 141, Paragraph 4 and 5, of the Business Company Law.		
Paragraph 4 - The members of the Board of Executive Officers shall take office upon execution of a term drawn up at a proper book. The members of the Executive Board shall remain in their office and exercising their functions until their substitutes take office, except if otherwise resolved by the Shareholder's		

General Meeting.		
Paragraph 5 - The member of Executive Board must have a flawless reputation. Except as otherwise set forth by General Meeting, it may not be elected as Director he who: (i) hold office in companies that may be consider competitors of the Company; or (ii) have or represent a conflicting interest with the Company. The right to vote may not be exercised by those members of the Executive Board subsequently incurring the same impediment factors.		
Paragraph 6 - The member of the Board of Executive Officers may not have access to the information or participate in meetings of the Executive Board related to matters on which he has or represents conflicting interests with the Company, being expressly prohibited from exercising his right to vote.		
Paragraph 7 - The Executive Board, for a better performance of its functions, may create committees or work groups with defined purposes, integrated by people designated by it among the directors and/or other people not part of the administration of the Company.		
Article 17 - The Chairman of the Executive Board shall be appointed by the General Meeting.		
Paragraph 1 - The Chairman of the Executive Board shall preside the General Meetings and the meetings held by the Executive Board, and in case of absence or temporary impediment, these functions shall be exercised by another		

member of the Executive Board chosen by the majority of the other members.		
Paragraph 2 - Upon vacancy in the Executive Board not resulting in a composition inferior to its majority of offices, according to the number of exercising Directors set forth in the General Meeting, the other members of the Executive Board may (i) appoint a substitute, who shall hold office until the end of the substituted member's term of office; or (ii) leave such office vacant, provided that the minimum number of members set forth in article16 is respected.		
Paragraph 3 - Upon vacancy in the Executive Board resulting in a composition inferior to its majority of offices, according to the number of exercising Directors set forth in the General Meeting, the Executive Board shall call a General Meeting to elect substitutes who shall hold office until the end of the substituted member's term of office.		
Paragraph 4 - In the resolutions of the Executive Board, it shall be attributed to the Chairman, besides his own vote, the casting vote, in case of vote ends in a draw due to a occasional composition of a pair number of Executive Board's members. Each director shall have the right to one (01) vote.		
Article 18 - The Executive Board shall meet whenever called by the Chairman. The meetings of the Executive Board may be exceptionally held by telephone conference, video conference or by any other means of communication in which an unmistakable vote manifestation is obtained.		

Paragraph 1 - The notice of the meeting shall be in writing, delivered at least three (3) business days in advance, by means of letter, telegram, fax, email or any other means allowing to evidence that notice has been received by the addressee, provided that such notice shall contain the agenda and be delivered together with the documents related to the agenda.		
Paragraph 2 - All resolutions adopted by the Executive Board shall be registered at the minutes to be drawn up in the respective books and signed by all directors present at the meeting.		
Paragraph 3 - In the meeting of the Executive Board it shall be admitted the written advanced vote and vote casted by fax, email or by any other means of communication, computed as if the members so voting were present.		
Paragraph 4 - The resolutions by the Executive Board shall always be adopted by the favorable vote of the majority of the members present at the meeting.		
Article 19 - The Executive Board shall, besides the other functions attributed to it by law or herein, be responsible for:		
I. Establishing the general instructions of the business of the Company;		
II. Electing and dismissing Officers of the Company;		
III. Establishing or amending the Executive Committee's limit value to issue any credit instruments to raise funds, whether simple debentures, not convertible into shares and without real		

estate security, bonds, notes, commercial papers, or other regularly used in the market, as well as to establishing its issuance and redemption conditions, being also possible, at its discretion, to demand prior authorization from the Executive Board as a condition to validate the act;		
IV. Inspecting the management carried out by the Officers, analyzing, at any time, the books and papers of the Company and requiring information on the agreements entered into or to be entered into and any other acts;		
V. Electing and dismissing independent auditors of the Company;		
VI. Calling independent auditors to give the explanations considered necessary;		
VII. Appreciating the Administrators' Report and Executive Committee's accounts and resolving on the submission thereof to the General Meeting;		
VIII. Approving the annual budgets of the Company and their respective changes;		
IX. Previously manifesting any proposal to be submitted and resolved by General Meeting;		
X. Authorizing the issuance of shares of the Company, within the limits authorized in Article 6 herein, establishing the issuance conditions, including the price and payment term, being also possible to exclude (or reduce term for) the preemptive right in the issuance of shares, subscription bonuses and convertible debentures, whose placement is made by means of the sale in the stock market or public subscription,		

or in public offerings for the acquisition of control, as set forth by law;		
XI. Resolving on the acquisition by the Company of shares issued by it, or on the concession of purchase and sale options, taking as reference shares issued by the Company, to be maintained as treasury stock and/or later canceling or disposal thereof;		
XII. Resolving on the issuance of subscription bonuses;		
XIII. Granting shares options to its administrators, employees and service providers, as well as to administrators, employees and service providers of other companies directly or indirectly controlled by the Company, without concession of preemptive right to shareholders under the terms of the programs approved in General Meeting;		
XIV. Authorizing the Company to provide guarantees for its obligations and for those assumed by its controlled companies and/or whole subsidiaries, whose value is superior to the limit value established under the terms of the Sole Paragraph below;-		
XV. Approving any acquisitions or transference of goods of the permanent assets, whose value is superior to the limit value established under the terms of the Sole Paragraph Below, except for the provisions contained in item XVI below;		
XVI. Authorizing the Company to participate as shareholder or quotaholder in other companies, or the association of the Company with other companies for the constitution of joint ventures;		

XVII. Approving the creation of possessory liens on the assets of the Company or the concession of guarantees to third parties, whose value is superior to the limit value established under the terms of the Sole Paragraph below;		
XVIII. Approving the obtainment of any financing or loan, including leasing operations, in the name of the Company, not set forth in the annual budget, whose value is superior to the limit value established under the terms of the Sole Paragraph below;		
XIX. Approving any transaction or set of transactions whose annual value is equivalent or superior to the executive committee's limit value defined by the Board of Executive Officers, involving the Company and any related Party, directly or indirectly. For the purposes of this provision, related party shall be understood as any administrator, employee or shareholder of the Company holding, direct or indirectly, more than ten per cent (10%) of the capital stock of the Company;		
XX. Authorizing the assignment of the use, dispose, transfer or license any kind of intellectual property or industrial property belonging to the Company;		
XXI. Previously resolving on the spin-off, consolidation, merger, dissolution or winding up operations, or any other corporate reorganization operation with similar effects, involving any of the companies controlled by the Company; and		
XXII. Attributing bonuses to shares and decide on occasional splits and reverse splits of stocks;		

New indent	XXIII. Expressing, and releasing to the market within fifteen (15) days after the related announcement, a reasoned opinion on any type of tender offer initiated in respect of the Company shares advising shareholders on (i) the timing and convenience of the bid vis-à-vis the interests of shareholders and the liquidity of their shares; (ii) the impact of the offer on the business interests of the Company; (iii) the bidder's announced strategic plans for the Company; and (iv) any other point of consideration the Board may deem relevant. In expressing an opinion in favor of, or rejecting the tender offer, the board of directors shall further provide the additional information required under applicable CVM rules; and	Added under the main provision requiring the board of directors to issue a reasoned opinion advising shareholders on the timing and merits of any tender offer announced for shares issued by the Company, as required under the revised Listing Regulation in connection with mandatory bylaws provisions;
New indent	XXIV Where a tender offer is required to be implemented in a going private process (for cancellation of the public company registration) or delisting process, preparing a list of three specialist valuation firms for the shareholders to select one to prepare a valuation report determining the economic value of the Company shares.	Added under the main provision to establish the board of directors is responsible for providing the shareholders with a triple list of candidate specialist firms for a valuation of the shares in case a tender offer is to be conducted as part of a going private process or a process to delist the shares from the *Novo Mercado*, such as required under the revised Listing Regulation;
Sole Paragraph - Sole Paragraph - The Executive Board may establish limits for the executive committee to practice any of the acts referred to in articles III, XIV, XV, XVII, XVIII, XX, observing the value limits per act or series of acts.		

Sub-section III: Executive Board of Officers	***Sub-section III: Executive Board of Officers***	
Article 20 - The Executive Board shall be composed of two (02) to seven (07) executive officers, whose titles will be Chief Executive Officer, Chief Operating Officer, Investor Relations Officer, Chief Financial Officer and the other executive officers will have no specific title.. The functions of the Investor Relations Officer may be exercised cumulatively with those of any other Officer, as determined by the Board of Directors.		
Paragraph 1 - The Officers shall be elected for a term of three (03) years, and may be reelected.		
Paragraph 2 - The Officers not re-elected for the next term shall remain vested in their positions until the new Officers take office.		
Paragraph 3 - In the event of a final impediment or vacancy, the Executive Board shall be immediately called to elect the substitute.		
Paragraph 4 - The absence or impediment of any Officer for a continuous period superior to thirty days, except if authorized by the Executive Board, shall determine the end of the respective term of office, being applicable the provisions contained in paragraph 3 of this article.		
Paragraph 5 - One Officer may not substitute, simultaneously,		

more than one other Officer.		
Paragraph 6 - The Executive Committee shall meet if so called by the CEO or by any two Officers acting together, whenever the corporate interests so require. The meetings of the Executive Committee shall be held at the head offices of the company, installed upon the presence of the majority of its members, being mandatorily among them the CEO or the absolute majority of Officers, and the respective resolutions shall be adopted by the majority vote of everyone present, except if the voting ends in a draw, in which case the CEO shall have the casting vote to approve or reject the matter in discussion. Minutes with the corresponding resolutions shall be drawn up in the competent book.		
Article 21 - The Officers shall be responsible for administrating and managing the businesses of the Company, specially:		
I. Complying with and causing these Bylaws and resolutions adopted by the Executive Board and General Meeting to be complied with;		
II. Annually submitting to the appreciation of the Executive Board the Administration Report and the Executive Committee's accounts, together with the independent auditors report, as well as the proposal;		
III. Submit to the Executive Board the annual budget of the Company;		
IV. Quarterly present to the Executive Board the trial balance and detailed balance sheet of the Company and of its		

controlled companies;		
V. Issue and approve instructions and internal regulations considered necessary or useful; and		
VI. Represent the Company in and out of court, as a plaintiff or defendant, observing the provisions set forth in article 26.		
Article 22 - The CEO shall be responsible for coordinating the action of the Officers and direct the activities related to the general planning of the Company, besides the functions, attributions and powers attributed to him by the Executive Board, and observing the policy and orientation previously traced by the Executive Board:		
I. Call and preside the meetings held by the Board of Directors;		
II. Supervise the administrative activities of the Company, coordinating and inspecting the activities performed by the members of the Executive Committee;		
III. Coordinate the personal, organizational, managerial, operational and marketing policy of the Company;		
IV. Annually prepare and present to the Executive Board the annual business plan and budget of the Company; and		
V. Administrate the corporate business in general.		
Article 23 - The COO, besides the functions, attributions and powers granted to him by the Executive Board, and following the policy and orientation previously traced by the Executive Board, shall be responsible for:		

I. supervising and directing the activities related to the following areas: merger and acquisitions, expansion, engineering, marketing and sales of the Company;		
II. recommending any transaction related to the acquisition of companies, observing the terms and conditions contained herein and the applicable law; and		
III. recommending any investments in fixed assets, by means of the isolated approval of the investment project or approval of a general budget for a project or department, observing the directives previously established by the General Meeting and by the Executive Board of the Company.		
Article 24 - The Investor Relations Officer shall provide information to the investor public, to the Securities and Exchange Commission and to the stock markets and over-the-counter markets in which the company is registered, and keep updated the open corporation registry, fully complying with the laws and regulation applicable to open corporations.		
Article 25 - The CFO shall, besides the functions, attributions and powers granted to him by the Executive Board, and observing the policy and orientation previously defined by the Executive Board, be responsible for:		
I. proposing financing alternatives and approve financial conditions related to the business of the Company;		
II. administering the cash, accounts payable and accounts receivable of the Company; and		
III. directing the accounting, financial planning and tax areas.		

Article 26 - The Company shall be represented as follows:		
(a) by the Chief Executive Officer, acting individually;		
(b) by two (02) officers acting jointly, provided one of them is the Chief Executive Officer;		
(c) by any executive officer acting jointly with an attorney-in-fact acting under a power of attorney granted by the Chief Executive Officer on behalf of the Company; or		
(d) by two (02) attorneys-in-fact acting under a power of attorney granted by on behalf of the Company.		
Sole Paragraph - The power of attorneys shall always be granted in the name of the Company according to item (a) above, and shall be in full force and effect for one year, at the most, except for those power of attorneys related to judicial or administrative proceedings, in which case the may be granted for an undetermined term.	**~~Sole Paragraph~~Paragraph 1 –** The Company, as compulsorily represented pursuant to item (a) of the main provision, shall grant powers of attorneys for maximum one-year terms, except that powers of attorney granted for legal representation in judicial or administrative proceedings may be granted for an indefinite term.	Numbering update.
New paragraph	**Paragraph 2 –** The Chief Executive Officer shall have authority to grant specific powers of attorney permitting a single executive officer or attorney-in-fact to act on behalf of, and represent or bind the Company in specified actions or transactions.	Giving the Chief Executive Officer authority to grant specific powers of attorney permitting a single executive officer or attorney-in-fact to act on behalf of, and represent or bind the Company in specified circumstances
SECTION III	**SECTION III**	

FISCAL COUNCIL	**FISCAL COUNCIL**	
Article 27 - The Fiscal Council of the Company, which shall have the responsibilities set forth under applicable law, shall be composed of three (03) to five (05) members, and an equal number of alternates.		
Paragraph 1 - The Fiscal Council shall operate on a permanent basis, in accordance with applicable legal provisions.		
Paragraph 2 - Following the Company's adherence to the rules of the *Novo Mercado* listing segment of BOVESPA, the investiture of fiscal council members in office is now contingent upon their signing and delivering mandatory statements of adherence to the *Novo Mercado* Listing Regulation. Under the law and applicable regulations, the fiscal council members are further required to give the Company and the CVM and BOVESPA, as applicable, notice of their direct or indirect holdings and transactions from time to time carried out in securities issued by the Company.	**Paragraph 2** - Following the Company's adherence to the rules of the *Novo Mercado* listing segment of BM&FBOVESPA, the investiture of fiscal council members in office is now contingent upon their signing and delivering mandatory statements of adherence to the *Novo Mercado* Listing Regulation and other applicable legal requirements. Under the law and applicable regulations, the fiscal council members are further required to give the Company and the CVM and BM&FBOVESPA, as applicable, notice of their direct or indirect holdings and transactions from time to time carried out in securities issued by the Company.	Update the stock exchange's corporate name to BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros and minor amendments for consistency with the revised listing rules, including as to certain defined terms.
CHAPTER IV	**CHAPTER IV**	
FISCAL YEAR AND FINANCIAL STATEMENTS	**FISCAL YEAR AND FINANCIAL STATEMENTS**	
Article 28 - The fiscal year shall begin on January 1 and shall end on December 31 of each year.		

Paragraph 1 - At the end of each fiscal year, the Executive Committee shall prepare, observing the relevant legal provisions, the financial statements required by Law and by the *Novo Mercado* Regulation.		
Paragraph 2 - It shall be part of the financial statements of the fiscal year, the administration proposal on the net profit destination, observing the provisions set forth herein and by the applicable law in force.		
Paragraph 3 - The net profit of the fiscal year shall mandatorily have the following destination:		
(a) five per cent (5%) for the constitution of the legal reserve, until it reaches twenty per cent (20%) of the subscribed capital stock;		
(b) the payment of dividends is mandatory, observing the provisions contained in article 33 hereof and the applicable law;	(b) the payment of dividends is mandatory, observing the provisions contained in article ~~33~~ 29 hereof and the applicable law;	Correcting the article mentioned.
(c) the constitution of profit reserves and distribution of dividends besides the mandatory dividends under the terms of Law No. 6.404/76.		
Article 29 - The shareholders shall have the right to receive, in each exercise, as dividends, a mandatory minimum percentage of twenty-five per cent (25%) on the net profit of the fiscal year, with the following adjustments:		

I. the reduction of the amounts destined to the constitution of the legal reserve and contingency reserve in the fiscal year; and		
II. increase of the amounts resulting from the reversal of previously constituted contingency reserves in the fiscal year.		
Paragraph 1 - Whenever the obligatory dividend amount exceeds the realized parcel of the net profit of the fiscal year, the administration may propose, and the General Meeting may approve, to use the exceeding amount to constitute the realizable profit reserve (article 197 of Law No. 6.404/76).		
Paragraph 2 - The Meeting may determine that the administrators of the Company or its controlled companies shall have a share in the profits, observing the pertinent legal restrictions. It is a condition for such profit sharing the attribution to the shareholders of the minimum obligatory dividend referred to in this article.		
Paragraph 3 - The Company may prepare balance sheets twice a year or with a higher frequency. Once the conditions imposed by law are followed, the Executive Board may: (a) resolve on the distribution of dividends to be debited from the profit account calculated in the balance sheets prepared twice a year or with a higher frequency ad referendum of the General Meeting; and (b) declare intermediary dividends to be debited from the profit reserve account existing in the last annual or twice-a-year balance sheet.		
Paragraph 4 - The dividends not claimed for three years shall prescribe in favor of the Company.		

Paragraph 5 - The Executive Board may resolve on the proposal of the Executive Committee to pay or credit interests on the proper capital, a referendum of the Ordinary General meeting appreciating the financial statements related to the fiscal year in which such interests were paid or credited, and the values corresponding to the interests on the proper capital shall be attributed to the obligatory dividend.		
CHAPTER V	**CHAPTER V**	
DISPOSITION OF CONTROL; DIFFUSE CONTROL; GOING PRIVATE PROCESS; DELISTING FROM THE *NOVO MERCADO*	**DISPOSITION OF CONTROL; ~~DIFFUSE CONTROL;~~ GOING PRIVATE PROCESS; DELISTING FROM THE *NOVO MERCADO***	
Article 30 – Any single transaction or series of successive transactions for disposition of control is required to be agreed under a condition precedent or dissolving condition that a tender offer for all other shares of the Company be conducted by the acquirer of control, giving due regard to the conditions and deadlines prescribed under applicable legislation and the *Novo Mercado* Listing Regulation, thus ensuring other shareholders are extended the same treatment afforded the selling controlling shareholder.		
Article 31 – A tender offer shall likewise be required in any the following events:		
I. Where sufficiently significant subscription rights or other		

securities or rights convertible into, or exchangeable or exercisable for shares are assigned at cost, such that the end result equates to a disposition of control of the Issuer, or		
II. where a transaction is agreed for disposition of the controlling interest in a controller of the Company, in which case the selling shareholder will be required to disclose to BOVESPA the value assigned to the Company in the selling transaction and to present documentary evidence thereof.	II. where a transaction is agreed for disposition of the controlling interest in a controlling shareholder of the Company, in which case the selling shareholder will be required to disclose to BM&FBOVESPA the value assigned to the Company in the selling transaction and to present documentary evidence thereof.	Update the stock exchange's corporate name to BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros.Minor amendments for consistency with the revised listing rules, including as to certain defined terms.
Article 32 - Those who already have shares of the Company and acquire the power to control it, under a private purchase transaction agreed with the controlling shareholder for any number of shares, shall be required:	**Article 32 -** A shareholder acquiring a controlling interest~~Those who already have shares of the Company and acquire the power to control it~~, under a private purchase transaction agreed with the controlling shareholder for any number of shares, shall be required:	Minor amendments for consistency with the revised listing rules, including as to certain defined terms.
I. to conduct a tender offer for all other shares of the Company, such as required under Article 31 of these Bylaws; and		
II. reimburse the shareholders from whom the shares were traded on the stock exchange within the six 06) months before the control transference date, and pay such shareholders the occasional difference between the price paid by to the shareholding transferring control and the value paid in the stock market by the shares of the Company in this same period, duly updated up to the moment it is paid by the IPCA.	II. to reimburse counterparties from whom the bidder may have purchased shares by trading on the stock exchange in the six-month period preceding the date of the private transaction, in which case the reimbursement price shall be the difference (if any) between the bid price per share (in the tender offer) and the adjusted price per share paid in the relevant exchange transactions. BM&FBOVESPA will be responsible for implementing the reimbursement process, in accordance with its own regulations, such	Amended in line with the revised Listing Regulation, which requires a shareholder acquiring a controlling interest under a private transaction with the controlling shareholder, will be required (i) to conduct a tender offer for all other shares of the company and, *(ii)* to reimburse counterparties from whom it may have purchased shares by trading on the stock exchange in the six-month period

	that the aggregate reimbursement price can be allocated amongst the relevant counterparty sellers of shares in proportion to each of their daily net selling positions as of the relevant trade dates over the relevant six-month period. ~~II. reimburse the shareholders from whom the shares were traded on the stock exchange within the six 06) months before the control transference date, and pay such shareholders the occasional difference between the price paid by to the shareholding transferring control and the value paid in the stock market by the shares of the Company in this same period, duly updated up to the moment it is paid by the IPCA.~~	preceding the date of the private transaction, in which case the reimbursement price will be the difference (if any) between the bid price per share (in the tender offer) and the adjusted price per share paid in the relevant exchange transactions;
Article 33 – Where a tender offer is required to be conducted by a controlling shareholder or the Company due to a going private process, the bid price shall be the Economic Value per share, as determined in a valuation report prepared in the manner provided in Article 35 of these Bylaws.	**Article 33 –** Where a tender offer is required to be conducted by a controlling shareholder or the Company due to a going private process, the bid price shall be the Economic Value per share, as determined in a valuation report prepared in the manner provided in Article ~~35~~ 37 of these Bylaws, due regard being given to applicable legal and regulatory rules.	Numbering update on the referred article 37 and minor amendments for consistency with the revised listing rules, including as to certain defined terms.
Article 34 - If the shareholders holds an Extraordinary General Meeting and decide: (i) to remove the Company from the New Market, in a way that its shares are no longer registered at the New Market, or (ii) to carry out a reorganization according to which the resulting company shall not be admitted to carry out transactions in the New Market, the shareholder, or group of shareholders holding the power to control the Company shall make the public Offering to acquire the shares from the other	**Article 34 - In the event the Company is set to delist from the *Novo Mercado* for the shares to trade on another market, or due to a corporate restructuring process where the surviving company has not listed its shares to trade on the *Novo Mercado* within one hundred and twenty days (120) after the date of the**	Amended in line with the requirement included in the revised Listing Regulation, which provides that where a company is set to delist due to a corporate restructuring process where the surviving company fails to list the

shareholders, at least by their respective economical value, to be calculated by an appraisal report, referred to in Article 35 of these Bylaws, respecting the applicable law and regulations.	shareholders' meeting that approves the restructuring transaction, the controlling shareholder shall be required to conduct a tender offer for all shares paying a bid price not lower than the Economic Value per share, as determined in a valuation report prepared in the manner provided in Article 37 of these Bylaws, due regard being given to applicable legal and regulatory rules. ~~**Article 34** - If the shareholders holds an Extraordinary General Meeting and decide: (i) to remove the Company from the New Market, in a way that its shares are no longer registered at the New Market, or (ii) to carry out a reorganization according to which the resulting company shall not be admitted to carry out transactions in the New Market, the shareholder, or group of shareholders holding the power to control the Company shall make the public Offering to acquire the shares from the other shareholders, at least by their respective economical value, to be calculated by an appraisal report, referred to in Article 35 of these Bylaws, respecting the applicable law and regulations.~~	shares to trade on the *Novo Mercado* within one hundred and twenty days (120) after the date of the shareholders' meeting that approves the restructuring transaction, the controlling shareholder is required to conduct a tender offer for the shares at a bid price not lower than the economic value per share.
New article	**Article 35 –** In the absence of a controlling shareholder due to widely dispersed ownership, if the Company is set to delist from the *Novo Mercado* for the shares to trade on another market, or due to a corporate restructuring process where the surviving company has not listed its shares to trade on the *Novo Mercado* within one hundred and twenty days (120) after the	New article (and paragraphs 1 and 2) added to include provisions required under the revised Listing Regulation, to the effect that, absent a controlling shareholder due to widely dispersed ownership, if a shareholders' meeting votes to approve a going private

	date of the shareholders' meeting that approved the transaction, such event shall trigger the tender offer requirement, and the bid shall be implemented under similar conditions as provided in the preceding article.	process, a delisting from the *Novo Mercado*, or a corporate reorganization (where the surviving company fails to list the shares on the *Novo Mercado*), the meeting attendees are required to define the party or parties responsible for conducting the tender offer. Subsequent articles are renumbered.
New paragraph	**Paragraph 1** – In either of the abovementioned events, the shareholders' meeting that approves the action or transaction shall be required to designate the party or parties responsible for carrying out the tender offer. If attending the meeting, the designated bidder or bidders shall be required to expressly commit to conduct the tender.	See above.
New paragraph	**Paragraph 2** – Absent a decision designating the bidder or bidders responsible for the tender offer in the case of a corporate restructuring process where the surviving company fails to list the shares to trade on the *Novo Mercado* within the assigned deadline, the responsibility for conducting the tender offer shall lie with the shareholders voting to approve the restructuring transaction.	See above.
New article	**Article 36 –** A cancellation of the listing authorization ordered as a result of a breach of the *Novo Mercado* Listing Regulation shall trigger the tender offer requirement. In this event, the offer shall be implemented at a bid price not lower than the	New article and paragraphs added for consistency with the revised Listing Regulation, to require a tender offer to be conducted in the event of violation of the Listing Regulation. The

	Economic Value per share, as determined in a valuation report prepared in the manner provided in Article 37 of these Bylaws, due regard being given to applicable legal and regulatory rules.	responsibility for conducting the tender offer lies with the controlling shareholder or, absent the latter due to widely dispersed ownership, lies with the shareholders that vote to approve action in violation of the Listing Regulation. Additionally, where (regardless of whether or not a company has a controlling shareholder) the tender offer requirement is triggered due to an "act or fact of management" in breach of the listing rules, the directors and officers are required to call a shareholders' meeting at which the shareholders will be asked to decide on how to remedy the violation of the listing rules or, as the case may be, to decide for a delisting process, in which case the shareholders will also be asked to define the party or parties responsible for conducting the tender offer. Subsequent articles are renumbered.
New paragraph	**Paragraph 1 –** The responsibility for completing the tender offer required in the main provision of this article shall lie with the controlling shareholder.	See above.
New paragraph	**Paragraph 2** – In the absence of a controlling shareholder due to widely dispersed ownership, if the event triggering the tender offer requirement consists of contravening action or transaction decided at a shareholders' meeting, then the responsibility for completing the tender offer shall lie with the	See above.

	shareholders that shall have voted to approve the contravening action or transaction.	
New paragraph	**Paragraph 3** – In the absence of a controlling shareholder due to widely dispersed ownership, if the event triggering the tender offer requirement consists of an act of fact of management, the directors and officers shall be responsible for calling a shareholders' meeting at which the shareholders shall be asked to consider how to remedy the breach of the *Novo Mercado* Listing Regulation or, as the case may be, to decide for a delisting process.	See above.
New paragraph	**Paragraph 4** – Where the shareholders' meeting convened pursuant to paragraph 3 above votes to delist the shares from the Novo Mercado, the shareholders shall also be required to designate the party or parties responsible for carrying out the tender offer foreseen in the main provision. If attending the meeting, the designated bidder or bidders shall be required to expressly commit to conduct the tender.	See above.
Article 35 – The valuation reports required under articles 33 and 34 of these Bylaws shall be prepared by an experienced, independent, specialist valuation firm, which is not susceptible to being influenced by the decisions of the Board or Management, or the Controlling of the Company, if any. In addition, any such valuation firm shall meet the requirements of paragraph 1 of Article 8 of Brazilian Corporate Law and perform the work subject to the liability clause contemplated	**Article ~~35~~ 37 –** The valuation reports required under articles 33 and 34 of these Bylaws shall be prepared by an experienced, independent, specialist valuation firm, which is not susceptible to being influenced by the decisions of the Board or Management, or the Controlling Shareholder(s) ~~Controlling~~ of the Company, if any. In addition, any such valuation firm shall meet the requirements of paragraph 1 of Article 8 of Brazilian Corporate Law and perform the work subject to the liability clause contemplated under paragraph 6 of the	Numbering update and minor amendments for consistency with the revised listing rules, including as to certain defined terms.

under paragraph 6 of the said legal provision.	said legal provision.	
Paragraph 1 – In either of the abovementioned events, the shareholders' meeting that approves the action or transaction shall be required to designate the party or parties responsible for carrying out the tender offer. If attending the meeting, the designated bidder or bidders shall be required to expressly commit to conduct the tender.		
Paragraph 2 – Absent a decision designating the bidder or bidders responsible for the tender offer in the case of a corporate restructuring process where the surviving company fails to list the shares to trade on the *Novo Mercado* within the assigned deadline, the responsibility for conducting the tender offer shall lie with the shareholders voting to approve the restructuring transaction.		
Article 36 - The Company shall not consent to record any transfer of shares to an acquirer of control until such time as the latter, consistent with the requirement of the *Novo Mercado* Listing Regulation, shall have fulfilled the obligation of delivering a duly signed statement of adherence of controlling shareholder. Likewise, the Company shall not consent to register any shareholders' or voting agreement regulating the exercise of control over the Company unless the agreement signatories shall have delivered duly signed statements of adherence of controlling shareholder.	**Article ~~36~~ 38 -** The Company shall not consent to record any transfer of shares to an acquirer of control until such time as the latter, consistent with the requirement of the *Novo Mercado* Listing Regulation, shall have fulfilled the obligation of delivering a duly signed statement of adherence of controlling shareholder Likewise, the Company shall not consent to register any shareholders' or voting agreement regulating the exercise of control over the Company unless the agreement signatories shall have delivered duly signed statements of adherence of controlling shareholder.	Numbering update and minor amendments for consistency with the revised listing rules.

Article 37 - It shall be permitted for a single tender offer to be registered with a view to accomplishing one or some of the objectives contemplated in this Chapter V, in the *Novo Mercado* Listing Regulation, or the CVM regulation, provided it must be possible to harmonize the different offer methods, and provided, further, the procedure shall not be detrimental to the addressees of the offer and the CVM shall have consented to such offer, where consent is required under applicable rules.	**Article ~~37~~ 39** - It shall be permitted for a single tender offer to be registered with a view to accomplishing one or some of the objectives contemplated in this Chapter V, in the *Novo Mercado* Listing Regulation, or the CVM regulation, provided it must be possible to harmonize the different offer methods, and provided, further, the procedure shall not be detrimental to the addressees of the offer and the CVM shall have consented to such offer, where consent is required under applicable rules.	Numbering update.
Article 38 - Where these Bylaws, the *Novo Mercado* Listing Regulation, or the CVM regulation require a tender offer to be carried out by the Company or one or some of the shareholders, the obligation may be discharged through any willing shareholder or third party and, as the case may be, the Company. However, the Company or the shareholder(s) charged with conducting the tender offer, as applicable, shall not be released from the obligation until such time as a tender offer completes in accordance with all applicable rules.	**Article ~~38~~ 40** - Where these Bylaws, the *Novo Mercado* Listing Regulation, or the CVM regulation require a tender offer to be carried out by the Company or one or some of the shareholders, the obligation may be discharged through any willing shareholder or third party and, as the case may be, the Company. However, the Company or the shareholder(s) charged with conducting the tender offer, as applicable, shall not be released from the obligation until such time as a tender offer completes in accordance with all applicable rules.	Numbering update.
Article 39 - Where these Bylaws are silent on an issue, the matter shall be resolved at a shareholders' meeting, due regard being given to the provisions of Brazilian Corporate Law (Law No. 6,404/76, as amended).	**Article ~~39~~ 41** - Where these Bylaws are silent on an issue, the matter shall be resolved at a shareholders' meeting, due regard being given to the provisions of Brazilian Corporate Law (Law No. 6,404/76, as amended), and the *Novo Mercado* Listing Regulation~~.~~.	Numbering update and minor amendments for consistency with the revised listing rules
CHAPTER VI	**CHAPTER VI**	

ARBITRATION	**ARBITRATION**	
Article 40 – The Company, the shareholders, the directors and officers and the fiscal council members are required to settle by arbitration any and all disputes involving any of them, as related to, or arising from the application, validity, effectiveness, interpretation, violation and effects of violation of the provisions of these Bylaws, the Brazilian Corporate Law, the rules and regulations of the Brazilian National Monetary Council, the Central Bank of Brazil and the Brazilian Securities Commission, the *Novo Mercado* Listing and Sanctions Regulations, the *Novo Mercado* Listing Agreement, and the Arbitration Regulation adopted, as well as other rules and regulations applicable to the Brazilian capital markets. The arbitration proceedings shall be conducted by the Market Arbitration Chamber (established by BOVESPA) under its adopted Arbitration Regulation.	**Article ~~40~~ 42 –** The Company, the shareholders, the directors and officers and the fiscal council members are required to settle by arbitration any and all disputes involving any of them, as related to, or arising from the application, validity, effectiveness, interpretation, violation and effects of violation of the provisions of these Bylaws, the Brazilian Corporate Law, the rules and regulations of the Brazilian National Monetary Council, the Central Bank of Brazil and the Brazilian Securities Commission, the *Novo Mercado* Listing and Sanctions Regulations, the *Novo Mercado* Listing Agreement, and the Arbitration Regulation adopted by the Market Arbitration Chamber, as well as other rules and regulations applicable to the Brazilian capital markets. The arbitration proceedings shall be conducted by the Market Arbitration Chamber (established by BM&FBOVESPA) under its adopted Arbitration Regulation.	Numbering update and minor amendments for consistency with the revised listing rules, including as to certain defined terms. These are not substantive changes and, in many cases, merely update the stock exchange's corporate name to BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros.
CHAPTER VII	**CHAPTER VII**	
LIQUIDATION	**LIQUIDATION**	

Article 41 - The Company shall be liquidated in the events contemplated under the law, and the shareholders in a general meeting shall elect the liquidator or liquidators and the Fiscal Council which shall operate during the liquidation period, giving regard to applicable legal formalities.	**Article ~~41~~ 43 -** The Company shall be liquidated in the events contemplated under the law, and the shareholders in a general meeting shall elect the liquidator or liquidators and the Fiscal Council which shall operate during the liquidation period, giving regard to applicable legal formalities.	Numbering update.
CHAPTER VIII	**CHAPTER VIII**	
TRANSITORY AND FINAL PROVISIONS	**TRANSITORY AND FINAL PROVISIONS**	
Article 42 - The Company may not grant financing or guarantees of any kind to the third parties, under any modality, related to business strange to the corporate interests.	**Article ~~42~~ 44 -** The Company shall not grant any type of loans or financing or guarantees of any kind to third parties for purposes unrelated to the corporate purpose or the interests of the Company.	Numbering update.
Article 43 - The provisions contained in Article 16, paragraph 2 and Chapter V hereof shall only be effective as of the publication date of the Notice informing on the beginning of the Shares Public Distribution related to the first public distribution of the shares issued by the Company purpose of registry application No. RJ/2007-03628, filed with SEC on April 18, 2007.	~~**Article 43 -** The provisions contained in Article 16, paragraph 2 and Chapter V hereof shall only be effective as of the publication date of the Notice informing on the beginning of the Shares Public Distribution related to the first public distribution of the shares issued by the Company purpose of registry application No. RJ/2007-03628, filed with SEC on April 18, 2007.~~	Elimination of current article 43, a transitory provision introduced early on in the bylaws to condition the effectiveness of certain provisions to the consummation of our IPO, which was implemented in 2007.

New article	**Article 45** – Paragraph 4th from article 13 validity will start on May 10, 2014, when a revised version of subsection 14.5 of the Novo Mercado Listing Regulation takes effect	To clarify the effectiveness starts on the date the specific item of the revised Listing Regulation take effect in 2014).

<u>EXHIBIT V</u>

RESTATED BYLAWS OF
MARFRIG ALIMENTOS S.A.

<u>CHAPTER I</u>
CORPORATE NAME, HEAD OFFICES, PURPOSE AND TERM

Article 1 - Marfrig Alimentos S/A (“Company”) is a corporation governed by applicable law and these Bylaws.

Article 2 - The Company has registered office and legal domicile in the City of São Paulo, State of São Paulo, at Avenida Chedid Jafet 222, Tower A, 5th floor, suite 01, district of Vila Olimpia, Postal Code (CEP) 04551-065. The Company may open and close branches, warehouses, offices, main branches, and any other type of establishment in Brazil and elsewhere by resolution of the board of executive officers.

Article 3 - The corporate purpose of the Company is (a) to operate a meatpacking business, including by handling animal slaughtering and butchering (of cattle, buffalo, horses, pigs, goats, sheep and poultry), packaging, processing and distribution of edible or non-edible animal products and by-products, including, but not limited to, manufacturing and distribution of leather products and by-products, in its own or third–parties’ establishments; (b) the purchase, sale, distribution, agency, import and export of food products in general, including alcoholic and non-alcoholic beverages, and other products; (c) the purchase and sale of livestock (cattle, buffalo, horses, pigs, goats, sheep); (d) the supply of manpower to other companies; (e) engaging in animal husbandry; (f) holding ownership interest, as partner or shareholder, in other commercial or civil companies; (g) engaging in distribution and sale of food products in general; (h) engaging in production, distribution and sale of soaps, detergents and washing preparations, disinfectants, softeners and other cleaning and hygiene products; (i) engaging in cogeneration and production and sale of energy and biodiesel; (j) operating in the financial market and in carbon market; (k) engaging in production and sale of vegetable-based products, oils, derivatives and substitutes; animal feed rations (feed and fodder), canned food and fats; and (l) transportation of its own and third-party's products; agency and other related activities, as necessary to fulfill the corporate purpose;

Paragraph **1** – The Company may engage in business in other fields of activity correlated with the corporate purpose set forth in article 3.

Paragraph 2 – Following the approval for listing of Company shares on the *Novo Mercado* segment of BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros, the Brazilian Securities, Commodities and Futures Exchange (“BM&FBOVESPA”), the Company, the shareholders, directors, officers and fiscal council members are subject to, and bound by the provisions of the *Novo Mercado* Listing Regulation (hereinafter from time to time “*Novo Mercado* Listing Regulation” or “Listing Regulation”).

Paragraph 3 –The provisions of the *Novo Mercado* Listing Regulation shall prevail over the provisions of these Bylaws where the rights of shareholders in tender offer are better served under the provisions of the Listing Regulation.

Article 4 - The Company shall have an indefinite term of duration.

<u>CHAPTER II</u>

CAPITAL STOCK

Article 5 - The capital stock of the Company, totally subscribed, is R$4,061,478,051,00 (four billion sixty one million four hundred and seventy-eight thousand and fifty-one reais), divided into 346,983,954 (three hundred and forty-six million nine hundred and eighty-three thousand nine hundred and fifty-four) common shares, all nominative and without par value.

Article 6 - The Company is authorized by resolution of the Executive Board to increase its capital stock, regardless of the statutory restatement, upon issuance of up to five hundred million (500,000,000) common shares, all nominative and without par value, including the current Company's Capital Stock.

Paragraph 1 - The Executive Board shall establish the issuance conditions of the stocks referred to in the above caput, including the price and payment term, and resolve on the issuance of subscription bonuses, within the limit of the authorized capital.

Paragraph 2 - Within the limit of the authorized capital and according to the plan approved by the General Meeting, the Executive Board may authorize the Company to grant stock options to its administrators, employees and service providers, as well as administrators, employees and service providers of other companies directly or indirectly controlled by the Company, without preemptive right to shareholders.

Paragraph 3 - The Company shall not issue founder shares.

Article 7 - The capital stock shall be represented solely by common shares. Each common share shall entitle the holder to one vote in decisions taken at shareholders' meetings. The Company may not and shall not issue preferred shares.

Article 8 - All shares of the Company shall be nominative or book entry shares and, in case of book entry stocks, they shall be maintained in a deposit account opened with a financial institution authorized by the Securities and Exchange Commission.

Sole Paragraph - Observed the maximum limits established by the Securities and Exchange Commission, the transference and registry cost, as well as service costs related to the book entry stocks may be directly charged of the shareholder by the depositary institution, as defined in a stock book entry agreement.

Article 9 - At the Executive Board discretion, it may be issued, without preemptive right or with term reduction set forth in §4 of art. 171 of Law No. 6.404/76, of shares and debentures convertible into shares or subscription bonus, whose placement is made by means of the sale in the share market or public subscription, or yet upon exchange of shares in public offering for the acquisition of control, as set forth by law, within the authorized capital limit.

CHAPTER III

DECISION-MAKING AND MANAGEMENT BODIES OF THE COMPANY

SECTION I

GENERAL SHAREHOLDERS' MEETING

Article 10 - The general meeting shall ordinarily meet once a year and, extraordinarily, whenever called, under the terms of the applicable law or these Bylaws.

Article 11 - The General Meeting shall be installed and presided by the Chairman of the Executive Board or, in his absence, by any member of the Executive Board or, in his absence, by a shareholder or administrator of the Company elected by a majority of votes of the people present, and the Chairman of the General Meeting shall appoint the secretary, who may be a shareholder or not.

Article 12 - The General Meeting, besides the attributions set forth by law and herein, shall be responsible for:

I. electing and dismissing members of the Executive Board, as well as to appoint the Chairman of the Executive Board;

II. establishing the aggregate annual compensation of the directors, officers and fiscal council members;

III. annually taking the administrators' accounts and resolving on the financial statements presented by them;

IV. restating the Bylaws;

V. resolving on the dissolution, winding up, merger, split off, consolidation of the company, or of any other company into the company;

VI. approving plans to grant shares option to its administrators and employees, as well as to the administrators and employees of other companies whether directly or indirectly controlled by the Company;

VII. resolving, according to the proposal presented by the administration, on the destination of profits and distribution of dividends related to the fiscal year;

VIII. electing the liquidator, as well as the Fiscal Council that shall operate during the winding up period;

IX. resolving on the request to cancel the registry of the open corporation and removal from the special listing segment known as Novo Mercado ("Novo Mercado") of BM&FBOVESPA;

X. choosing a specialized company responsible for the preparation of the appraisal report related to the shares of the company, in case of canceling of the registry of the open corporation or removal from the *Novo Mercado*, as set forth in Chapter V of these Bylaws, among the companies appointed by the Executive Board; and

XI. resolving on any matter submitted to it by the Executive Board.

SECTION II

MANAGEMENT

Sub-section I

General Provisions

Article 13 - The Company shall be managed and directed by a Board of Directors and an Executive Board of Officers.

Paragraph 1 - The directors and officers of the Company, who shall not be required to post bond, shall take office upon signing an instrument of investiture in the proper register.

Paragraph 2 – Following the Company's adherence to the rules of the *Novo Mercado* listing segment of BM&FBOVESPA, the investiture in office of directors and officers of the Company is now conditioned upon their signing and delivering mandatory statements of adherence to the *Novo Mercado* Listing Regulation and other applicable legal requirements. Under the law and applicable regulations, the directors and officers are further required to give the Company and the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or CVM, and BM&FBOVESPA, as applicable, notice of their holdings and transactions from time to time carried out in securities issued by the Company.

Paragraph 3 – The directors and officers shall remain in office until a successor is elected and takes office.

Article 14 - The meeting shall establish an annual global compensation limit to be distributed among the administrators and the Executive Board shall be responsible for resolving on the administrators' individual compensation, observing the provisions contained herein.

Article 15 - Once regular notice, as set forth herein, is observed, any of the administrative bodies can meet if the majority of their members are present and adopt resolutions by the majority of the votes of everyone present.

Sole Paragraph - Notice for the meeting shall only be waived if all members of the body holding the meeting are present, being admitted, for such purpose, that the presence of such members is verified upon presentation of written votes delivered by another member or sent to the Company prior to the meeting.

Sub-section II

Board of Directors

Article 16 - The Board of Directors shall be composed of at least five (05) and at the most eleven (11) members, elected or removed upon a decision of the General Shareholders' Meeting. The directors shall be elected for unified two-year terms of office, reelection being permitted.

Paragraph 1 - During the Ordinary General Meeting, the shareholders must resolve on the actual number of Directors.

Paragraph 2 - At least twenty per cent (20%) of the members of the Board of Executive Officers of the Company shall be Independent Directors, as defined by the *Novo Mercado* Regulation, and the Condition of Independent Director shall mandatorily appear in the minutes of the Shareholders' General Meeting electing said member. Whenever the observance of the percentage referred to in this Paragraph 2 results in a fragmented number of directors, such number shall be rounded to an integral number; (i) immediately higher, whenever the fragment is equivalent or superior to 0.5 or (ii) immediately inferior, whenever the fragment is inferior to 0.5.

Paragraph 3 – Directors that are elected pursuant to the cumulative voting process foreseen in article 141, Paragraphs 4 and 5, of Brazilian Corporate Law, shall also be deemed to be Independent Directors.

Paragraph 4 - The members of the Board of Executive Officers shall take office upon execution of a term drawn up at a proper book. The members of the Executive Board shall remain in their office and exercising their functions until their substitutes take office, except if otherwise resolved by the Shareholder's General Meeting.

Paragraph 5 - The member of Executive Board must have a flawless reputation. Except as otherwise set forth by General Meeting, it may not be elected as Director he who: (i) hold office in companies that may be consider competitors of the Company; or (ii) have or represent a conflicting interest with the Company. The right to vote may not be exercised by those members of the Executive Board subsequently incurring the same impediment factors.

Paragraph 6 - The member of the Board of Executive Officers may not have access to the information or participate in meetings of the Executive Board related to matters on which he has or represents conflicting interests with the Company, being expressly prohibited from exercising his right to vote.

Paragraph 7 - The Executive Board, for a better performance of its functions, may create committees or work groups with defined purposes, integrated by people designated by it among the directors and/or other people not part of the administration of the Company.

Article 17 - The Chairman of the Executive Board shall be appointed by the General Meeting.

Paragraph 1 - The Chairman of the Executive Board shall preside the General Meetings and the meetings held by the Executive Board, and in case of absence or temporary impediment, these functions shall be exercised by another member of the Executive Board chosen by the majority of the other members.

Paragraph 2 - Upon vacancy in the Executive Board not resulting in a composition inferior to its majority of offices, according to the number of exercising Directors set forth in the General Meeting, the other members of the Executive Board may (i) appoint a substitute, who shall hold office until the end of the substituted member's term of office; or (ii) leave such office vacant, provided that the minimum number of members set forth in article16 is respected.

Paragraph 3 - Upon vacancy in the Executive Board resulting in a composition inferior to its majority of offices, according to the number of exercising Directors set forth in the General Meeting, the Executive Board shall call a General Meeting to elect substitutes who shall hold office until the end of the substituted member's term of office.

Paragraph 4 - In the resolutions of the Executive Board, it shall be attributed to the Chairman, besides his own vote, the casting vote, in case of vote ends in a draw due to a occasional composition of a pair number of Executive Board's members. Each director shall have the right to one (01) vote.

Article 18 - The Executive Board shall meet whenever called by the Chairman. The meetings of the Executive Board may be exceptionally held by telephone conference, video conference or by any other means of communication in which an unmistakable vote manifestation is obtained.

Paragraph 1 - The notice of the meeting shall be in writing, delivered at least three (3) business days in advance, by means of letter, telegram, fax, email or any other means allowing to evidence that notice has been received by the addressee, provided that such notice shall contain the agenda and be delivered together with the documents related to the agenda.

Paragraph 2 - All resolutions adopted by the Executive Board shall be registered at the minutes to be drawn up in the respective books and signed by all directors present at the meeting.

Paragraph 3 - In the meeting of the Executive Board it shall be admitted the written advanced vote and vote casted by fax, email or by any other means of communication, computed as if the members so voting were present.

Paragraph 4 - The resolutions by the Executive Board shall always be adopted by the favorable vote of the majority of the members present at the meeting.

Article 19 - The Executive Board shall, besides the other functions attributed to it by law or herein, be responsible for:

I. Establishing the general instructions of the business of the Company; II. Electing and dismissing Officers of the Company;

III. Establishing or amending the Executive Committee's limit value to issue any credit instruments to raise funds, whether simple debentures, not convertible into shares and without real estate security, bonds, notes, commercial papers, or other regularly used in the market, as well as to establishing its issuance and redemption conditions, being also possible, at its discretion, to demand prior authorization from the Executive Board as a condition to validate the act;

IV. Inspecting the management carried out by the Officers, analyzing, at any time, the books and papers of the Company and requiring information on the agreements entered into or to be entered into and any other acts;

V. Electing and dismissing independent auditors of the Company;

VI. Calling independent auditors to give the explanations considered necessary; VII. Appreciating the Administrators' Report and Executive Committee's accounts and resolving on the submission thereof to the General Meeting;

VIII. Approving the annual budgets of the Company and their respective changes;

IX. Previously manifesting any proposal to be submitted and resolved by General Meeting;

X. Authorizing the issuance of shares of the Company, within the limits authorized in Article 6 herein, establishing the issuance conditions, including the price and payment term, being also possible to exclude (or reduce term for) the preemptive right in the issuance of shares, subscription bonuses and convertible debentures, whose placement is made by means of the sale in the stock market or public subscription, or in public offerings for the acquisition of control, as set forth by law;

XI. Resolving on the acquisition by the Company of shares issued by it, or on the concession of purchase and sale options, taking as reference shares issued by the Company, to be maintained as treasury stock and/or later canceling or disposal thereof;

XII. Resolving on the issuance of subscription bonuses;

XIII. Granting shares options to its administrators, employees and service providers, as well as to administrators, employees and service providers of other companies directly or indirectly controlled by the Company, without concession of preemptive right to shareholders under the terms of the programs approved in General Meeting;

XIV. Authorizing the Company to provide guarantees for its obligations and for those assumed by its controlled companies and/or whole subsidiaries, whose value is superior to the limit value established under the terms of the Sole Paragraph below;-

XV. Approving any acquisitions or transference of goods of the permanent assets, whose value is superior to the limit value established under the terms of the Sole Paragraph Below, except for the provisions contained in item XVI below;

XVI. Authorizing the Company to participate as shareholder or quotaholder in other companies, or the association of the Company with other companies for the constitution of joint ventures;

XVII. Approving the creation of possessory liens on the assets of the Company or the concession of guarantees to third parties, whose value is superior to the limit value established under the terms of the Sole Paragraph below;

XVIII. Approving the obtainment of any financing or loan, including leasing operations, in the name of the Company, not set forth in the annual budget, whose value is superior to the limit value established under the terms of the Sole Paragraph below;

XIX. Approving any transaction or set of transactions whose annual value is equivalent or superior to the executive committee's limit value defined by the Board of Executive Officers, involving the Company and any related Party, directly or indirectly. For the purposes of this provision, related party shall be understood as any administrator, employee or shareholder of the Company holding, direct or indirectly, more than ten per cent (10%) of the capital stock of the Company;

XX. Authorizing the assignment of the use, dispose, transfer or license any kind of intellectual property or industrial property belonging to the Company;

XXI. Previously resolving on the spin-off, consolidation, merger, dissolution or winding up operations, or any other corporate reorganization operation with similar effects, involving any of the companies controlled by the Company; and

XXII. Attributing bonuses to shares and decide on occasional splits and reverse splits of stocks;

XXIII Expressing, and releasing to the market within fifteen (15) days after the related announcement, a reasoned opinion on any type of tender offer initiated in respect of the Company shares advising shareholders on (i) the timing and convenience of the bid vis-à-vis the interests of shareholders and the liquidity of their shares; (ii) the impact of the offer on the business interests of the Company; (iii) the bidder's announced strategic plans for the Company; and (iv) any other point of consideration the Board may deem relevant. In expressing an opinion in favor of, or rejecting the tender offer, the board of directors shall further provide the additional information required under applicable CVM rules; and

XXIV Where a tender offer is required to be implemented in a going private process (for cancellation of the public company registration) or delisting process, preparing a list of three specialist valuation firms for the shareholders to select one to prepare a valuation report determining the economic value of the Company shares.

Sole Paragraph - Sole Paragraph - The Executive Board may establish limits for the executive committee to practice any of the acts referred to in articles III, XIV, XV, XVII, XVIII, XX, observing the value limits per act or series of acts.

Sub-section III

Executive Board of Officers

Article 20 - The Executive Board shall be composed of two (02) to seven (07) executive officers, whose titles will be Chief Executive Officer, Chief Operating Officer, Investor Relations Officer, Chief Financial Officer and the other executive officers will have no specific title.. The functions of the Investor Relations Officer may be exercised cumulatively with those of any other Officer, as determined by the Board of Directors.

Paragraph 1 - The Officers shall be elected for a term of three (03) years, and may be reelected.

Paragraph 2 - The Officers not re-elected for the next term shall remain vested in their positions until the new Officers take office.

Paragraph 3 - In the event of a final impediment or vacancy, the Executive

Board shall be immediately called to elect the substitute.

Paragraph 4 - The absence or impediment of any Officer for a continuous period superior to thirty days, except if authorized by the Executive Board, shall determine the end of the respective term of office, being applicable the provisions contained in paragraph 3 of this article.

Paragraph 5 - One Officer may not substitute, simultaneously, more than one other Officer.

Paragraph 6 - The Executive Committee shall meet if so called by the CEO or by any two Officers acting together, whenever the corporate interests so require. The meetings of the Executive Committee shall be held at the head offices of the company, installed upon the presence of the majority of its members, being mandatorily among them the CEO or the absolute majority of Officers, and the respective resolutions shall be adopted by the majority vote of everyone present, except if the voting ends in a draw, in which case the CEO shall have the casting vote to approve or reject the matter in discussion. Minutes with the corresponding resolutions shall be drawn up in the competent book.

Article 21 - The Officers shall be responsible for administrating and managing the businesses of the Company, specially:

I. Complying with and causing these Bylaws and resolutions adopted by the Executive Board and General Meeting to be complied with;

II. Annually submitting to the appreciation of the Executive Board the Administration Report and the Executive Committee’s accounts, together with the independent auditors report, as well as the proposal for the application of the profits calculated in the prior fiscal year;

III. Submit to the Executive Board the annual budget of the Company;

IV. Quarterly present to the Executive Board the trial balance and detailed balance sheet of the Company and of its controlled companies;

V. Issue and approve instructions and internal regulations considered necessary or useful; and

VI. Represent the Company in and out of court, as a plaintiff or defendant, observing the provisions set forth in article 26.

Article 22 - The CEO shall be responsible for coordinating the action of the Officers and direct the activities related to the general planning of the Company, besides the functions, attributions and powers attributed to him by the Executive Board, and observing the policy and orientation previously traced by the Executive Board:

I. Call and preside the meetings held by the Board of Directors;

II. Supervise the administrative activities of the Company, coordinating and inspecting the activities performed by the members of the Executive Committee;

III. Coordinate the personal, organizational, managerial, operational and marketing policy of the Company;

IV. Annually prepare and present to the Executive Board the annual business plan and budget of the Company; and

V. Administrate the corporate business in general.

Article 23 - The COO, besides the functions, attributions and powers granted to him by the Executive Board, and following the policy and orientation previously traced by the Executive Board, shall be responsible for:

I. supervising and directing the activities related to the following areas: merger and acquisitions, expansion, engineering, marketing and sales of the Company;

II. recommending any transaction related to the acquisition of companies, observing the terms and conditions contained herein and the applicable law; and

III. recommending any investments in fixed assets, by means of the isolated approval of the investment project or approval of a general budget for a project or department, observing the directives previously established by the General Meeting and by the Executive Board of the Company.

Article 24 - The Investor Relations Officer shall provide information to the investor public, to the Securities and Exchange Commission and to the stock markets and over-the-counter markets in which the company is registered, and keep updated the open corporation registry, fully complying with the laws and regulation applicable to open corporations.

Article 25 - The CFO shall, besides the functions, attributions and powers granted to him by the Executive Board, and observing the policy and orientation previously defined by the Executive Board, be responsible for:

I. proposing financing alternatives and approve financial conditions related to the business of the Company;

II. administering the cash, accounts payable and accounts receivable of the Company; and

III. directing the accounting, financial planning and tax areas.

Article 26 - The Company shall be represented as follows:

(a) by the Chief Executive Officer, acting individually;

(b) by two (02) officers acting jointly, one of them being the Chief Executive Officer;

(c) by any executive officer acting jointly with an attorney-in-fact acting under a power of attorney granted by the Chief Executive Officer on behalf of the Company; or

(d) by two (02) attorneys-in-fact acting under a power of attorney granted by on behalf of the Company.

Paragraph 1 – The Company, as compulsorily represented pursuant to item (a) of the main provision, shall grant powers of attorneys for maximum one-year terms, except that powers of attorney granted for legal representation in judicial or administrative proceedings may be granted for an indefinite term.

Paragraph 2 – The Chief Executive Officer shall have authority to grant specific powers of attorney permitting a single executive officer or attorney-in-fact to act on behalf of, and represent or bind the Company in specified actions or transactions.

SECTION III

FISCAL COUNCIL

Article 27 - The Fiscal Council of the Company, which shall have the responsibilities set forth under applicable law, shall be composed of three (03) to five (05) members, and an equal number of alternates.

Paragraph 1 - The Fiscal Council shall operate on a permanent basis, in accordance with applicable legal provisions.

Paragraph 2 - Following the Company's adherence to the rules of the *Novo Mercado* listing segment of BM&FBOVESPA, the investiture of fiscal council members in office is now contingent upon their signing and delivering mandatory statements of adherence to the *Novo Mercado* Listing Regulation and other applicable legal requirements. Under the law and applicable regulations, the fiscal council members are further required to give the Company and the CVM and BM&FBOVESPA, as applicable, notice of their direct or indirect holdings and transactions from time to time carried out in securities issued by the Company.

CHAPTER IV

FISCAL YEAR AND FINANCIAL STATEMENTS

Article 28 - The fiscal year shall begin on January 1 and shall end on December 31 of each year.

Paragraph 1 - At the end of each fiscal year, the Executive Committee shall prepare, observing the relevant legal provisions, the financial statements required by Law and by the *Novo Mercado* Regulation.

Paragraph 2 - It shall be part of the financial statements of the fiscal year, the administration proposal on the net profit destination, observing the provisions set forth herein and by the applicable law in force.

Paragraph 3 - The net profit of the fiscal year shall mandatorily have the following destination:

(a) five per cent (5%) for the constitution of the legal reserve, until it reaches twenty per cent (20%) of the subscribed capital stock;

(b) The payment of dividends is mandatory, observing the provisions contained in article 29 hereof and the applicable law;

(c) the constitution of profit reserves and distribution of dividends besides the mandatory dividends under the terms of Law No. 6.404/76.

Article 29 - The shareholders shall have the right to receive, in each exercise, as dividends, a mandatory minimum percentage of twenty-five per cent (25%) on the net profit of the fiscal year, with the following adjustments:

I. The reduction of the amounts destined to the constitution of the legal reserve and contingency reserve in the fiscal year; and

II. Increase of the amounts resulting from the reversal of previously constituted contingency reserves in the fiscal year.

Paragraph 1 - Whenever the obligatory dividend amount exceeds the realized parcel of the net profit of the fiscal year, the administration may propose, and the General Meeting may approve, to use the exceeding amount to constitute the realizable profit reserve (article 197 of Law No. 6.404/76).

Paragraph 2 - The Meeting may determine that the administrators of the Company or its controlled companies shall have a share in the profits, observing the pertinent legal restrictions. It is a condition for such profit sharing the attribution to the shareholders of the minimum obligatory dividend referred to in this article.

Paragraph 3 - The Company may prepare balance sheets twice a year or with a higher frequency. Once the conditions imposed by law are followed, the Executive Board may: (a) resolve on the distribution of dividends to be debited from the profit account calculated in the balance sheets prepared twice a year or with a higher frequency ad referendum of the General Meeting; and (b) declare intermediary dividends to be debited from the profit reserve account existing in the last annual or twice-a-year balance sheet.

Paragraph 4 - The dividends not claimed for three years shall prescribe in favor of the Company.

Paragraph 5 - The Executive Board may resolve on the proposal of the Executive Committee to pay or credit interests on the proper capital, a referendum of the Ordinary General meeting appreciating the financial statements related to the fiscal year in which such interests were paid or credited, and the values corresponding to the interests on the proper capital shall be attributed to the obligatory dividend.

CHAPTER V

DISPOSITION OF CONTROL; GOING PRIVATE PROCESS; DELISTING FROM THE *NOVO MERCADO*

Article 30 – Any single transaction or series of successive transactions for disposition of control is required to be agreed under a condition precedent or dissolving condition that a tender offer for all other shares of the Company be conducted by the acquirer of control, giving due regard to the conditions and deadlines prescribed under applicable legislation and the *Novo Mercado* Listing Regulation, thus ensuring other shareholders are extended the same treatment afforded the selling controlling shareholder.

Article 31 – A tender offer shall likewise be required in any the following events:

I. Where sufficiently significant subscription rights or other securities or rights convertible into, or exchangeable or exercisable for shares are assigned at cost, such that the end result equates to a disposition of control of the Issuer, or

II. Where a transaction is agreed for disposition of the controlling interest in a controlling shareholder of the Company, in which case the selling shareholder will be required to disclose to BM&FBOVESPA the value assigned to the Company in the selling transaction and to present documentary evidence thereof.

Article 32 – A shareholder acquiring a controlling interest under a private purchase transaction agreed with the controlling shareholder for any number of shares, shall be required:

I. to conduct a tender offer for all other shares of the Company, such as required under Article 31 of these Bylaws; and

II. to reimburse counterparties from whom the bidder may have purchased shares by trading on the stock exchange in the six-month period preceding the date of the private transaction, in which case the reimbursement price shall be the difference (if any) between the bid price per share (in the tender offer) and the adjusted price per share paid in the relevant exchange transactions. BM&FBOVESPA will be responsible for implementing the reimbursement process, in accordance with its own regulations, such that the aggregate reimbursement price can be allocated amongst the relevant counterparty sellers of shares in proportion to each of their daily net selling positions as of the relevant trade dates over the relevant six-month period.

Article 33 – Where a tender offer is required to be conducted by a controlling shareholder or the Company due to a going private process, the bid price shall be the Economic Value per share, as determined in a valuation report prepared in the manner provided in Article ~~35~~ 37 of these Bylaws, due regard being given to applicable legal and regulatory rules.

Article 34 - In the event the Company is set to delist from the *Novo Mercado* for the shares to trade on another market, or due to a corporate restructuring process where the surviving company has not listed its shares to trade on the *Novo Mercado* within one hundred and twenty days (120) after the date of the shareholders' meeting that approves the restructuring transaction, the controlling shareholder shall be required to conduct a tender offer for all shares paying a bid price not lower than the Economic Value per share, as determined in a valuation report prepared in the manner provided in Article 37 of these Bylaws, due regard being given to applicable legal and regulatory rules.

Article 35 – In the absence of a controlling shareholder due to widely dispersed ownership, if the Company is set to delist from the *Novo Mercado* for the shares to trade on another market, or due to a corporate restructuring process where the surviving company has not listed its shares to trade on the *Novo Mercado* within one hundred and twenty days (120) after the date of the shareholders' meeting that approved the transaction, such event shall trigger the tender offer requirement, and the bid shall be implemented under similar conditions as provided in the preceding article.

Paragraph 1 – In either of the abovementioned events, the shareholders' meeting that approves the action or transaction shall be required to designate the party or parties responsible for carrying out the tender offer. If attending the meeting, the designated bidder or bidders shall be required to expressly commit to conduct the tender.

Paragraph 2 – Absent a decision designating the bidder or bidders responsible for the tender offer in the case of a corporate restructuring process where the surviving company fails to list the shares to trade on the *Novo Mercado* within the assigned deadline, the responsibility for conducting the tender offer shall lie with the shareholders voting to approve the restructuring transaction.

Article 36 – A cancellation of the listing authorization ordered as a result of a breach of the *Novo Mercado* Listing Regulation shall trigger the tender offer requirement. In this event, the offer shall be implemented at a bid price not lower than the Economic Value per share, as determined in a valuation report prepared in the manner provided in Article 37 of these Bylaws, due regard being given to applicable legal and regulatory rules.

Paragraph 1 – The responsibility for completing the tender offer required in the main provision of this article shall lie with the controlling shareholder.

Paragraph 2 – In the absence of a controlling shareholder due to widely dispersed ownership, if the event triggering the tender offer requirement consists of contravening action or transaction decided at a shareholders' meeting, then the responsibility for completing the tender offer shall lie with the shareholders that shall have voted to approve the contravening action or transaction.

Paragraph 3 – In the absence of a controlling shareholder due to widely dispersed ownership, if the event triggering the tender offer requirement consists of an act of fact of management, the directors and officers shall be responsible for calling a shareholders' meeting at which the shareholders shall be asked to consider how to remedy the breach of the *Novo Mercado* Listing Regulation or, as the case may be, to decide for a delisting process.

Paragraph 4 – Where the shareholders' meeting convened pursuant to paragraph 3 above votes to delist the shares from the Novo Mercado, the shareholders shall also be required to designate the party or parties responsible for carrying out the tender offer foreseen in the main provision. If attending the meeting, the designated bidder or bidders shall be required to expressly commit to conduct the tender.

Article 37 – The valuation reports required under articles 33 and 34 of these Bylaws shall be prepared by an experienced, independent, specialist valuation firm, which is not susceptible to being influenced by the decisions of the Board or Management, or the Controlling Shareholder(s) of the Company, if any. In addition, any such valuation firm shall meet the requirements of paragraph 1 of Article 8 of Brazilian Corporate Law and perform the work subject to the liability clause contemplated under paragraph 6 of the said legal provision.

Paragraph 1 - A shareholders' meeting shall have exclusive discretionary powers and authority to select and appoint a specialist valuation firm to determine the Economic Value of the Company shares from a list of three nominated firms submitted by the board of directors. The affirmative vote of holders of record representing a majority of the outstanding shares in attendance of a shareholders' meeting convening on first call shall constitute a quorum to resolve on the appointment, provided blank votes shall be disregarded. In a shareholders' meeting convening on second call with any number of attendees, a quorum to resolve on the appointment shall exist upon holders of record casting affirmative votes representing at least twenty percent (20%) of the outstanding shares present at the meeting, not including blank votes.

Paragraph 2 - The tender-offer bidder shall bear all of the costs related to the preparation of the valuation report.

Article 38 - The Company shall not consent to record any transfer of shares to an acquirer of control until such time as the latter, consistent with the requirement of the *Novo Mercado* Listing Regulation, shall have fulfilled the obligation of delivering a duly signed statement of adherence of controlling shareholder. Likewise, the Company shall not consent to register any shareholders' or voting agreement regulating the exercise of control over the Company unless the agreement signatories shall have delivered duly signed statements of adherence of controlling shareholder.

Article 39 - It shall be permitted for a single tender offer to be registered with a view to accomplishing one or some of the objectives contemplated in this Chapter V, in the *Novo Mercado* Listing Regulation, or the CVM regulation, provided it must be possible to harmonize the different offer methods, and provided, further, the procedure shall not be detrimental to the addressees of the offer and the CVM shall have consented to such offer, where consent is required under applicable rules.

Article 40 - Where these Bylaws, the *Novo Mercado* Listing Regulation, or the CVM regulation require a tender offer to be carried out by one or some of the shareholders, the obligation may be discharged through any willing shareholder or third party. However, the shareholder(s) charged with conducting the tender offer, as applicable, shall not be released from the obligation until such time as a tender offer completes in accordance with all applicable rules.

Article 41 - Where these Bylaws are silent on an issue, the matter shall be resolved at a shareholders' meeting, due regard being given to the provisions of Brazilian Corporate Law (Law No. 6,404/76, as amended) and the *Novo Mercado* Listing Regulation.

CHAPTER VI

ARBITRATION

Article 42 – The Company, the shareholders, the directors and officers and the fiscal council members are required to settle by arbitration any and all disputes involving any of them, as related to, or arising from the application, validity, effectiveness, interpretation, violation and effects of violation of the provisions of these Bylaws, the Brazilian Corporate Law, the rules and regulations of the Brazilian National Monetary Council, the Central Bank of Brazil and the Brazilian Securities Commission, the *Novo Mercado* Listing and Sanctions Regulations, the *Novo Mercado* Listing Agreement, and the Arbitration Regulation adopted by the Market Arbitration Chamber, as well as other rules and regulations applicable to the Brazilian capital markets. The arbitration proceedings shall be conducted by the Market Arbitration Chamber (established by BM&FBOVESPA) under its adopted Arbitration Regulation.

CHAPTER VII

LIQUIDATION

Article 43 - The Company shall be liquidated in the events contemplated under the law, and the shareholders in a general meeting shall elect the liquidator or liquidators and the Fiscal Council which shall operate during the liquidation period, giving regard to applicable legal formalities.

CHAPTER II

TRANSITORY AND FINAL PROVISIONS

Article 44 - The Company shall not grant any type of loans or financing or guarantees of any kind to third parties for purposes unrelated to the corporate purpose or the interests of the Company.

Article 45 – Starting from May 10, 2014, when a revised version of subsection 14.5 of the Novo Mercado Listing Regulation takes effect, no single person shall be permitted to accumulating the offices of chairman of the board and chief executive officer or lead executive of the Company.

EXHIBIT VI

Appraisal Report

SP-0043/10-01

SEARA ALIMENTOS S.A.

REPORT:	SP-0043/10-01
BASE DATE:	December 31, 2009.
APPLICANT:	**MARFRIG ALIMENTOS S.A.,** with head office located at Av. Brigadeiro Faria Lima, nº 1.912, 7-B, bairro Jardim Paulistano, in the City of São Paulo, State of São Paulo, registered with the General Roster of Corporate Taxpayers (CNPJ) under No. 03.853.896/0001-40, hereinafter called **MARFRIG.**
OBJECT:	**SEARA ALIMENTOS S.A. (ex-SEARA ALIMENTOS LTDA.)**, with head office located at Avenida Vereador Abrahão João Francisco, nº 3.655, in the City of Itajaí, State of Santa Catarina, registered with the General Roster of Corporate Taxpayers (CNPJ) under No. 02.914.460/0001-50, hereinafter called **SEARA**.
PURPOSE:	Determining the value of the shares of the company SEARA, which is a subsidiary of Babicora Holding Participações Ltda., to be acquired by MARFRIG, in compliance with Article 256 of the Corporate Law (Law no. 6.404/76).

EXECUTIVE SUMMARY

APSIS was appointed by MAFRIG to determine the value of the shares of the company SEARA, in compliance with Article 256, §§ 1 and 2 of Law no. 6.404/76 (Corporate Law), based on the future acquisition of 100% of the company´s shares, which is a subsidiary of Babicora Holding Participações Ltda. The assessment was done through the methodologies cited in article 256, item II of the aforementioned law:

a) Average price of shares on the stock exchange or in the organized OTC market, over the 90 (ninety) days prior to the date of hiring;

b) Value of the shares' net equity, with assets valued at market price;

c) Value of net income per share.

The technical procedures employed in this report are consistent with the criteria established by valuation standards.

The table below presents a summary of the results calculated by comparing the purchase price with the greatest of three amounts found:

The value of the average quoted price in the stock market in the last 90 days
Not used in this analysis

Equity value at the market price per share
$0.93

Net Income Value per share (REAIS)
Not used in this analysis

Aquisition Value per share (REAIS)	Compared to the Aquisition Value
$0.83	0.89

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1. INTRODUCTION

APSIS CONSULTORIA EMPRESARIAL Ltda., hereinafter called APSIS, with head office located at Rua da Assembleia, nº 35, 12º andar, Centro, in the City of Rio de Janeiro, State of Rio de Janeiro, registered with the General Roster of Corporate Taxpayers (CNPJ/MF) under no. 27.281.922/0001-70, was appointed by MARFRIG to assess the value of the shares of the company SEARA, which is a subsidiary of Babicora Holding Participações Ltda., acquired by MARFRIG, as provided by article 256 of the Corporate Law (Law no. 6.404/76).

For preparing this report, we used data and information provided by third parties in the form of documents and verbal interviews with the client. The estimates used in this process are based on documents and information which include, among others, the following:

- SEARA´S balance sheets from 2007, 2008, 2009 and on the base date;
- SEARA´s financial statements from 2007, 2008, 2009 and on the base date;
- Valuation Reports on the fixed assets.

The APSIS team in charge of preparing this report comprises the following professionals:

- AMILCAR DE CASTRO
  Director
  Bachelor of Laws
- ANA CRISTINA FRANÇA DE SOUZA
  Managing Partner
  Civil Engineer, Post-graduated in Accounting Sciences (CREA/RJ 91.1.03043-4)
- ANTÔNIO LUIZ FEIJÓ NICOLAU
  Project Manager
- ANTÔNIO REIS SILVA FILHO
  Director
  Civil Engineer, Master of Business Management (CREA/SP 107.169)
- BETINA DENGLER
  Project Manager
- CARLOS MAGNO SANCHES
  Project Manager
- CLAUDIO MARÇAL DE FREITAS
  Accountant (CRC/RJ 55029/O-1)
- FELLIPE F. ROSMAN
  Project Manager
- GABRIEL ROCHA VENTURIM
  Project Manager
- LUIZ PAULO CESAR SILVEIRA
  Director
  Mechanical Engineer, Master of Business Management (CREA/RJ 89.1.00165-1)
- MARGARETH GUIZAN DA SILVA OLIVEIRA
  Director
  Civil Engineer (CREA/RJ 91.1.03035-3)
- RICARDO DUARTE CARNEIRO MONTEIRO
  Managing Partner
  Civil Engineer, Post-Graduated in Economic Engineering (CREA/RJ 30137-D)
- RENATA POZZATO CARNEIRO MONTEIRO
  Project Manager
- SERGIO FREITAS DE SOUZA
  Director
  Economist (CORECON/RJ 23521-0)
- WASHINGTON FERREIRA BRAGA
  Accountant (CRC/RJ 024100-6/ CVM 6734)

2. PRINCIPLES AND QUALIFICATIONS

The Report subject to the work that was itemized, calculated and specified, strictly complies with the fundamental principles described below:

- The consultants do not have any direct or indirect interests in the companies involved or in the operation, nor are there any other relevant circumstances which may characterize a conflict of interests.
- To the best of the consultants' knowledge and credit, the analyses, opinions and conclusions expressed in this report are based on data, diligence, research and surveys that are true and correct.
- The report presents all the limiting conditions imposed by the adopted methodologies, which affect the analyses, opinions and conclusions comprised therein.
- APSIS' professional fees are not in any way whatsoever subject to the conclusions of this report.
- APSIS assumes full liability over the matter of Appraisal Engineering, including implicit appraisals, for the exercise of its honorable duties, primarily established in the appropriate laws, codes or regulations.
- In this report, one assumes that the information received from third parties is correct, and that the sources thereof are comprised in said report.
- The report was prepared by APSIS and no one other than the consultants themselves prepared the analyses and respective conclusions.
- For projection purposes, we start from the premise of the inexistence of liens or encumbrances of any nature, whether judicial or extrajudicial, affecting the assets subject to the work in question, other than those listed in this report.
- This Report complies with the specifications and criteria prescribed by the USPAP (Uniform Standards of Professional Appraisal Practice), in addition to the requirements imposed by different agencies and regulations, such as: the Ministry of Treasury, Central Bank, Bank of Brazil, CVM (Securities and Exchange Commission), SUSEP (Superintendence of Private Insurance), Income Tax Regulations (RIR) etc.

3. LIABILITY LIMITS

- To prepare this report, APSIS used historic data and information audited by third parties, or not audited, and non-audited projected data provided in writing or verbally by the company's management or obtained from the sources mentioned. Therefore, APSIS has assumed that the data and information obtained for this report are true, and does not have any liability with respect to their reliability.
- The scope of this work did not include audit of the financial statements or revision of the works performed by its auditors.
- Our work was developed to be used by the APPLICANT and by the other property involved in the project, aiming at the previously described purpose. We are not liable for occasional losses to the APPLICANT and its subsidiaries, or to its partners, directors, creditors or to other parties as a result of the use of data and information provided by the company and comprised herein.
- The analysis and conclusions contained in this report are based on several premises, held on this date, of future operating projections, such as prices, volumes, market shares, revenues, taxes, investments, operating margins etc. Thus, the company's future operating results are likely to be different from any forecast or estimate contained in this report.

4. ASSESSMENT METHODOLOGIES

MARKET APPROACH: STOCK EXCHANGE LISTING

This methodology aims to assess a company by the sum of all its shares at market prices. As the price of a share is defined by the present value of the flow of future dividends and a sale price at the end of the period, at a required rate of return, on an Ideal Money Market, this approach would indicate the correct value of the company for investors.

ASSETS APPROACH – NET EQUITY AT MARKET PRICES

This methodology is derived from generally accepted accounting principles (*PCGA*), where financial statements are prepared based on the principle of historic or acquisition cost. Due to this principle and to the fundamental principles of accounting, the book value of the assets of a company minus the book value of its liabilities equals the book value of its net equity.

On the other hand, the basic principles of economics allow us to create the following appraisal technique: the value defined for assets minus the value defined for liabilities equals the value defined for a company's net equity. From an appraisal perspective, the relevant value definitions are those appropriate to the purpose of the appraisal.

The assets approach, therefore, aims at appraising a company for the adjustment of the book value (net balance) to its respective fair market values. The assets and liabilities deemed relevant are appraised for their fair market value, with a comparison being made between this value and the book value (net balance).

These adjustments, properly analyzed, are added to the book value of equity, thus determining the company's market value by the assets approach. The company's fair market value shall be the value of equity, considering the adjustments found for the assets and liabilities assessed.

INCOME APPROACH: FUTURE PROFITABILITY

This methodology defines the company's future profitability by the projected net income, bringing this result to present value.

The projective period of net income is determined by taking into account the time that the company will take to provide a stable operational activity, i.e., without operational changes deemed important. The net income is then brought to present value by using a discount rate, which will reflect the risk associated with the market, business and capital structure.

PROJECTION FOR FUTURE RESULTS

To calculate future profitability, we used Net Income as a measure of income, where:

Profit before non-cash items, interest and taxes(EBITDA)
(-) Non-cash items (depreciation and amortization)
(=) Net income before taxes (EBIT)
(-) Income Tax and Social Contribution (IR/CSSL)
(=) Net income after taxes

RESIDUAL VALUE

Perpetuity or the Company's Residual Value is considered at the end of the projective period, which includes all flows to be generated after the last year of projection and their respective growth. Residual Value is usually estimated by the Constant Growth Model, which assumes that after the end of the projective period, net profit will have constant perpetual growth. This model calculates the value of perpetuity in the last year of the projective period through the Geometric Progression model, carrying it, then, to the first year of projection.

DISCOUNT RATE

The discount rate to be used to calculate the present value of income in certain projected cash flow represents the minimum return required by investors, considering that the company will be financed partly by equity, which will require a higher return than that obtained in a standard risk investment, and partly by debt capital.

This rate is calculated by the WACC - Weighted Average Cost of Capital – methodology, a model in which the cost of capital (nominal discount rate) is determined by the weighted average of the market value of capital structure components (equity and debt), as described next.

Cost of Equity	**Re = Rf + beta*(Rm - Rf) + Rp + Rs**
Rf	Risk free rate - based on the annual interest rate of the American Treasury for 30-year securities, net of long-term U.S. inflation.
Rp	Country Risk - represents the risk of investing in assets in that country compared to a similar investment in a country considered safe.
Rs	Size premium - defines an additional risk depending on the size of the company under assessment.
Rm	Market risk - measures the value of a fully diversified portfolio of shares for a period of 30 years.
beta	Adjusts the market risk to the risk of a specific industry.
Levered beta	Adjusts the industry's beta to the company's risk.

Cost of Debt Capital	**Rd = CDI**
CDI	CDI – Interbank Deposit Certificates are the bank issued securities, which underlie the interbank market operations

Discount Rate	**WACC = (Re x We) + Rd (1 -t) x Wd**
Re =	Cost of equity.
Rd =	Cost of debt.
We =	Percentage of equity in capital structure.
Wd =	Percentage of debt in capital structure.
T =	Company's effective income tax and socia contribution rates.

5. SEARA'S PROFILE

History

The history of the Seara Alimentos begins in the year of 1956, on November 18th, with the inauguration of the first large-sized refrigerated warehouse in the region.

In 1956, the company was founded in the city of SEARA, in the West of Santa Catarina State. The expansion of the business and investments helped build the brand SEARA.

In the early 80´s, Ceval, the largest soybean processor in Latin America, acquired SEARA, maintaining its brand, which was already consolidated in the market, and stimulating its investment capacity.

Furthermore, the number of industry units expanded, with the proper technology required for each operating market.

In 1981, SEARA acquired Safrita S.A. in the City of Itapiranga, State of Santa Catarina, focused on the slaughtering of poultry and swine.

In 1989, Ceval incorporates Seara Industrial and thus SEARA becomes a brand of Ceval. Acquisition of plants in Jacarezinho, State of Paraná, and Nuporanga, State of São Paulo.

In 1996, SEARA was the first company of the industry, in Brazil, to obtain a certification of quality ISSO 9002 for all of the poultry productive chain.

Focused primarily on the external market, the company decides to open corporate offices in Buenos Aires (Argentina), Amsterdam (The Netherlands), Singapore (Asia), Tokyo (Japan), and Dubai (Arab Emirates). SEARA takes control of the Braskarne port unit and undertakes a series of investments seeking the improvement and qualification of all of the processes developed in 1999.

In 2005, Seara Alimentos was controlled by the group Cargill, one of the largest food groups in the world, and, in 2009, the company was acquired by the group Marfrig.

Productive Units

With administrative headquarters located in Itajaí, State of Santa Catarina, SEARA has productive units in the States of Santa Catarina, Paraná, São Paulo and Mato Grosso do Sul.

Quality Management

SEARA adopts differentiated principles of protection and surveillance in the production of safe and good-quality food, aiming the highest level in security and client customer satisfaction, which has allowed the company to advance over the years in the national and international markets, consolidating its brand.

Seara Alimentos was the first poultry and swine company in Latin America to achieve the certification of quality ISO 9000:94, leading to the certification of 100% of the processes in all of its agro industrial and commercial units in the 90´s.

Subsequently, the company made its way to the quality management system ISO 9001:2000, and currently works with a quality system based on process control.

The processes are self-manageable, according to the production principles and guidelines of "Alimento Seguro" (Safe Foods), and the quality based on the pro-active management control, in which various tools of continuous improvement are applied.

6. INDUSTRY ANALYSIS

The World Industry of Bovine Meat

Consumption

Bovine meat is a protein-rich nutrition source, it´s the type of meat with the highest worldwide consumption after poultry and swine. According to USDA, in 2008, approximately 57.8 million tons of bovine meat was consumed worldwide. The greatest consumers of bovine meat in the world are the United States, followed by the European Union, Brazil and China. Argentina is the fifth largest in the world, however, in per capita terms, it is the major consumer, with approximately 69 Kg of meat per capita/year, according to USDA.

Although the world consumption of bovine meat has been stable in the last years, a study from FAO predicts a middle and long-term expansion. The growth of the world population and the increase of income in developing countries should promote the world consumption of bovine meat in the next years, since the consumption per capita of bovine meat is strongly correlated to the economic growth.

Furthermore, we believe that the consumption of bovine meat will escalate worldwide, as the sanitary concerns with the product generally decrease, including BSE and FMD, and also health concerns, by consolidating the benefits of the nutrition value of bovine meat in the great consumer markets.

Production

With a herd of approximately 179.8 million cattle heads in 2008 (USDA preliminary data), Brazil possesses the largest cattle herd in the world for commercial purposes. India, despite having the largest herd in the world, does not create a significant number of cattle heads for commercial purposes, due to religious reasons. The United States are the greatest world producers of bovine meat. It is expected that the production of bovine meat continues to increase worldwide, following the demand for meat. The slaughter rate is the relationship between the number of cattle heads slaughtered and the size of the herd in a period of one year.

Exports

According to the FAO report, bovine meat exports will increase in the next years, keeping up with the growing world demand, especially in developing countries. Since 2004, Brazil has been the major exporter of bovine meat in the world, followed by Australia and USA.

Imports

Currently, the United States and Russia are the countries that import the most bovine meat. In the next years, the tendency is that the European Union, which today is the fourth largest importer of bovine meat in the world, shall augment its imports of the product, since the cattle farmers of the European Union are forced to reduce production in order to adjust to the Union´s regulations (Source: USDA).

Competitiveness

The competitiveness of a bovine meat producer in the international market suffers significant impact in its costs structure. The two principal components of the costs structure of the industry are: the cost of raw material and of manufacturing. The net effective cost of a producer takes into account the generated revenue from the sale of by-products of the bovine meat production, such as wet blue and offal. The competitiveness of a plant in the international market is also affected by the costs of transport and distribution. According to ABIEC, the cost of production of Brazilian bovine ranges among the lowest in the world, which allows a major competitive advantage. The revenue generated by the sale of eatable and non-eatable byproducts extracted from the cattle after the slaughter is an important factor for the reduction of net operational costs of such producers. The revenue from those sales, usually called “fifth quarter”, may be substantial and, in certain cases, may cover a great part of the fixed operational costs of slaughterhouses. Other products from the “fifth quarter” may be divided into the following categories: white sausage meat, red sausage meat (liver, heart and tongue), other sausage meat (pancreas, intestine and stomach), fats and others (blood, bones and leather).

Commercial Restrictions and Sanitary Risks

The international bovine meat market is divided into the Pacific group (North America, Central America, New Zealand and Far East) and the Atlantic group (Europe, Africa, Middle East and South America). Such division reflects historical and geographical bonds, as well as specific sanitary criteria. The Pacific group prohibits imports of bovine meat (except for manufactured or pre-cooked products) from countries or regions where there are active vaccination programs against FMD.

Europe allows the import of meat *in natura* from certain countries and regions which have already been affected by FMD, only if the export regions of these countries have not been directly affected. However, the European Union limited the free trade of bovine meat *in natura* through an import quotas system, and also banned the import of bovine meat treated with hormones and anabolic steroids. Therefore, the European Union limits bovine meat from the United States, which is treated with hormones to promote its growth, based on health concerns.

In 2008, the European Union limited the import of Brazilian bovine meat claiming failures in the tracking system (in other words, in the register and identification of the bovine and buffalo herds in national territory, allowing the tracking of the animal since its birth up to the slaughter, and providing reports to support the decision concerning the quality of the national and imported herd). During the year of 2008, various technical visits from European authorities were carried out with the purpose of inspecting and evaluation the Brazilian tracking system. According to ABIEC, until August 2009, approximately 1,400 farms were qualified to supply cattle for the export of meat *in natura*, for the European Union, which represents a much smaller quantity than the number of qualified farms before the embargo.

Sanitary Risks involve disease outbreaks in cattle. The bilateral sanitary agreements vary between countries. Disease outbreaks may provoke trade barriers between nations. The main disease outbreaks are:

FMD (Foot and Mouth Disease): FMD is a type of contagious disease which affects bovine and swine cattle. The virus is transmitted by air, water and food. The affected animals present high fever and sores on their mouths and paws. Although it doesn´t affect humans, the outbreak of FMD when detected may cause the imposition, by some countries, of sanitary barriers. The last case in

Brazil occurred in 2005, in the States of Mato Grosso do Sul and Paraná, which provoked restrictions by some countries against Brazilian meat. In 2008, 17 Brazilian States which had lost the status of free from FMD with vaccination had their status recovered by the World Organization for Animal Health. Santa Catarina is the only Brazilian State with the status of free from FMD without vaccination. Argentina and Uruguay carry the status of free from FMD with vaccination.

BSE: According to the World Organization for Animal Health, the risk of countries such as Brazil, Argentina and Uruguay of contracting BSE is controlled, seen as countries less vulnerable to the disease because their cattle are kept free in pastures or are grain fed, which does not contain byproducts of animal origin. In addition, Brazil is classified by the SSC from the European Commission (Regulation (EC) no. 999/2001) as a Level II country, in terms of occurrence of BSE. This classification means that the occurrence of BSE in Brazil is “improbable, but not impossible”.

The Brazilian Bovine Meat Industry

Consumption

According to USDA, Brazil has a vast internal market, which currently consumes approximately 80% of the bovine meat production in the country. The sales in the internal market obtain revenue increases through the optimization of the value of the carcass. However, the growth of Brazilian exports has promoted a general increase of internal production.

Production

With an estimate of 179.8 million cattle heads in 2009, according to USDA, Brazil possesses the greatest herd in the world for commercial purposes. India, despite having the largest cattle in the world, does not create a significant number of cattle heads for commercial purposes, due to religious reasons.

The productivity of Brazilian cattle breeders, measured by the slaughter rate, has been growing in the past years. According to USDA, it reached 23.0% in 2008. The slaughter rate represents the percentage of all of the Brazilian cattle that achieves the necessary maturity stage for slaughtering in a given year. However, this percentage is low in comparison to that of the other countries. Russia, China, United States and the European Union have slaughter rates above 30%.

Brazil benefits from the abundant availability of land; cost of land lower than in other producing countries in North America, Europe, Australia, New Zealand and Asia; favorable climate; largest commercial herd in the world with potential to increase productivity; consumption of internal market heating up; cattle mostly raised in the pasture and grain fed, which decreases the risk of disease outbreaks; the industry has received governmental support, mostly through BNDES (National Bank of Social and Economic Development); low production cost.

The year of 2008 was marked by the low availability of cattle as a result of the slaughtering of matrices in previous years. The scarceness of cattle caused the price of the bovine arroba in the country to rise significantly. In 2009, the low availability of cattle continued. Nonetheless, given that refrigerated warehouses representing approximately 25% of the installed capacity for slaughter in Brazil filed for bankruptcy or suspended their operations due to liquidity issues, there was an increase in the supply of cattle as from march, with prices of arroba tending to decline.

Consistent with preliminary data from MAPA, in the first nine months of 2009, 15.4 million cattle heads were slaughtered (considering only animals inspected by the Federal Inspection Service from the Ministry of Agriculture) against 17.5 million in the same period of 2008. The drop of 11.6% in the slaughter rate reflects the lower supply of animals and the lower use of the capacity installed in the industry´s companies.

The bovine meat producing companies that filed for bankruptcy or suspended their operations represented approximately 25% of the capacity installed in the country, and the market share of these companies in the meat *in natura* exports is of 35% (estimates from the Agro Economic Consulting service).

The difficulties encountered by the industry are explained by the world financial crisis that led some importing companies to reduce their orders, especially Russia, Brazil´s main importer.

The decline of demand, associated with the closing of the installed capacity, provoked a decrease of the price of bovine arroba. The average price, on the first trimester of 2009, presented a drop of approximately 7.7% in relation to the last trimester of 2008, reaching R$ 70.19 Reais in March (average of 17 areas). In mid-2008, the price of the bovine arroba exceeded the R$ 90.0 Reais in some areas.
(Source: CEPEA/ESALQ)

In light of the difficulty faced by the industry, the Brazilian government decided to improve the access to credit, granting some benefits, through special lines of credit (loans, working capital and AAE), and expanded a package of R$ 10 billion Reais for agro industry (Source: CMN) (refrigerated warehouses, alcohol plants and rural unions) in view of reestablishing more suitable conditions for the industry´s companies to operate.

Exports

Over the last 15 years, the Brazilian bovine meat industry went through an intense internationalization process, and bovine meat exports grew from a level o 7.5% of the internal production in 1994, to approximately 24.0% in 2008, decreasing, in 2009, to approximately 22% due to the global crisis. Furthermore, Brazil´s participation in the total world bovine meat exports augmented from approximately 5.0% in the early 90`s, to approximately 25% in 2009 (Source: MDIC e USDA), despite the fact that the Country had Access to less than 50% of the meat *in natura* markets in the world (the Pacific group, including North American Countries, prohibit imports of *in natura* meat from Brazil) (Source: ABIEC). According to data from FNP (ANUALPEC 2009), Brazilian exports of bovine meat increased 256% in volume and 441% in revenue between 1999 and 2009, as a result of:

- the increase of productivity in the Brazilian bovine meat industry, as well as the decrease of production costs;
- the enhancing of publicity and marketing;
- the expansion of export destinations; and
- the reduction of sanitary and trade barriers.

In the international markets, the slow recovery and the exchange variation affected the exports, reducing meat exports in 10.1% to 1.24 million tons in 2009, against 1.38 million tons in 2008. According to SECEX, the average price of exports in 2009 was US$3.308/ million tons, a decrease of 14.0% compared with 2008 (US$3.848/ million tons).

In light of the drop in volumes and prices, the export revenue declined 23.0%, to US$4,1 billion.

Although Brazil is the largest bovine meat exporter in the world, there is still room for the country to increase its exports, given that there are a series of embargos and trade barriers against the Brazilian product. Consistent with reports from USDA and Bradesco Brokers, among the 20 largest bovine meat importers (that represent approximately 90% of the total imported volume), Brazil has high penetration in 10 of them, in which Brazil´s participation varies from 22% to 90% of the total imported volume.-Brazil does not export to countries such as Japan, South Korea and Mexico, and the penetration in the United States is small, with exports basically consisting of canned meat with low added value.

Volumes and prices began in 2009 at low levels and increased gradually during the year. In January 2009, average prices were at US$3.125 per ton, closing the year at US$3.576 per ton. Volumes also increased, beginning the year at 81.812 tons and closing at 105.652 tons/month. Some important destinies, such as the European Union, Russia and the Middle East increased their demand for Brazilian bovine meat. Moreover, Chile reopened the Market for Brazilian meat *in natura*.

Other countries like Iran grew and became important destinies for Brazilian meat *in natura.*

Competitive Advantages

Brazil offers various competitive advantages in the production of bovine meat in relation to its competitors in the international market, among them:

- Low production cost: according to Moodys`report, Brazil has more available arable land than any other country in the world, being the cost of land in Brazil lower than in most of the large producing countries in North America, Europe, Asia, as well as Australia and New Zealand. In Brazil, producers use the extensive production model, which has a lower cost than the confinement model used in the United States, Canada and European Union countries. In addition, the natural food given to the Brazilian cattle has a lower cost than the food based predominantly on cereals, usually used by other producing countries;
- Practices in the creation of breeds resistant to diseases: different than other large bovine meat producers (including the United States, European Union and Australia), for example, the Brazilian cattle is fed with grasses, which is a factor that reduces the risk of a BSE breakout in the country; and
- Health and quality advantages: the bovine meat of animals that are raised on pastures, which is the most common practice in Brazil, have been considered as one of the most nutritious, according to data from ABIEC, since various researches have concluded that the product contains elevated concentration of beta carotene and a-tocopherol, higher levels of Omega 3 fatty acids, a higher and more desirable proportion of Omega 3, Omega 6, and high levels of conjugated linoleic

acid, all of which are known substances to have positive effects to human health. The meat from animals raised on pastures has less fat than those raised in confinement.

Trade Restrictions and Sanitary Barriers

The same factors that allow the Country one if its most important competitive advantages – the low production cost – are also the main reasons for Brazilian bovine meat to be subject of trade restrictions in some of the most important international markets. Although Brazil is the largest bovine meat exporter in the world, its products have consolidated their presence in only 10 of the 20 major import markets. Countries such as the United States, Mexico, Canada, Japan and South Korea are currently among the most important markets where exports of Brazilian bovine meat are still not present.

Sanitary risks are considered important in the meat industries of any country. Today, Brazil adopts a sanitary regulation that takes into account regional distinctions. This sanitary regulation method is called zoning (or regionalization) and establishes that, in case a disease occurs in the territory of a given country, the geographic location of the disease is taken into account, so that the country can continue to export products (from animal and vegetable sources) from the regions free of the disease. The zoning method has been recognized, for example, by the European Union, Egypt, Argentina, Philippines, Romania, Russia and Hong Kong. It has not been yet accepted, however, by other important bovine meat importers and, as a result, Brazil does not export meat *in natura* to such countries.

FMD: Brazil is divided into zones according to the presence of the Food and Mouth Disease. In the past seven years, Brazil has made enormous progress in controlling FMD, especially considering that almost the entire Brazilian territory was affected by the disease in 1998. According to MAPA, today, 59% of the national territory is free of FMD and 89% of the Brazilian cattle is located in areas free of FMD. Such achievement is due to government efforts to eradicated the disease and the greatest concern of the Brazilian cattle farmers, which resulted in an increase of the vaccination levels (in 2009, it is estimated that Brazil will vaccinate approximately 96.8% of its cattle). The Ministry of Agriculture, Livestock and Supply developed the FMD National Eradication and Prevention Program within the target of its limitation in the South American Continent up to the year of 2009, according to the FMD Hemispheric Eradication Plan. It is important to observe that FMD is an animal health problem and does not affect human beings. The exports of meat *in natura* are limited during outbreaks so as to avoid economic losses in the external market. Such efforts, however, did not avoid the finding of a case of FMD in early October 2005 in the south of the State of Mato Grosso do Sul, an area located in the free zone with vaccination. As a result, approximately 57 countries suspended or restricted their imports of bovine meat *in natura* from Brazil for an indefinite period (Source: O Estado de São Paulo journal – 11/10/2006). Many of these countries (including Egypt) banned the imports only from the State of Mato Grosso do Sul, while others (including the European Union) also banned the imports of bovine meat *in natura* from the neighboring States of Paraná and São Paulo. Some of the other countries (including Chile and South Africa) suspended the imports of bovine meat *in natura* from all over Brazil.

In 2007 and 2008, 17 Brazilian States, which have lost the status of free from FMD with vaccination, had their status recovered by the World Organization for Animal Health. Santa Catarina is the only Brazilian State with the status of free from FMD without vaccination. In the end of 2008, Chile suspended the embargo against Brazilian meat (according to MAPA). The next step for the recovery of exports to Chile is the inspections of the farms, which have already began.

The World Market of Chicken Meat

Consumption

According to USDA, chicken meat is the second most consumed in the world, after swine meat. In 2009, 71.2 million tons of chicken were consumed, an increase of 13.9% in relation to 2005, according to the same source. The greatest consumers of chicken meat in the world are the United States, followed by China, European Union, Brazil and Mexico.

Production

According to USDA, the United States are the largest producers of chicken meat in the world, followed by China, Brazil and the European Union.

Exports

Since 2004, Brazil is the greatest exporter of chicken in the world, consistent with data collected by USDA. In the year of 2009, Brazilian exports represented approximately 38.5% of world exports of chicken. The second largest exporter are the United States, followed by the European Union and Thailand.

Imports

According to USDA, the largest chicken importer in the world is Russia, which represented approximately 11.3% of the world imports in 2009. The European Union and Japan are the second and third greatest importers, respectively. The region of the Middle East, especially countries like Saudi Arabia and the Arab Emirates, have been increasing chicken imports in the last years. Another country that raised its imports considerably in 2008, more than doubling the volume in relation to 2007, was Venezuela.

Competitiveness

The competitiveness of a chicken meat producer in the international market suffers a significant impact from its cost structure. The main cost of poultry production is the corn-based feed, corresponding to over 60.0% of total costs, according to CONAB. Other factors that affect competitiveness are the costs of transport and distribution, as well as trade barriers imposed by importer markets.

Trade Barriers and Sanitary Risks

Trade barriers include actions to the imports of Brazilian products (like in Russia, for instance), protectionist tariffs (such as in the European Union, for example), direct and indirect subsidies to local producers, license requirements (such as in China, for example) and complete bans on imports. Most countries require sanitary agreements with Brazil before importing Brazilian products (such as the case of the United States, which does not have sanitary agreements with Brazil concerning swine and poultry products).

Sanitary Risks involve outbreaks of diseases in poultry. The bilateral agreements vary from country to country. Outbreaks of diseases may provoke trade barriers between nations. The main disease outbreaks in poultry are:

Newcastle Disease: Contagious disease, affects poultry at any age. The virus may affect and cause damages to the digestive, respiratory and nervous systems, resulting in the death of poultry. The disease is currently controlled through vaccination. Source: Ministry of Agriculture.

Influenza or Avian Flu: Contagious disease that affects poultry and may spread to people who consume the contaminated chicken meat. Currently, the cases of the disease are focused primarily in Southeast Asia. The virus of the avian flu can be destroyed by cooking the poultry or egg at 71ºC. Some poultry producing countries, such as Thailand, responded to the outbreaks of the avian flu through the change in production of poultry o the production of cooked products. The global trade of poultry products may be affected negatively by the development of the avian flu of high pathogenicity (H1N1 virus), especially in Asia, but also, more recently, in Europe and Africa. Since the beginning of 2003, over 330 cases of avian flu were confirmed in humans and more than 200 deaths, according to the World Health Organization, having been an increase of number of deaths each year since 2003. Human cases were registered in various countries in Asia, in the Middle East and Africa in 2006, and several cases in Europe registered cases of avian flu in birds. Up to this date, avian flu has not been detected in Brazil or in any other place of the American continent. (Source: WHO)

The Chicken Meat Industry in Brazil

Consumption

According to USDA, chicken consumption in Brazil reached a total of 7.8 million tons in 2009, a rise of 18.4% in relation to 2005. The country is the fourth largest chicken meat consumer in the world, with approximately 11.0% of global consumption. In 2009, Brazil consumed approximately 71.3% of its chicken meat production.

Production

According to collected data from USDA, with relation to the amount of production in tons, Brazil is the third largest producer in the world, besides being the main exporter of poultry in the world. The volumes of production, consumption and exports of poultry rose significantly over the past five years, and Brazil became the number one world exporter in 2004. In 2009, Brazilian chicken production reached 11.0 million tons, an increase of 17.4% compared with 2005.

The poultry industry faced difficulties during the year, with a decline of the volumes and prices in the external market associated with the currency depreciation of the year, which affected the prices in US dollars. As from the 2nd semester a gradual recovery occurred, however, the year ended below the levels verified in 2008.

The Brazilian internal market proved to be flexible in relation to the consumption of chicken, however, the higher domestic supply due to the decrease in exported volumes associated with a significant devaluation of the US dollar also reduced internal prices during the 1st semester of 2009.

Exports

During that year, chicken exports reached 3.6 million tons, 0.3% inferior to the volume exported in 2008. The revenue reached US$ 5.8 billion, 16.3% less than that of 2008, due to the decrease of 16.1% on the average price, which went from US$ 1,906/ton in 2008 to US$ 1,600/ton in 2009. Besides the slow economic recovery of some important destinies, the exchange volatility was also responsible for the slow recovery of the poultry export market.

Even though Brazil is the largest chicken meat exporter in the world, there is still room for the country to increase its exports through the development of new sale channels in the exterior, such as Malaysia or the USA, for example.

Competitive Advantages

The main competitive advantages of Brazilian chicken producers are:

- potential to expand its local market and exports;
- greater margins in relation to other large producers, such as Europe, United States and Thailand, due to the combination of broad access to grains used in the bird feed (in terms of quantity and in terms of price) and the cost of labor inferior to more developed countries.

Trade Barriers and Sanitary Risks

Brazilian chicken producers reported cases of increase of protectionism in the beginning of 2009. This year, attempts to ban Brazilian meat in Spain, South Africa, Canada and in the European Union have been reported. The protectionism attempts began to be observed as from October 2008, and became more visible this year, however, the cases have been settled (with the exception of the discussion in the EU). Currently, one of the biggest concerns of the Brazilian chicken export industry is based on the movement in the European Union to try to increase it barriers against the Brazilian product. Recently, the EU began to re-discuss the concept of fresh chicken in order to prevent the producers of “fresh” manufactured products from using such designation when the product was manufacture with frozen chicken. The United States do not possess sanitary agreements with Brazil concerning swine and poultry products. In relation to sanitary risks, currently, Brazil does not present Newcastle Disease and Avian Flu. However, there is an increasing concern from ANVISA about the abusive use of antibiotics.

The Chicken Meat Industry in Europe

The European Union (27 member countries) has a significant role in the world chicken meat industry. According to USDA, EU-27 is the third largest consumer of chicken meat in the world, after the United States and China, with a consumption o 8,610 thousand tons in 2009. EU-27 is also the fourth largest producer of that protein in the world (8,620 thousand tons in 2009), the second largest importer and the third largest exporter.

A very important issue for the chicken meat industry in the EU-27 is the concern with the environment and with animal well-being. Over the past years, with the climate changes, production of bio-fuels has intensified, raising the prices of grains. The European Commission has been adopting measures to standardize the quality of the productive processes, thus assuring the well-being of animals, the quality of products and avoiding the outbreak of diseases.

Performance in 2009

The global crisis affected the European economy. The effects of the climate changes on politics and on the economy also led to pressure in food production. In the European chicken meat industry, the main changes were:

- Consumers more worried with the environment;
- Politics focused on the reduction of environmental impacts and with climate changes, minimizing the effects on industry;
- Growth of the population and global demand for food and fuel;

- Investments in the chicken meat industry and consolidation of the industry;
- Increase in protectionism and exchange volatility; and
- With the crisis, consumers have transferred consumption to lower priced foods, such as chicken meat.

The European consumer presented a clear change in behavior during the crisis period. The reduction of the population´s purchasing power stimulated the habit of eating at home, rather than eating out, giving preference to cheaper proteins, such as chicken, which remains with a good perspective for 2010. According to AVEC (European Association of Chicken Producers), the production of chicken in the United Kingdom remained stable, reaching 1,216 thousand tons in 2009, against 1,214 in 2008. The per capita consumption of chicken also presented stability, at 23.6 kg/year.

On the subject of exports, the European Union faced competition from other countries with lower production costs, such as Brazil, Thailand, China and USA. AVEC predicts that chicken exports from Europe will reach 610 thousand tons, against 740 thousand estimated in 2008, which represents a decline of 17.6%. Such decrease is explained by the effects of the crisis, affecting important markets such as Russia and Ukraine. Russia established new sanitary regulations, which required the approval of all the exporting companies, which resulted in a delay in shipments. Ukraine, affected by the crisis and the currency devaluation, taxed all imported products at 13%.

The World Industry of Swine Meat

Consumption

According to USDA, swine meat is the most consumed protein in the world. In 2009 over 100 million tons of swine meat were consumed in the world, against 71.2 million chicken meat and 57.5 bovine meat. The largest consumer of swine meat in the world are the Chinese, representing approximately 48.3% of the world consumption in 2009. Next are the European Union, USA, Russia and Japan.

Production

According to data from USDA, China is the largest consumer in the world and also the largest producer of swine meat, producing almost all of its internal consumption. The European Union is the second largest producer, followed by USA and Brazil.

Exports

Currently, USA is the greatest exporter of swine meat in the world. According to estimates from USDA, in 2008 USA exported 2.1 million tons of swine meat, corresponding to 34.4% of world exports. The second greatest exporter is the European Union, followed by Canada and Brazil.

Imports

According to USDA, the largest importer of swine meat in the world is Japan, representing approximately 23.3% of world imports, in 2009. Russia, Mexico and South Korea come next.

Competitiveness

The competitiveness of a swine meat producer in the international market suffers a significant impact from its cost structure. The main cost of swine production is the feed, corresponding to over 70.0% of total costs, according to CONAB. Other factors that affect competitiveness are transportation and distribution costs, aside from trade barriers imposed by importer markets.

Trade Barriers and Sanitary Risks

As in the cases of bovine and chicken, in the case of swine, trade barriers and risks of diseases in animals present risks to the performances of the companies in the industry. The trade barriers include actions against the imports of Brazilian products, protectionist tariffs, direct and indirect subsidies to local producers, license requirements and complete bans on imports. Most of the countries require sanitary agreements with Brazil before importing Brazilian products (as is the case of the United States, which does not maintain sanitary agreements with Brazil concerning swine and poultry products).

Influenza A (H1N1): over the past months, several cases of Influenza A (H1N1), known initially as “A flu”, were reported in humans, especially in Mexico and in the United States, and, in fewer cases, in several other countries, including Brazil. This virus has a high capacity of spreading among humans and, given that the communication methods do not always inform that the consumption of well-prepared swine meat is not the transmitter of the flue, people immediately create a short-term resistance to the consumption of pork derivatives when it is called “A” flu. This way, the first step is for people to decrease the consumption of these products.

FMD (Foot and Mouth Disease): Brazil is divided into zones concerning the presence of FMD. In the past seven years, Brazil made huge progress in its control of FMD, considering that almost the entire Brazilian territory was affected by the disease in 1998. According to MPA, today, 59% of the national territory is free of FMD and 89% of Brazilian cattle is located in areas free of FMD. Such achievement is due to government efforts to eradicate the disease and the greatest concern of Brazilian cattle farmers, which resulted in an increase of the vaccination levels (in 2009, it is estimated that Brazil will vaccinate approximately 96.8% of its cattle).

The Ministry of Agriculture, Livestock and Supply developed the FMD National Eradication and Prevention Program within the target of its limitation in the South American Continent up to the year of 2009, according to the FMD Hemispheric Eradication Plan. It is important to observe that FMD is an animal health problem and does not affect human beings. The exports of meat *in natura* are limited during outbreaks so as to avoid economic losses in the external market.

Porcine Respiratory and Reproductive Syndrome (PRRS): PRRS is a disease that can cause abortions near delivery, premature delivery, fetal mummification, frail and stillborn piglets, infertility and respiratory signs in diverse ages, being endemic (persists for a long time in a population) in several countries. In Brazil, there are no evidences of the existence of the disease and, therefore, efforts should be made as to avoid its introduction, mainly through animal imports. The disease is listed in the OIE list (combination of the previous A and B lists), being, for this reason, classified as a disease of mandatory notification.

Classical Swine Fever: The Classical Swine Fever (PSC), also known as the swine fever, is a contagious and frequently fatal disease for swine, and was first recognized in the 19th century and its viral etiology was established in the early 20th century. Currently, some of the most important areas or countries in the production of swine are free from PSC, but, in spite of the efforts towards its eradication, the disease remains endemic or recurrent in other areas. The probability of spreading the disease is higher in areas with a high swine population density. In countries where PSC is endemic, usually the vaccination is used extensively to avoid losses, although it is not an effective eradication method.

The Swine Meat Industry in Brazil

Consumption

According to USDA, the consumption of swine in Brazil reached a total of 2.5 million tons in 2009, an increase of 27.1% in relation to 2005. The country is the sixth largest swine meat consumer in the world, with approximately 2.5% of global consumption. Data from USDA shows that the consumption of swine meat has been growing in Brazil, and the prediction is that in 2010 consumption reaches 2.549 million tons, exceeding Japan´s consumption. In the internal market, per capita consumption evolved, closing the year with 13.8 Kg per capita/year, according to USDA.

Production

According to USDA, Brazil is the fourth largest producer and exporter and sixth largest consumer of swine in the world, and, although it presents high competitiveness in its productive process, this segment suffers from sanitary restrictions from major markets. As an alternative, the Country exports primarily to other markets, such as Russia and Hong Kong.

The swine industry faced difficulties during the year, with a decrease in volumes and prices in the external market associated with the exchange devaluation of the year, which affected the prices in US dollars. As from the 2nd semester a gradual recovery was noticed, however, the year closed below the levels of 2008.

The internal Brazilian market proved to be flexible in relation to the consumption of swine, although the greater domestic supply due to the decrease in exported volumes associated with a significant devaluation of the US dollar also reduced internal prices in the 1st semester of 2009.

According to ABIPECS (Brazilian Association of Swine Meat Producer and Exporter Industry), the main basis of the Brazilian swine chain in 2009 were: huge increase in production, due primarily to the increase of productivity as a result of technological advances, the larger supply of competitive meats and competitive prices, trade negatively affected by the economic-financial crisis, the decrease in prices, the appreciation of the Real and the strong pressure on costs during the first semester.

Exports

In 2009, 607,500 thousand tons were exported, representing an increase of 14.7% against 2008. The revenue obtained with the swine meat exports suffered a decrease of 17%, by the reduction of 27.7% of the average price, from US$ 2,794/ tons in 2008 to US$ 2,019/ tons in 2009. The main importers of Brazilian swine meat continue to be Russia, Hong Kong and Angola.

The decline in inventories in some important importers and the improvement of the credit supply in Russia brought positive effects to the exports in the 1st trimester of the year. The volumes show an upward trend, but the prices have not yet shown a recovery process.

Trade Barriers and Sanitary Risks

According to ABIEC and to the guidelines established by OIE, Brazil is divided into zones concerning the presence of FMD. In the past seven years, Brazil showed much progress in the control of FMD, especially considering that almost the entire Brazilian territory was affected by the disease in 1998.

The global demand for poultry, swine and bovine meat products from Brazil suffers significant impacts from trade barriers, sanitary requirements and barriers related to diseases, religious issues and economic conditions, besides other factors, according to the market to which the product will be exported to.

Trade barriers include actions to the imports of Brazilian products (like in Russia, for instance), protectionist tariffs (such as in the European Union, for example), direct and indirect subsidies to local producers, license requirements (such as in China, for example) and complete bans on imports. Most countries require sanitary agreements with Brazil before importing Brazilian products (such as the case of the United States, which does not have sanitary agreements with Brazil concerning swine and poultry products). Furthermore, animal disease outbreaks may result in barriers to imports (as is the case of Russia, who banned the imports of Brazilian swine products in view of the FMD which affected the cattle in two Brazilian States). The Middle East, which is an active region for the sale of poultry by Brazilian producers, does not import swine products due to Muslim religion restrictions against the consumption of pork meat. Above all, the economic conditions of a determined export market (national or regional) may influence the demand for all types of swine, bovine meat and poultry products, as well as for processed products.

Raw Material

Grains

According to data from the IEA (Institute of Agricultural Economy), from January to December of 2009, the average price of bushel of corn (60Kg) in wholesale, in the State of São Paulo, was of R$ 18.77, which represents a decline of 21.8% in relation to 2008, when it was R$ 24.01. Soybeans, on the other hand, presented an increase of 4%, from R$ 42.43 in 2008 to R$ 44.15 in 2009.

According to the last research carried out by CONAB during the period from March 15th through 26th of 2010, soybeans presented the highest harvest 2009/10, as well as the highest elevation in cultivated area. The expectation is a grown of 6.8% in the cultivated area and 17.9% in harvest, reaching 67.3 million tons, or 10.2 million tons more than the 57.21 million in 2008/2009. Regarding corn, a reduction of 13.3% is expected in the cultivated area during the harvest period of 2009/10, being negatively impacted by the current low prices and elevated levels of inventory. CONAB estimates a decrease of 0.7% in corn production in 2009/2010 compared with 2008/2009.

7. ASSESSMENT - AVERAGE PRICE OF SHARES IN THE STOCK MARKET

SEARA was a limited liability company, and, therefore, did not have shares traded on the stock market or on the over-the-counter market.

This methodology does not apply for this analysis.

8. ASSESSMENT- VALUE OF THE NET EQUITY AT MARKET PRICE PER SHARE

The asset approach for SEARA´s consolidated Net Equity was adopted for the present report, at market value. The following premises were adopted for the market values, according to the tables below:

EVENTS AND ADJUSTMENTS CONSIDERED IN THE ASSESSMENT

The Audited Financial Statements used as a basis for the present report were prepared by the Company, having already fully complied with the provisions of Law no. 11.683/07. The following table presents the general criteria defined for the assessment of each account and/or group of accounts of the companies involved in the operation:

GROUP OF ACCOUNTS	PREMISES	ASSESSMENT CRITERIA
General	Accounts with values below R$100 thousand were not analyzed, maintaining the book value, with the exception of those consolidated in a specific group.	Market value equal to book value.
Availabilities	Represented by: • Cash and Banks • Cash Equivalents – short term investments, with original deadlines ninety days or prior and readily convertible in cash.	Market value equal to book value since it does not present any relevant market adjustment.
Receivable Accounts	Represented mainly by: • Receivable Accounts in national and foreign currencies, registered with the invoiced value and no interest incurs and net of provisions for doubtful accounts.	Market value equal to book value since it does not present any relevant market adjustment.

Inventory	Represented mainly by: • Finished products • Products under development • Raw Material • Growing animals for slaughtering • Others • Provisions for losses	Assessed by the following criteria: • Finished Products – Tax net sales value and trade expenses. • Other items – Market value equal to book value since it does not present a relevant market adjustment signal.
Deferred Taxes	Represented by: • Income Tax and Social Contribution, Differed – Calculated over temporary differences, tax losses and negative basis of social contribution. • Tax Credits – Composed by: ➢ ICMS ➢ IPI ➢ Prepaid Income Tax and Social Contribution ➢ PIS e COFINS ➢ Others	Balance adjusted by the reversal of the provisions for differed income tax and social contribution.
Prepaid Expenses	Represented primarily by: • Insurance premiums and other prepaid expenses.	The balances were eliminated.
Related Parties	Represented primarily by Merchant sale operations with its subsidiary and related parties.	Market value equal to book value since it does not present any relevant market adjustment.
Investments in Subsidiaries	Assessed by the equity method.	Market value equal to book value since it does not present any relevant market adjustment.

Other Investments	Represented by the rights of telephone usage.	Balance eliminated.
Buildings, Improvements and Installations	Represented by civil construction, hydraulic and electric installations and utilities.	Market Value.
Machinery and Equipment	Represented by all of the equipment in the process.	Market Value.
Breeding Stocks and Matrices and Poultry under Development	Represented by breeding stocks and matrices under development or in the production stage.	Maintained at the book value for being near market value.
Land	Represented mainly by the diverse lands that make up the plants, located in rural and urban areas.	Market Value.
Furniture and Utensils, Computers, Vehicles and Others	Assets considered of small relevance to the business, with depreciation deadlines adequate for the category´s useful life.	Market value equal to book value since it does not present any relevant market adjustment.
Intangible Assets	Represented mainly by: • **Data Processing Systems** • **Trademarks and Patents**	• **Data Processing Systems** – Market value equal to book value. • **Trademarks and Patents** – Economic value.
Loans, Financing and Derivative Financial Instruments	Represented by national and foreign financing and derivative financial instruments.	Market value equal to book value since it does not present any relevant market adjustment.
Suppliers	Represented by payable amounts to suppliers Who have short payment deadlines.	Market value equal to book value since it does not present any relevant market adjustment.

Taxes, Fees, Contributions and Differed Taxes	Represented by various payable or differed taxes.	Adjusted for income tax and social contribution incidents on adjustments to the market value, subject to such taxation.
Personnel, Social Benefits and Expenses, provision for vacation salary and 13th salary	Represented mainly by provisions on worker's paychecks and expenses.	Book value maintained. Market value equal to book value since it does not present any relevant market adjustment.
Provision for Contingencies	Represented by provision for contingencies amounts whose risks are classified as PROBABLE net of the legal deposits, carried out by legal requirement or based on a cautious option. In the assessment of the Companies, the contingencies classified according to the chances of occurrence of their enforceability with POSSIBLE or REMOTE levels of risk, are not provisioned, although in some cases, similar subjects may be included in different risk level categories, justified by the factual and procedural situation peculiar to each process, however, in some cases, by legal requirement or based on a cautious option, legal deposits are carried out.	Book value maintained. Market value equal to book value since it does not present any relevant market adjustment.
Other Accounts Payable	Represented mainly by freight and other accounts payable.	Book value maintained. Market value equal to book value since it does not present any relevant market adjustment.
Net Equity	• **Capital, Reserves and Accumulated Losses** • **Market Adjustments** – Result of the assessment of Assets, Rights and Obligations, assessed at market, net of tax effects.	Adjusted by the effects of the net taxed capital gains, when applicable, by Income Tax and Social Contribution.

SEARA ALIMENTOS S.A.		PRO FORMA FINANCIAL STATEMENTS		
BALANCE SHEET (THOUSAND REAIS)		BALANCE AS OF 12/31/2009 (*)	MARKET ADJUSTMENTS	ADJUSTED BALANCE
CURRENT ASSETS		**763,641**	**6,717**	**770,358**
Cash and Cash Equivalents		33,208	-	33,208
Financial Instruments		15,599	-	15,599
Receivable Accounts		131,664	-	131,664
Inventories		430,686	6,717	437,403
Related Parties		79,738	-	79,738
Deffered Taxes		13,393	-	13,393
Prepayed Expenses		1,122	-	1,122
Income Tax and Social Contribuion over Temporary Diferences		8,566	-	8,566
Others		49,666	-	49,666
NON-CURRENT ASSETS		**913,197**	**1,367,340**	**2,280,537**
LONG TERM ASSETS		**166,142**	**-**	**166,142**
Taxes Recoverable		153,356	-	153,356
Income Tax and Social Contribution over Temporary Diferences		-	-	-
Other Credits		12,786	-	12,786
PERMANENT ASSETS		**747,055**	**1,367,340**	**2,114,395**
Investments		**93,678**	**-**	**93,678**
- Investments in Subsidiaries:		**93,420**	**-**	**93,420**
- SEARA International	100.00%	93,420	-	93,420
- Other Investments		**258**	**-**	**258**
Fixed Assets		**647,753**	**772,759**	**1,420,512**
- Land		22,208	93,310	115,518
- Buildings and Improvements and Installations		263,084	593,662	856,746
- Machinery and Equipment		270,519	82,898	353,417
- Vehicles		6	35	41
- Furniture and Utensils and Computers		8,679	2,854	11,533
- Breeding Stock and Matrices		11,233	-	11,233
- Growing Poultry and Laying Performance		53,416	-	53,416
- Forestation and Reforestation		3,646	-	3,646
- Others		3,183	-	3,183
- Works in Progress		11,508	-	11,508
- Advancements to Suppliers		271	-	271
Intangible Assets		**5,624**	**594,581**	**600,205**
- Goodwill		-	-	-
- Data Processing System		5,001	-	5,001
- Brands and Patents		623	594,581	595,204
- Other Intangible Assets			-	-
TOTAL ASSETS		**1,676,838**	**1,374,057**	**3,050,895**

SEARA ALIMENTOS S.A.	PRO FORMA FINANCIAL STATEMENTS		
BALANCE SHEET (THOUSAND REAIS)	BALANCE AS OF 12/31/2009 (*)	MARKET ADJUSTMENTS	ADJUSTED BALANCE
CURRENT LIABILITIES	**679,349**	**-**	**679,349**
Loans and Financing	385,127	-	385,127
Suppliers	153,765	-	153,765
Taxes, Fees and Contributions	15,988	-	15,988
Dividends Payable	-	-	-
Wages and Vacation Wages Payable	47,426	-	47,426
Related Parties	16,313	-	16,313
Personnel, Social Security Charges and Benefits	-	-	-
Future Agreement Values Payable	-	-	-
Deffered Taxes	-	-	-
Other Obligations	60,730	-	60,730
NON-CURRENT LIABILITIES	**455,423**	**467,179**	**922,602**
LONG TERM LIABILITES	**455,423**	**467,179**	**922,602**
Loans and Financing	21,458	-	21,458
Employee Benefits Plan	-	-	-
Provisions for Contingencies	428,518	-	428,518
Stock Option Plan	-	-	-
Related Party Liabilities	-	-	-
Deffered Taxes	-	467,179	467,179
Other Obligations	5,447	-	5,447
EQUITY	**542,066**	**906,878**	**1,448,944**
Capital	1,564,940	**-**	1,564,940
Equity Valuation Adjustments	(1,441)	**-**	(1,441)
Accumulated Loss	(584,473)	-	(584,473)
Opening Balance Adjustments	(436,960)		(436,960)
Market Adjustments	-	906,878	906,878
TOTAL LIABILITIES	**1,676,838**	**1,374,057**	**3,050,895**

9. ASSESSMENT - VALUE OF NET INCOME PER SHARE

The income approach, intended to comply with the assessment criterion of the net income per share, does not apply in the case of SEARA, given that the company presented losses in the two fiscal years previous to the acquisition date. Article 256 of Corporate Law (Law no. 6.404/76) limits the assessment by this criterion, as follows: "c*) the net income per share or quota, which shall not be higher than 15 (fifteen) times the annual net profit per share (article 187 n. VII) in the past 2 (two) fiscal years, with monetary adjustments."*

10. ASSESSMENT - PURCHASE PRICE PER SHARE OF SEARA

The amount to be paid by MARFRIG for shares equivalent to 100% of the capital stock of SEARA was of R$ 1.291 million Reais.

Aquisition Value per share	Aquisition Value	Number of Share Aquired	Total Number of Share
$ 0.83	$ 1,291,481,203.00	1,564,940,000	1,564,940,000

Considering MARFRIG´s Net Equity on the base date of 12.31.2009 with a value of R$ 4,184 million Reais, the acquisition price of SEARA shall be greater than 10% of its Net Equity, thus representing a relevant investment, according to articles 256, Item I and 247, sole paragraph.

11. CONCLUSION

In light of the examinations in the documentation mentioned above and based on APSIS's studies, the experts concluded that the amount to be paid by MARFRIG per share of SEARA, according to the table alongside, does not exceed one and a half times the greatest of the three amounts calculated in accordance with the methodologies provided by article 256, II of Law no. 6.404/76 (Corporate Law), on the base date of December 31, 2009, and therefore not subject to the withdrawal right of dissenting shareholder, according to the 2nd paragraph of the aforementioned article.

In compliance with article 256, §2º combined with article 137, item II, both from the Corporate Law, it is also concluded that there will be no withdrawal right given that Marfrig Alimentos S.A.´shares present liquidity, by integrating the general index representative of the securities portfolio (Bovespa Index and IBRX50), and are pulverized, considering that its controlling shareholder possesses less than half of its share capital.

Appraisal Report **SP-0043/10-01** was concluded, composed of 32 (thirty-two) pages typed on one side and 2 (two) attachments. APSIS Consultoria Empresarial Ltda., CREA/RJ 82.2.00620-1 and CORECON/RJ RF/2.052-4, a company that specializes in asset valuation, legally represented hereunder by its directors, makes itself available for any clarifications that may be needed.

The value of the average quoted price in the stock market in the last 90 days
Not used in this analysis

Equity value at the market price per share
$0.93

Net Income Value per share (REAIS)
Not used in this analysis

Aquisition Value per share (REAIS)	Compared to the Aquisition Value
$0.83	0.89

Rio de Janeiro, March 28, 2011.

GABRIEL ROCHA VENTURIM
Gerente de Projetos

PATRÍCIA CRISTINA CARRADAS
Gerente de Projetos

12. LIST OF ATTACHMENTS

1. ASSESSMENT CALCULATIONS OF INTANGIBLE ASSETS
2. GLOSSARY AND APSIS'S PROFILE

ANEXO 1

1. ASSESSMENT METHODOLOGY - INTANGIBLE ASSETS

The recognition of the importance of intangible assets in the business world has been growing rapidly, since more and more companies are being negotiated based on their off-balance assets.

The process of evaluating intellectual property and intangible assets does not intend to determine an exact specific value, but to gather the greatest possible number of data and information concerning the business and its market, which together, assessed and modeled, allow the appraiser to determine a probable value for the object under analysis, based on the specific characteristics of the situation and purpose object of study.

All companies possess a portfolio of assets, which are responsible for the execution and continuity of the operations, aiming a profit generation that shall represent a satisfactory return over the invested capital. These assets may be divided into three categories:

- Monetary assets – represented by the net working capital, which is the difference between the current assets (cash, short-term investments, trade notes receivable, inventory, etc.) and the current liabilities (suppliers, accounts payable, income tax, etc.);
- Fixed assets (tangible) – those that can be touched, that exist physically. Includes machinery and equipment, land, vehicles, real estate, among others;
- Intangible assets and intellectual property – intangible assets are those that do not exist physically, but provide rights and privileges to their owners. They are represented mostly by client portfolios, contracts, client relationships, franchising, etc. Intellectual property usually refers to trademarks and patents, copyright and know-how. It represents a special category under intangible assets, because the owner of intellectual property rights is protected by law against the illegal use by third parties.

All of the approaches to the evaluation of assets are based on the substitution principle. Such principle assumes that a cautious buyer will not pay for a property a higher value than the acquisition cost of a substitute property with the same utility.

Based on the substitution principle, three types of approaches may be used in order to determine the value of an intangible asset. For each assessment the most adequate approach must be chosen, however, they may also be used jointly. The approaches are the following:

- Market approach – seeks to compare the asset under analysis to other analogous assets recently sold or in supply;

- Cost approach – measures the necessary investment in order to reproduce a similar asset, which presents an identical capacity of generating benefits;

- Income approach – defines the value of the asset as being the current value of the future benefits that are a result of their property rights.

In the specific case of assessing the registered trademarks of SEARA, the chosen methodology was a derivation of the income approach for trademark evaluation, recommended when the industry has as common practice the payment of royalties. Such approach, known as the "relief-from-royalty" approach, has its grounds on the incremental cash flow after taxes, based on the fact that the company does not need to pay royalties to third parties for the use of a specific trademark. Given that there is a current world market for royalties, it is possible, therefore, to segregate the value of the trademarks from other less explicit intangible assets that participate in a company´s cash flow generation, such as goodwill. The market fair value of the trademark may then be attributed to the generated cash flow of these savings, brought to present value by means of a discount rate that represents the associated risk. Since trademarks do not posses a measurable life, perpetuity is also added to the cash flow.

DISCOUNT RATE

The discount rate to be used to calculate the present value of income in certain projected cash flow represents the minimum return required by investors, considering that the company will be financed partly by equity, which will require a higher return than that obtained in a standard risk investment, and partly by debt capital.

Such rate is calculated by the WACC - Weighted Average Cost of Capital – methodology, a model in which the cost of capital (nominal discount rate) is determined by the weighted average of the market value of capital structure components (equity and debt), as described next.

Cost of Equity	Re = Rf + beta*(Rm - Rf) + Rp
Rf	Risk free rate - based on the annual interest rate of the American Treasury for 10-year securities, net of long-term U.S. inflation.
Rp	Country Risk - represents the risk of investing in assets in that country compared to a similar investment in a country considered safe.
Rm	Market risk - measures the value of a fully diversified portfolio of shares for a period of 30 years.
Rs	Size premium - defines an additional risk depending on the size of the company under assessment.
beta	Adjusts the market risk to the risk of a specific sector.
Levered beta	Adjusts the sector's beta to the company's risk.

Cost of debt	kd = CDI
CDI	CDI – Interbank Deposit Certificates are the bank issued securities, which underlies the interbank market operations

Discount Rate	WACC = (Re x We) + Rd (1 -t) x Wd
Re =	Cost of equity.
Rd =	Cost of debt.
We =	Percentage of equity in capital structure.
Wd =	Percentage of debt in capital structure.
T =	Company's effective income tax and social contribution rates.

2. ASSESSMENT – SEARA'S BRANDS

According to the previously described methodology, portfolios or families of brands owned by SEARA were selected from the manufactured segment.

The adopted premises for the projection of cash flow generated by the royalties (Annex 1), according to the used methodology, have been detailed in the table below:

PROJECTION PREMISES – SEARA'S BRANDS:

PARAMETER	PREMISES	RATIONALE
ROYALTIES	▪ A rate of 3.6% p.a. was applied over the Net Operating Revenue for manufactured products, in both internal and external markets.	▪ The royalties vary from 2% to 5% over the Net Operating Revenue in the manufactured foods industry, according to the analyzed average; ▪ In a conservative manner, an average royalty rate of the analyzed sample was used; ▪ Royalties were not applied to the other segments, considering that the brand does not have influence on the sale of products *in natura*, among others.
SALES VOLUME	▪ The volume of sales was projected based on a family of manufactured products owned by SEARA, according to the attached flow.	▪ Consumer market recovery with the reheating of Brazilian and global economies, affecting the rise of protein product consumption; ▪ Variation of the volume according to the company´s multiannual projections.

NET OPERATING REVENUE	▪ The Net Operating Revenue is the volume of sales in each family, multiplied by the net price of discounts, reductions, returns and taxes.	▪ According to the company´s mulitannual projections, considering the impact of inflation.
NET OPERATING REVENUE – OWN BRANDS	▪ For the Net Operating Revenue projected in each family, the market share relative to the own brands was applied.	▪ Segment only the Net Operating Revenue derived from the own brands, object of this assessment.
ROYALTIES SAVINGS	▪ Net Operating Revenue of manufactured products x 3.6% x (1-34%) – which is the applicable Income Tax and Social Contribution.	▪ Demonstration of the savings generated by each brand.

DETERMINING THE DISCOUNT RATE

The rate was calculated through the WACC - Weighted Average Cost of Capital methodology, in which the cost of capital is determined by the weighted average of the economic value of capital structure components (equity and debt capital) and the real discount rate in constant currency in Brazil of 13.3% p.a.

BRAND VALUE

Based on the Cash Flow of the generated savings by not paying the brand´s royalties, projected for the following 10 years, and on the residual value of the flow thereafter (considering a perpetuity growth rate of 4.5% per year), these values were discounted to the present value, using the real discount rate described in the previous item, obtaining the following values for each own brand:

TOTAL VALUE OF SEARA BRAND (THOUSAND REAIS)	
growth on perpetuity	4.5%
discount rate (per year)	13.3%
TOTAL VALUE OF SEARA BRANE	594,581

SEARA ALIMENTOS LTDA **(THOUSAND REAIS)**

BALANCE SHEET 12/31/2009

ASSETS	1,774,183	LIABILITIES	1,774,183
CURRENT ASSETS	**780,269**	**CURRENT LIABILITES**	**679,349**
CASH AND CASH EQUIVALENT	33,208	LOANS AND FINANCING	385,127
FINANCIAL INSTRUMENTS	15,599	FINANCIAL INSTRUMENTS	-
RECEIVABLE ACCOUNTS	131,664	SUPPLIERS	153,765
INVENTORIES	455,879	TAXES AND CONTRIBUTIONS	15,988
RELATED PARTIES	79,738	WAGES PAYABLE	47,426
TAXES RECOVERABLE	13,393	RELATED PARTIES	16,313
PREPAYED EXPENSES	1,122	OTHER ACCOUNTS PAYABLE	60,730
OTHER ASSETS	49,666	INCOME TAX AND SOCIAL CONTRIBUTION	-
LONG TERM ASSETS	**246,859**	**LONG TERM LIABILITIES**	**115,808**
		LOANS AND FINANCING	21,458
TAXES RECOVERABLE	234,073	PROVISIONS FOR CONTINGENCIES	88,903
OTHER ASSETS	12,786	OTHER ACCOUNTS PAYABLE	5,447
PERMANENT	**747,055**	**EQUITY**	**979,026**
INVESTMENTS	93,678		
FIXED ASSETS	647,753	CAPITAL	1,564,940
INTANGIBLE ASSETS	5,624	EQUITY VALUATION ADJUSTMENTS	-1,441
		ACCUMULATED PROFIT OR LOSS	-584,473

FINANCIAL STATEMENT - 12/31/2009	
GROSS REVENUE	**2,994,924**
Product Sales	2,984,575
Services Renderred	10,349
DEDUCTIONS	**-223,032**
Sales Tax	-173,786
Returns and Rebates	-49,246
NET OPERATING REVENUE	**2,771,892**
COST OF GOODS SOLD	**-2,679,254**
GROSS PROFIT	**92,638**
OPERATING REVENUE/EXPENSES	**-424,468**
Sales	-275,157
General and Administrative	-119,037
Net Financial Revenue	-55,524
Equity Adjustment Result	22,967
Other Operating Revenue/Expenses	2,284
LOSS BEFORE IR/CSLL	**-331,830**
Income Tax and Social Contribution	-767
FINANCIAL YEAR LOSS	**-332,597**

VOLUME OF SALES - SEARA (Tons)										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
INTERNAL MARKET										
INDUSTRIALIZED	196	216	237	249	262	270	278	286	295	303
EXTERNAL MARKET										
INDUSTRIALIZED	12	17	20	19	18	16	15	16	16	16

AVERAGE PRICE (REAIS / Kg)										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
INTERNAL MARKET										
INDUSTRIALIZED	4.6	4.8	5.0	5.3	5.5	5.8	6.0	6.3	6.6	6.9
EXTERNAL MARKET										
INDUSTRIALIZED	5.0	5.3	5.5	5.8	6.0	6.3	6.6	6.9	7.2	7.5

SEARA`S BILLINGS (REAIS MM)										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
INTERNAL MARKET	**906**	**1,042**	**1,197**	**1,314**	**1,441**	**1,551**	**1,670**	**1,797**	**1,935**	**2,082**
INDUSTRIALIZED	906	1,042	1,197	1,314	1,441	1,551	1,670	1,797	1,935	2,082
EXTERNAL MARKET	**59**	**87**	**109**	**108**	**106**	**102**	**100**	**107**	**113**	**121**
INDUSTRIALIZED	59	87	109	108	106	102	100	107	113	121
SEARA TOTAL EARNINGS	**965**	**1,129**	**1,306**	**1,422**	**1,547**	**1,654**	**1,770**	**1,904**	**2,048**	**2,203**

MARFRIG´S BILLINGS (REAIS MM)										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
BRAZIL BOVINE DIVISION	0	841	967	1,061	1,164	1,253	1,349	1,452	1,563	1,682
ARGENTINA DIVISION	0	30	34	38	41	45	48	52	56	60
URUGUAY/CHILE/ZENDA DIVISION	0	4	5	5	6	6	6	7	8	8
EUROPE DIVISION	0	166	191	209	229	247	266	286	308	331
MARFRIG TOTAL EARNINGS	**0**	**1,041**	**1,197**	**1,313**	**1,441**	**1,551**	**1,669**	**1,797**	**1,934**	**2,081**

OTHER OPERATIONAL DATA										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Discounts and Reductions / Returns (%)	-1.1%	-1.1%	-1.1%	-1.1%	-1.1%	-1.1%	-1.1%	-1.1%	-1.1%	-1.1%
Taxes over Gross Operating Revenue (%)	-13.0%	-13.0%	-13.0%	-13.0%	-13.0%	-13.0%	-13.0%	-13.0%	-13.0%	-13.0%

CAPITAL STRUCTURE	
EQUITY	51.9%
DEBT	48.1%
EQUITY + DEBT	100.0%

COST OF EQUITY	
RISK FREE RATE (Rf)	4.3%
BETA d	0.52
BETA r	0.84
RISK PREMIUM (Rm - Rf)	5.7%
BRAZIL RISK	1.8%
SIZE PREMIUM (Rs)	0.9%
INFLATION DIFERENTIAL	2.5%
Re (=)	**14.3%**

COST OF DEBT	
CDI	12.3%
Rd (=)	**12.3%**

WACC	
COST OF EQUITY	14.3%
COST OF DEBT	12.3%
NOMINAL DISCOUNT RATE (=)	**13.3%**

OWNER	LICENSOR	OBJECT OF LICENSE	FIELD OF BUSINESS	ROYALTY RATE (% REVENUE)
Atlas International Food and Equipment Co. Inc.	Mexican Foods Inc. and Sparta Foods Inc.	Food preparation and similar products	Foods	between 2% and 3%
Bestfoods	Hibernia Foods PLC	Frozen Foods	Foods	5%
Olympia Dukakis	Famous Fixings Inc	Grocery and related products	Foods	5%
RSPCA Australia	Pastoral Pork Company	n/a	Foods	2%
			Used Rate	3.6%

NET OPERATING REVENUE - OWN BRANDS million REAIS	YEAR 1 2010	YEAR 2 2011	YEAR 3 2012	YEAR 4 2013	YEAR 5 2014	YEAR 6 2015	YEAR 7 2016	YEAR 8 2017	YEAR 9 2018	YEAR 10 2019
Billing	**965**	**2,170**	**2,503**	**2,735**	**2,988**	**3,204**	**3,439**	**3,701**	**3,982**	**4,284**
Discounts and Rebates / Returns (%)	-11	-25	-28	-31	-34	-36	-39	-42	-45	-49
Gross Operating Revenue	**954**	**2,145**	**2,475**	**2,704**	**2,954**	**3,168**	**3,400**	**3,659**	**3,937**	**4,236**
Taxes over Gross Operating Revenue (%)	-124	-278	-321	-351	-384	-411	-441	-475	-511	-550
Net Operating Revenue	**830**	**1,867**	**2,153**	**2,353**	**2,571**	**2,757**	**2,959**	**3,184**	**3,426**	**3,686**
Royalty over Net Operating Revenue (%)	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
Income Tax and Social Contribution	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%
Royalties Savings - after tax	**19.9**	**44.7**	**51.5**	**56.3**	**61.5**	**66.0**	**70.8**	**76.2**	**82.0**	**88.2**

TOTAL VALUE OF SEARA BRAND (THOUSAND REAIS)	
growth on perpetuity	4.5%
discount rate (per year)	13.3%
TOTAL VALUE OF SEARA BRAND	594,581

Apsis

ANEXO 2

ABL – área bruta locável.

ABNT – Associação Brasileira de Normas Técnicas

Abordagem da renda - método de avaliação pela conversão a valor presente de benefícios econômicos esperados.

Abordagem de ativos - método de avaliação de empresas onde todos os ativos e passivos (incluindo os não contabilizados) têm seus valores ajustados aos de mercado. Também conhecido como patrimônio líquido a mercado.

Abordagem de mercado - método de avaliação no qual são adotados múltiplos comparativos derivados de preço de vendas de ativos similares.

Ágio por expectativa de rentabilidade futura (fundo de comércio ou *goodwill*) - benefícios econômicos futuros decorrentes de ativos não passíveis de serem individualmente identificados nem separadamente reconhecidos.

Amortização - alocação sistemática do valor amortizável de ativo ao longo de sua vida útil.

Amostra – conjunto de dados de mercado representativos de uma população.

Aproveitamento eficiente – aquele recomendável e tecnicamente possível para o local, em uma data de referência, observada a tendência mercadológica nas circunvizinhanças, entre os diversos usos permitidos pela legislação pertinente.

Área equivalente de construção - área construída sobre a qual é aplicada a equivalência de custo unitário de construção correspondente, de acordo com os postulados da ABNT.

Área homogeneizada - área útil, privativa ou construída com tratamentos matemáticos, para fins de avaliação, segundo critérios baseados no mercado imobiliário.

Área privativa - área útil acrescida de elementos construtivos (tais como paredes, pilares etc.) e hall de elevadores (em casos particulares).

Área total de construção – resultante do somatório da área real privativa e da área comum atribuídas a uma unidade autônoma, definidas conforme a ABNT.

Área útil – área real privativa subtraída a área ocupada pelas paredes e outros elementos construtivos que impeçam ou dificultem sua utilização.

Arrendamento mercantil financeiro - o que transfere substancialmente todos os riscos e benefícios vinculados à posse do ativo, o qual pode ou não ser futuramente transferido. O arrendamento que não for financeiro é operacional.

Arrendamento mercantil operacional - o que não transfere substancialmente todos os riscos e benefícios inerentes à posse do ativo. O arrendamento que não for operacional é financeiro.

Ativo - recurso controlado pela entidade como resultado de eventos passados dos quais se esperam benefícios econômicos futuros para a entidade.

Ativo imobilizado - ativos tangíveis disponibilizados para uso na produção ou fornecimento de bens ou serviços, na locação por outros, investimento, ou fins administrativos, esperando-se que sejam usados por mais de um período contábil.

Ativo intangível - ativo identificável não monetário sem substância física. Tal ativo é identificável quando: for separável, isto é, capaz de ser separado ou dividido da entidade e vendido, transferido, licenciado, alugado ou trocado, tanto individualmente quanto junto com contrato, ativo ou passivo relacionados; ou origina direitos contratuais ou outros direitos legais, independente desses serem transferidos, separáveis da entidade ou de outros direitos e obrigações.

Ativos não operacionais - aqueles não ligados diretamente às atividades de operação da empresa (podem ou não gerar receitas) e que podem ser alienados sem prejuízo do seu funcionamento.

Ativos operacionais - bens fundamentais ao funcionamento da empresa.

Ativo tangível - ativo de existência física como terreno, construção, máquina, equipamento, móvel e utensílio.

Avaliação - ato ou processo de determinar o valor de um ativo.

Glossário

BDI – percentual que indica os benefícios e despesas indiretas incidentes sobre o custo direto da construção.

Bem – coisa que tem valor, suscetível de utilização ou que pode ser objeto de direito, que integra um patrimônio.

Benefícios econômicos - benefícios tais como receitas, lucro líquido, fluxo de caixa líquido etc.

Beta - medida de risco sistemático de uma ação; tendência do preço de determinada ação a estar correlacionado com mudanças em determinado índice.
Beta alavancado – valor de beta refletindo o endividamento na estrutura de capital.

Campo de arbítrio – intervalo de variação no entorno do estimador pontual adotado na avaliação, dentro do qual se pode arbitrar o valor do bem desde que justificado pela existência de características próprias não contempladas no modelo.

CAPEX (*Capital Expenditure***)** – investimento em ativo permanente.

CAPM (*Capital Asset Pricing Model***)** - modelo no qual o custo de capital para qualquer ação ou lote de ações equivale à taxa livre de risco acrescida de prêmio de risco proporcionado pelo risco sistemático da ação ou lote de ações em estudo. Geralmente utilizado para calcular o Custo de Capital Próprio ou Custo de Capital do Acionista.

Capital investido – somatório de capital próprio e de terceiros investidos em uma empresa. O capital de terceiros geralmente está relacionado a dívidas com juros (curto e longo prazo) devendo ser especificadas dentro do contexto da avaliação.

Capitalização - conversão de um período simples de benefícios econômicos em valor.

Códigos alocados – ordenação numeral (notas ou pesos) para diferenciar as características qualitativas dos imóveis.

Combinação de negócios - união de entidades ou negócios separados produzindo demonstrações contábeis de uma única entidade que reporta. Operação ou outro evento por meio do qual um adquirente obtém o controle de um ou mais negócios, independente da forma jurídica da operação.

Controlada - entidade, incluindo aquela sem personalidade jurídica, tal como uma associação, controlada por outra entidade (conhecida como controladora).

Controladora - entidade que possui uma ou mais controladas.

Controle - poder de direcionar a gestão estratégica política e administrativa de uma empresa.

CPC - Comitê de Pronunciamentos Contábeis

Custo – total dos gastos diretos e indiretos necessários à produção, manutenção ou aquisição de um bem em uma determinada data e situação.

Custo de capital - taxa de retorno esperado requerida pelo mercado como atrativa de fundos para determinado investimento.

Custo de reedição – custo de reprodução, descontada a depreciação do bem, tendo em vista o estado em que se encontra.

Custo de reprodução – gasto necessário para reproduzir um bem, sem considerar eventual depreciação.

Custo de substituição – custo de reedição de um bem, com a mesma função e características assemelhadas ao avaliando.

Custo direto de produção – gastos com insumos, inclusive mão de obra, na produção de um bem.

Custo indireto de produção – despesas administrativas e financeiras, benefícios e demais ônus e encargos necessários à produção de um bem.

CVM – Comissão de Valores Mobiliários.

Dado de mercado – conjunto de informações coletadas no mercado relacionadas a um determinado bem.

Dano – prejuízo causado a outrem pela ocorrência de vícios, defeitos, sinistros e delitos, entre outros.

Data base – data específica (dia, mês e ano) de aplicação do valor da avaliação.

Data de emissão – data de encerramento do laudo de avaliação, quando as conclusões da avaliação são transmitidas ao cliente.

DCF (*Discounted Cash Flow***)** - fluxo de caixa descontado.

D&A – Depreciação e Amortização.

Depreciação - alocação sistemática do valor depreciável de ativo durante a sua vida útil.

Desconto por falta de controle - valor ou percentual deduzido do valor pró-rata de 100% do valor de uma empresa, que reflete a ausência de parte ou da totalidade de controle.

Desconto por falta de liquidez - valor ou percentual deduzido do valor pró-rata de 100% do valor de uma empresa, que reflete a ausência de liquidez.

Dívida líquida – caixa e equivalentes, posição líquida em derivativos, dívidas financeiras de curto e longo prazo, dividendos a receber e a pagar, recebíveis e contas a pagar relacionadas a debêntures, déficits de curto e longo prazo com fundos de pensão, provisões, outros créditos e obrigações com pessoas vinculadas, incluindo bônus de subscrição.

Documentação de suporte – documentação levantada e fornecida pelo cliente na qual estão baseadas as premissas do laudo.

Drivers – direcionadores de valor ou variáveis-chave.

EBIT (*Earnings Before Interests and Taxes***)** - lucro antes de juros e impostos.

EBTIDA (*Earnings Before Interests***,** *Taxes***,** *Depreciation and Amortization***)** - lucros antes de juros, impostos, depreciação e amortização.

Empreendimento – conjunto de bens capaz de produzir receitas por meio de comercialização ou exploração econômica. Pode ser: imobiliário (ex.: loteamento, prédios comerciais/residenciais), de base imobiliária (ex.: hotel, shopping center, parques temáticos), industrial ou rural.

Empresa - entidade comercial, industrial, prestadora de serviços ou de investimento detentora de atividade econômica.

Enterprise value – valor econômico da empresa.

Equity value – valor econômico do patrimônio líquido.

Estado de conservação – situação física de um bem em decorrência de sua manutenção.

Estrutura de capital - composição do capital investido de uma empresa entre capital próprio (patrimônio) e capital de terceiros (endividamento).

Fator de comercialização – razão entre o valor de mercado de um bem e seu custo de reedição ou substituição, que pode ser maior ou menor que 1 (um).

FCFF (*Free Cash Flow to Firm***)** - fluxo de caixa livre para a firma, ou fluxo de caixa livre desalavancado.

Fluxo de caixa - caixa gerado por um ativo, grupo de ativos ou empresa durante determinado período de tempo. Geralmente o termo é complementado por uma qualificação referente ao contexto (operacional, não operacional etc.).

Fluxo de caixa do capital investido – fluxo gerado pela empresa a ser revertido aos financiadores (juros e amortizações) e acionistas (dividendos) depois de considerados custo e despesas operacionais e investimentos de capital.

Fração ideal – percentual pertencente a cada um dos compradores (condôminos) no terreno e nas coisas comuns da edificação.

Free float – percentual de ações em circulação sobre o capital total da empresa.

Frente real – projeção horizontal da linha divisória do imóvel com a via de acesso.

Gleba urbanizável – terreno passível de receber obras de infraestrutura urbana, visando o seu aproveitamento eficiente, por meio de loteamento, desmembramento ou implantação de empreendimento.

Goodwill – ver Ágio por expectativa de rentabilidade futura (fundo de comércio ou *goodwill*)

Hipótese nula em um modelo de regressão – hipótese em que uma ou um conjunto de variáveis independentes envolvidas no modelo de regressão não é importante para explicar a variação do fenômeno em relação a um nível de significância pré-estabelecido.

Homogeneização – tratamento dos preços observados, mediante a aplicação de transformações matemáticas que expressem, em termos relativos, as diferenças entre os atributos dos dados de mercado e os do bem avaliando.

IAS (*International Accounting Standard***)** – Normas Internacionais de Contabilidade.

IASB (*International Accounting Standards Board***)** – Junta Internacional de Normas Contábeis.

Idade aparente - idade estimada de um bem em função de suas características e estado de conservação no momento da vistoria.

IFRS (*International Financial Reporting Standard***)** – Normas Internacionais de Relatórios Financeiros, conjunto de pronunciamentos de contabilidade internacionais publicados e revisados pelo IASB.

Imóvel – bem constituído de terreno e eventuais benfeitorias a ele incorporadas. Pode ser classificado como urbano ou rural, em função da sua localização, uso ou vocação.

Imóvel de referência – dado de mercado com características comparáveis às do imóvel avaliando.

Impairment – ver Perdas por desvalorização

Inferência estatística – parte da ciência estatística que permite extrair conclusões sobre a população a partir de amostra.
Infraestrutura básica – equipamentos urbanos de escoamento das águas pluviais, iluminação pública, redes de esgoto sanitário, abastecimento de água potável, energia elétrica pública e domiciliar e vias de acesso.

Instalações - conjunto de materiais, sistemas, redes, equipamentos e serviços para apoio operacional a uma máquina isolada, linha de produção ou unidade industrial, conforme grau de agregação.

Liquidação forçada – condição relativa à hipótese de uma venda compulsória ou em prazo menor que a média de absorção pelo mercado.

Liquidez – capacidade de rápida conversão de determinado ativo em dinheiro ou em pagamento de determinada dívida.

Loteamento – subdivisão de gleba em lotes destinados a edificações, com abertura de novas vias de circulação de logradouros públicos ou prolongamento, modificação ou ampliação das já existentes.

Luvas – quantia paga pelo futuro inquilino para assinatura ou transferência do contrato de locação, a título de remuneração do ponto comercial.

Metodologia de avaliação – uma ou mais abordagens utilizadas na elaboração de cálculos avaliatórios para a indicação de valor de um ativo.

Modelo de regressão – modelo utilizado para representar determinado fenômeno, com base em uma amostra, considerando-se as diversas características influenciantes.

Múltiplo – valor de mercado de uma empresa, ação ou capital investido, dividido por uma medida da empresa (EBITDA, receita, volume de clientes etc.).

Normas Internacionais de Contabilidade - normas e interpretações adotadas pela IASB. Elas englobam: Normas Internacionais de Relatórios Financeiros (IFRS); Normas Internacionais de Contabilidade (IAS); e interpretações desenvolvidas pelo Comitê de Interpretações das Normas Internacionais de Relatórios Financeiros (IFRIC) ou pelo antigo Comitê Permanente de Interpretações (SIC).

Padrão construtivo – qualidade das benfeitorias em função das especificações dos projetos, de materiais, execução e mão de obra efetivamente utilizados na construção.

Parecer técnico – relatório circunstanciado ou esclarecimento técnico, emitido por um profissional capacitado e legalmente habilitado, sobre assunto de sua especificidade.

Passivo - obrigação presente que resulta de acontecimentos passados, em que se espera que a liquidação desta resulte em afluxo de recursos da entidade que incorporam benefícios econômicos.

Patrimônio líquido a mercado - ver Abordagem de ativos.

Perdas por desvalorização (*impairment*) - valor contábil do ativo que excede, no caso de estoques, seu preço de venda menos o custo para completá-lo e despesa de vendê-lo; ou, no caso de outros ativos, seu valor justo menos a despesa para a venda.

Perícia – atividade técnica realizada por profissional com qualificação específica para averiguar e esclarecer fatos, verificar o estado de um bem, apurar as causas que motivaram determinado evento, avaliar bens, seus custos, frutos ou direitos.

Pesquisa de mercado – conjunto de atividades de identificação, investigação, coleta, seleção, processamento, análise e interpretação de resultados sobre dados de mercado.

Planta de valores – representação gráfica ou listagem dos valores genéricos de metro quadrado de terreno ou do imóvel em uma mesma data.

Ponto comercial – bem intangível que agrega valor ao imóvel comercial, decorrente de sua localização e expectativa de exploração comercial.

Ponto influenciante – ponto atípico que, quando retirado da amostra, altera significativamente os parâmetros estimados ou a estrutura linear do modelo.

População – totalidade de dados de mercado do segmento que se pretende analisar.

Preço – quantia pela qual se efetua uma transação envolvendo um bem, um fruto ou um direito sobre ele.

Prêmio de controle - valor ou percentual de um valor pró-rata de lote de ações controladoras sobre o valor pró-rata de ações sem controle, que refletem o poder do controle.

Profundidade equivalente – resultado numérico da divisão da área de um lote pela sua frente projetada principal.

Propriedade para investimento - imóvel (terreno, construção ou parte de construção, ou ambos) mantido pelo proprietário ou arrendatário sob arrendamento, tanto para receber pagamento de aluguel quanto para valorização de capital, ou ambos, que não seja para: uso na produção ou fornecimento de bens ou serviços, como também para fins administrativos.

Rd (Custo da Dívida) – medida do valor pago pelo capital provindo de terceiros, sob a forma de empréstimos, financiamentos, captações no mercado, entre outros.

Re (Custo de Capital Próprio) – retorno requerido pelo acionista pelo capital investido.

Risco do negócio - grau de incerteza de realização de retornos futuros esperados do negocio, resultantes de fatores que não alavancagem financeira.

Seguro - transferência de risco garantida por contrato, pelo qual uma das partes se obriga, mediante cobrança de prêmio, a indenizar a outra pela ocorrência de sinistro coberto pela apólice.

Sinistro - evento que causa perda financeira.

Taxa de capitalização - qualquer divisor usado para a conversão de benefícios econômicos em valor em um período simples.

Taxa de desconto - qualquer divisor usado para a conversão de um fluxo de benefícios econômicos futuros em valor presente.

Taxa interna de retorno – taxa de desconto onde o valor presente do fluxo de caixa futuro é equivalente ao custo do investimento.

Testada - medida da frente de um imóvel.

Tratamento de dados – aplicação de operações que expressem, em termos relativos, as diferenças de atributos entre os dados de mercado e os do bem avaliando.

Unidade geradora de caixa - menor grupo de ativos identificáveis gerador de entradas de caixa que são, em grande parte, independentes de entradas geradas por outros ativos ou grupos de ativos.

Valor atual - valor de reposição por novo depreciado em função do estado físico em que se encontra o bem.

Valor contábil - valor em que um ativo ou passivo é reconhecido no balanço patrimonial.

Valor da perpetuidade - valor ao final do período projetivo a ser adicionado no fluxo de caixa.

Valor de dano elétrico - estimativa do custo do reparo ou reposição de peças, quando ocorre um dano elétrico no bem. Os valores são tabelados em percentuais do Valor de Reposição e foram calculados através de estudos dos manuais dos equipamentos e da experiência em manutenção corretiva dos técnicos da Apsis.

Valor de investimento - valor para um investidor em particular, baseado em interesses particulares no bem em análise. No caso de avaliação de negócios, este valor pode ser analisado por diferentes situações tais como sinergia com demais empresas de um investidor, percepções de risco, desempenhos futuros e planejamentos tributários.

Valor de liquidação - valor de um bem colocado à venda no mercado fora do processo normal, ou seja, aquele que se apuraria caso o bem fosse colocado à venda separadamente, levando-se em consideração os custos envolvidos e o desconto necessário para uma venda em um prazo reduzido.

Valor de reposição por novo – valor baseado no que o bem custaria (geralmente em relação a preços correntes de mercado) para ser reposto ou substituído por outro novo, igual ou similar.

Valor de seguro - valor pelo qual uma companhia de seguros assume os riscos e não se aplica ao terreno e fundações, exceto em casos especiais.

Valor de sucata - valor de mercado dos materiais reaproveitáveis de um bem, na condição de desativação, sem que estes sejam utilizados para fins produtivos.

Valor depreciável - custo do ativo, ou outra quantia substituta do custo (nas demonstrações contábeis), menos o seu valor residual.

Valor em risco - valor representativo da parcela do bem que se deseja segurar e que pode corresponder ao valor máximo segurável.

Valor em uso - valor de um bem em condições de operação no estado atual, como uma parte integrante útil de uma indústria, incluídas, quando pertinentes, as despesas de projeto, embalagem, impostos, fretes e montagem.

Valor (justo) de mercado - valor pelo qual um ativo pode ser trocado de propriedade entre um potencial vendedor e um potencial comprador, quando ambas as partes têm conhecimento razoável dos fatos relevantes e nenhuma está sob pressão de fazê-lo.

Valor justo menos despesa para vender - valor que pode ser obtido com a venda de ativo ou unidade geradora de caixa menos as despesas da venda, em uma transação entre partes conhecedoras, dispostas a tal e isentas de interesse.

Valor máximo de seguro - valor máximo do bem pelo qual é recomendável que seja segurado. Este critério estabelece que o bem com depreciação maior que 50% deverá ter o Valor Máximo de Seguro igual a duas vezes o Valor Atual; e aquele com depreciação menor que 50% deverá ter o Valor Máximo de Seguro igual ao Valor de Reposição.

Valor presente - estimativa do valor presente descontado de fluxos de caixa líquidos no curso normal dos negócios.

Valor recuperável - valor justo mais alto de ativo (ou unidade geradora de caixa) menos as despesas de venda comparado com seu valor em uso.

Valor residual - valor do bem novo ou usado projetado para uma data, limitada àquela em que o mesmo se torna sucata, considerando estar em operação durante o período.

Valor residual de ativo - valor estimado que a entidade obteria no presente com a alienação do ativo, após deduzir as despesas estimadas desta, se o ativo já estivesse com a idade e condição esperadas no fim de sua vida útil.

Variáveis independentes – variáveis que dão conteúdo lógico à formação do valor do imóvel objeto da avaliação.

Variáveis qualitativas – variáveis que não podem ser medidas ou contadas, apenas ordenadas ou hierarquizadas, de acordo com atributos inerentes ao bem (por exemplo, padrão construtivo, estado de conservação e qualidade do solo).

Variáveis quantitativas – variáveis que podem ser medidas ou contadas (por exemplo, área privativa, número de quartos e vagas de garagem).

Variáveis-chave – variáveis que, a priori e tradicionalmente, são importantes para a formação do valor do imóvel.

Variável dependente – variável que se pretende explicar pelas independentes.

Variável dicotômica – variável que assume apenas dois valores.

Vício – anomalia que afeta o desempenho de produtos e serviços, ou os torna inadequados aos fins a que se destinam, causando transtorno ou prejuízo material ao consumidor.

Vida remanescente – vida útil que resta a um bem.

Vida útil econômica - período no qual se espera que um ativo esteja disponível para uso, ou o número de unidades de produção ou similares que se espera obter do ativo pela entidade.

Vistoria – constatação local de fatos, mediante observações criteriosas em um bem e nos elementos e condições que o constituem ou o influenciam.

Vocação do imóvel – uso economicamente mais adequado de determinado imóvel em função das características próprias e do entorno, respeitadas as limitações legais.

WACC (*Weighted Average Cost of Capital***)** - modelo no qual o custo de capital é determinado pela média ponderada do valor de mercado dos componentes da estrutura de capital (próprio e de terceiros).

Apsis

Há mais de 30 anos a Apsis presta consultoria a diversas empresas no Brasil, América Latina e Europa. Oferece uma gama de serviços integrados em gestão empresarial visando mensurar, gerir e otimizar o patrimônio dos seus clientes, agregando VALOR aos seus negócios. Com atendimento ágil e personalizado, a equipe de consultores é formada por profissionais experientes, altamente qualificados e atualizados com as mudanças do mercado e da legislação.

Apsis, a diferença na conquista de grandes negócios.

avaliação de empresas

- Assessoria a Investidores e Fundos
- Estudos de Vocação e Viabilidade de Empreendimentos
- Busca de Novos Investidores
- Fundamentação de Ágio (Regulamento da Receita Federal e CPC - Comitê de Pronunciamentos Contábeis)
- Fusões e Aquisições (M&A)
- Reestruturação Societária (Lei das S/A)
- Acompanhamento de Resultados e Desempenho Econômico

IFRS adoção das normas internacionais

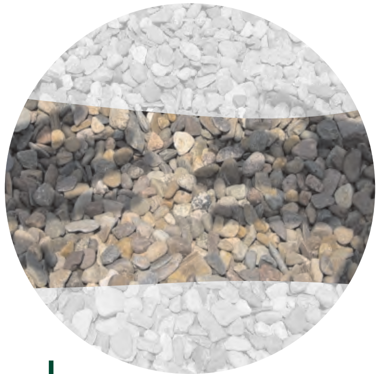
- Teste de Impairment - Redução ao Valor Recuperável de Ativos
- Avaliação para Alocação de Preço de Aquisição (PPA - Purchase Price Alocation)
- Combinação de Negócios
- Propriedade para Investimento
- Cálculo de Vida Útil Econômica e Valor Residual

negócios imobiliários

- Avaliação Imobiliária e Pesquisa de Mercado
- Renegociação de Aluguéis
- Prospecção de Produtos Imobiliários (Tenant Representation)
- Imóveis Sob Medida (Built-to-suit)
- Desmobilização e Locação de Imóveis (Sale & Leaseback)

ativo imobilizado

- Gestão de Ativo Imobilizado
- Outsourcing Patrimonial
- Cálculo de Vida Útil Econômica e Valor Residual
- Inventário e Emplaquetamento de Bens
- Avaliação para Fins de Seguro



avaliação de marcas e outros intangíveis

- Avaliação para Alocação de Preço de Aquisição (PPA - Purchase Price Alocation)
- Alocação de Valores de Ativos Intangíveis
- Avaliação de Softwares

sustentabilidade corporativa

O mundo empresarial entrou na era do DESENVOLVIMENTO SUSTENTÁVEL, através do tripé fundamental PATRIMONIAL, AMBIENTAL E SOCIAL, que acentua a percepção da empresa, sua imagem e reputação, onde atuamos de forma estratégica, agregando aos serviços patrimoniais e financeiros, novos serviços nas áreas de GESTÃO AMBIENTAL E GESTÃO SOCIAL.

clientes apsis

A!BODYTECH
AÇÚCAR GUARANI (TEREOS FRANÇA)
ADVENT INTERNATIONAL
ALL - AMÉRICA LATINA LOGÍSTICA
ALIANSCE SHOPPING CENTERS
ANDRADE GUTIERREZ
ANGRA PARTNERS
ANHANGUERA EDUCACIONAL PARTICIPAÇÕES
AMBEV
ARCELOR MITTAL
AXXON GROUP
AYESA PROJETOS BRASIL (ESPANHA)
B2W - AMERICANAS.COM, SUBMARINO, SHOPTIME
BANCO BRADESCO
BANCO DO BRASIL
BANCO ITAÚ
BANCO PROSPER
BANCO SANTANDER
BANK OF AMERICA MERRILL LYNCH
BHG – BRAZIL HOSPITALITY GROUP
BHP BILLITON METAIS
BMA - BARBOSA, MÜSSNICH & ARAGÃO ADVOGADOS
BMF BOVESPA
BNDES
BORIS LERNER, FRAZÃO, GARCIA, MALVAR E CONSULTORES
BRASFELS
BRASIL FOODS (SADIA, PERDIGÃO)
BRASKEM
BR MALLS
BR PROPERTIES
BROOKFIELD INCOPORAÇÕES (BRASCAN)
BTG PACTUAL
BUNGE FERTILIZANTES
CAMIL ALIMENTOS
CARLYLE BRASIL
CASA & VIDEO
CASTRO BARROS SOBRAL GOMES ADVOGADOS
CAMARGO CORREA
CARREFOUR
CEG
CIELO
CLARO
COCA-COLA
COMITÊ OLÍMPICO BRASILEIRO - COB
CONTAX
CORSAN
COSAN
CREDICARD
CSM – CITTADINO SOARES MOTTA
CSN - COMPANHIA SIDERÚRGICA NACIONAL
CYRELA BRASIL REALTY
EBX - LLX LOGÍSTICA
EDP – ENERGIAS DO BRASIL
ELETROBRÁS
EMBRATEL
ENERGISA
ENDURANCE PARTNERS
ERNEST & YOUNG
ESSO - EXXON MOBIL
ESTÁCIO PARTICIPAÇÕES
ESTALEIRO ALIANÇA
ETERNIT
FEMSA BRASIL
FGV - FUNDAÇÃO GETÚLIO VARGAS
FRESH START BAKERIES (EUA)
FURNAS CENTRAIS ELÉTRICAS
GAFISA
GENERAL ELETRIC DO BRASIL (GE)
GERDAU
GETNET
GOUVÊA VIEIRA ADVOGADOS
GP INVESTIMENTOS
HSBC BANK BRASIL
HYPERMARCAS
IBMEC EDUCACIONAL
IMC DO BRASIL
INTELIG TELECOM
IOCHPE MAXION
JBS
KRAFT FOODS
LAEP BRASIL CONSULTORIA
LAFARGE
LIGHT
LIQUIGÁS
LOBO & IBEAS ADVOGADOS
LOJAS RENNER
LORINVEST (LORENTZEN)
MAGNESITA
MARFRIG
MATTOS FILHO ADVOGADOS
MICHELIN
MITSUBISHI
MPX ENERGIA
MULTIPLAN
NESTLÉ
OI TELEMAR
OWENS ILINOIS AMERICA LATINA
PÁTRIA INVESTIMENTOS
PETROBRÁS
PINHEIRO NETO ADVOGADOS
PONTO FRIO (GLOBEX)
PREVI
PROCTER & GAMBLE
PSA PEUGEOT CITROEN
QUATTOR
REDE RECORD
REPSOL YPF
REXAM
RICHARDS (CIA DAS MARCAS)
RIO BRAVO
ROTSCHILD & SONS
SHV GÁS BRASIL
SOUZA, CESCON ADVOGADOS
TAURUS
TIM BRASIL
TOTVS
T4F
TRENCH, ROSSI E WATANABE ADVOGADOS
ULHÔA CANTO, REZENDE E GUERRA ADVOGADOS
ULTRAPAR PARTICIPAÇÕES
VALE
VEIRANO ADVOGADOS
VIVO
VOTORANTIM
WHEATON DO BRASIL
WHITE MARTINS
XAVIER, BERNARDES, BRAGANÇA ADVOGADOS

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Tel.: +55 (11) 3666-8448
apsissp@apsis.com.br

EXHIBIT VII

TRANSFER OF CONTROL

1. Describe the deal

The Corporation, through its subsidiary incorporated under the laws of the Netherlands, hereby called CCKVL Holding BV (currently Seara Holdings (Europe) BV), has acquired from Cargill, Incorporated, a company with registered office in Delaware, USA, through a share purchase agreement, as amended, all assets, liabilities and businesses related to Seara Alimentos LTDA. (current name of Seara Alimentos S/A) in Brazil, as well as the businesses of companies and associated companies abroad.

The one hundred percent (100%) stake in Seara Alimentos LTDA., Corporate Taxpayer's ID (CNPJ) 02.914.460/0112-76 was acquired through the acquisition of one hundred percent (100%) of the shares of its parent company Babicora Holding Participações Ltda, Corporate Taxpayer's ID (CNPJ) 11.164.866/0001-54.

2. Inform the statutory or legal basis on which the deal was submitted to approval by the shareholders' meeting

The acquisition must be submitted for approval to the Corporation's Shareholders' Meeting, in accordance with Article 256, Item I of Law 6,404/76.

3. Regarding the company whose control was or will be acquired:

a. Inform the name and qualification

- Babicora Holding Participações Ltda, Corporate Taxpayer's ID (CNPJ) 11.164.866/0001-54, with registered office at Av. Chedid Jafet, 222, 3º andar, sala 3, São Paulo – SP; and

- Seara Alimentos LTDA (target company), Corporate Taxpayer's ID (CNPJ) 02.914.460/0112-76, with registered office at Av. Chedid Jafet, 222, 2º andar, sala 1, São Paulo – SP.

b. Number of shares or interests of each class or type issued (<u>on the acquisition date</u>)

- Babicora Holding Participações Ltda.: one billion, seventy-seven million, seven hundred eighty-one thousand, six hundred ninety-nine reais and ninety-six centavos (R$1,077,781,699.96), divided into one hundred and seven billion, seven hundred seventy-eight million, one hundred sixty-nine thousand, nine hundred ninety-six (107,778,169,996) shares, with par value of one centavo (R$0.01) each, fully subscribed and paid up, distributed as follows among the partners;

- Seara Alimentos LTDA (target company) nine hundred seventeen million, two hundred sixty-two thousand, two hundred eighty-six (917,262,286) shares, with par value of one Brazilian real (R$1.00) each.

c. List all the direct or indirect controlling shareholders or members of the controlling block, as well as their interest in the capital stock, including if as related parties, as defined by the accounting standards dealing with

this matter

The sellers of Seara Alimentos LTDA., as former controlling shareholder, are not related parties to the acquiring company.

d. For each class or type of share or interest in the company whose control will be acquired, please inform:

i. Minimum, average and maximum quote in each year, in the markets where these shares are traded, for the last three (3) years

ii. Minimum, average and maximum quote in each quarter, in the markets where these shares are traded, for the last two (2) years

iii. Minimum, average and maximum quote in each month, in the markets where these shares are traded, for the last six (6) months

iv. Average quote, in the markets where these shares are traded, in the last 90 days

v. Net book value adjusted to market prices, if the information is available

vi. Net income in the last two (2) fiscal years, with monetary restatement

Not applicable, since both Babicora Holding Participações Ltda and Seara Alimentos LTDA. are limited liability companies.

4. Main terms and conditions of the deal, including:

a. Identification of the sellers

Cargill, Incorporated, a company incorporated pursuant to the laws of Delaware, USA, with registered office at 15615 McGinty Road West, Wayzata, Minnesota.

b. Total number of shares or interests acquired or to be acquired

- Babicora Holding Participações Ltda.: one billion, seventy-seven million, seven hundred eighty-one thousand, six hundred ninety-nine reais and ninety-six centavos (R$1,077,781,699.96), divided into one hundred and seven billion, seven hundred seventy-eight million, one hundred sixty-nine thousand, nine hundred ninety-six (107,778,169,996) shares, with par value of one centavo (R$0.01) each, fully subscribed and paid up, distributed as follows among the partners;

- Seara Alimentos LTDA (target company) nine hundred seventeen million, two hundred sixty-two thousand, two hundred eighty-six (917,262,286) shares, with par value of one Brazilian real (R$1.00) each.

c. Total price

The transaction price was US$899.0 million, with US$705.2 million paid in cash and US$193.8 million in debt assumption.

d. Price per share or interest of each type or class

R$0.83 per share.

e. Form of payment

Electronic fund transfer to the account specified by Cargill.

f. Suspensive and resolutory conditions to which the business is subject

The deal is not subject to any resolutory conditions. The suspensive conditions to which the deal is subject must be met by the closing date, which occurred in January 2010:

By the Company:

a) Declarations and guarantees made and offered by Cargill in the share purchase agreement must be true and correct, in all material aspects, on the date of the signature of the contract;

b) receipt of all approvals required by the European Commission and by any other Government Authorities of any other country with powers to analyze and approve the acquisition;

c) No other action shall be taken (nor pending at the Date of signature) by any Government Authority that could restrict or prevent the execution of the acquisition contract;

d) Cargill must have fulfilled and observed, in all material aspects, all commitments, agreements and conditions, and delivered all documents required to conclude the deal;

By Cargill:

a) Declarations and guarantees made and offered by the Corporation in the share purchase agreement must be true and correct, in all material aspects, at the date of the signature of the contract;

b) The Corporation must have fulfilled and observed, in all material aspects, all commitments, agreements and conditions, and delivered all documents required to conclude the deal;

g. Summary of the sellers' representations and warranties

Cargill represents and warrants that (i) it is the holder of the shares hereby sold/transferred to CCKVL Holding BV (currently Seara Holdings (Europe) BV); (ii) the management of Cargill has approved the sale operation and that Cargill is in full capacity to sign the required documents; (iii) there are no conflicts capable of preventing the conclusion of the deal; (iv) the representations and warranties assumed herein will remain in force after the execution of the share purchase agreement; (v) it exempts itself from responsibility for any representation or warranty, including, specifically, but without limitations, any representation or warranty regarding the deal that is not within the representations made herein.

h. Rules on the indemnity of the acquirers

Cargill undertakes to indemnify the Corporation for any losses or damages incurred by the latter as a result of non-compliance with any such representations, warranties or commitments by Cargill to the Corporation in the share purchase agreement, except for attorneys' fees or proceeding costs of eventual claims filed against Cargill pursuant to Clause 10.3 of the share purchase agreement;

The Corporation undertakes to indemnify Cargill for: (i) any losses or damages incurred by the latter as a result of non-compliance with any such representations, warranties or commitments by the Corporation to Cargill in the share purchase agreement, except for attorneys' fees or proceeding costs of eventual claims filed against Cargill pursuant to Clause 10.3 of the share purchase agreement; and (ii) any obligation arising from Dutch taxes attributable to any company incorporated in the Netherlands;

i. Governmental approvals required

The Corporation should have received all approvals required by the European Commission and by any other Government Authorities of any other country with powers to analyze and approve the acquisition;

In such case, the necessary authorities for approval of the operation with regards to antitrust laws were the European Commission (already approved) and CADE – Brazilian Antitrust Authority (already approved).

j. Sureties given

Banco Bradesco has granted a Surety Letter as guarantee for the payment of the price of Cargill.

5. Description of the deal's purpose

Through the acquisition of SEARA, a healthy company with high potential for synergy gains, Marfrig has consolidated its foundation for future growth and guaranteed a complete and diversified product portfolio with the entry of a solid brand with excellent recognition. The SEARA brand has made important contributions to Marfrig by consolidating the former Poultry, Pork and Processed Foods Division into one of Brazil's largest and most globalized companies in the industry.

The acquisition is part of the Marfrig Group's strategy to expand its operations in the processed and elaborated foods market, expanding its portfolio through a brand that is renowned in Brazil and abroad, gaining market share and becoming an alternative for its clients in the supply of processed products.

6. Analysis of the deal's benefits, costs and risks

Benefits of the deal:

- Creation of a second poultry and pork player in the domestic and export markets;
- Brand with a national and international presence that enjoys high recall in higher-value products;
- Increased access to larger retail and food service chains in Brazil, expanding the product and client portfolios and increasing space on supermarket shelves with the presence of renowned brands;
- Adding an important structure for national and international distribution and logistics;
- Greater bargaining power with suppliers and integration and optimization of the administrative and sales areas;
- Increased access to important international markets through a dedicated sales team, which include Japan, China, Russia, Middle East, Europe and South Africa, effectively expanding the client portfolio;
- Consolidation of the strategy to expand in processed and elaborated poultry and pork products by adding production capacity with high potential for synergies gains with the current structures of the Poultry, Pork and Processed Foods Division of Marfrig in Brazil.

Deal Costs:

- The transaction price was US$899.0 million, with US$705.2 million paid in cash and the assumption of US$193.8 million in debt following the due diligence process. The payment of US$705.2 million was paid to Cargill Inc. on January 4, 2010.

Risks of the Deal:

- The global economic crisis could adversely affect our business and operating results;
- Our international and export operations expose us to political and economic risks in other countries, as well as the risks related to currency fluctuations;
- Sanitary risks related to the food industry could adversely affect our capacity to sell our products;
- Our operating results are subject to cyclical factors and volatility that could affect both the prices or our raw materials and our sales prices;
- More stringent trade barriers in important export markets could adversely affect the results of our operations;
- We may not be successful in integrating into our operations the normal activities of the acquired companies or in capturing synergies to our operations;
- The deterioration in labor relations could adversely affect our business;
- The consolidation of our clients could adversely affect our business;
- We face competition from Brazilian and foreign companies in the production, manufacture and marketing of our products;

7. Inform the costs to be incurred by the company if the Transaction is not approved

If the deal is not approved, the Corporation will be responsible for all of its own costs incurred with the execution and conclusion of the deal, including attorney and consulting fees.

8. Describe the sources of funds for the deal

A public offering was held for the distribution of 69,920,000 common shares issued by the Corporation, at the price of R$19.00 per share, for a total of R$1,328,480,000.00 (without considering the over-allotment option), of which 75% (R$972,771,300.00) is to be allocated to the acquisition of Seara and its overseas affiliates.

9. Describe management's plans for the company whose control was or will be acquired

Marfrig will use the SEARA brand to expand and grow in the elaborated, processed and fresh food segments, consolidating itself as the second largest player in the Brazilian market and one of the largest in the world in poultry and pork exports. SEARA will enable Marfrig to enter the biggest retail and Food Service networks in Brazil and abroad, expanding its product and client portfolios. The acquisition also helps gain more space on supermarket shelves and will expand the Corporation's reach in important international markets, such as Japan, China, the Middle East, Europe and South Africa.

SEARA was incorporated by the Marfrig Group on January 4, 2010, and became part of the former Poultry, Pork and Processed Foods Division (DASI). The new company will have a simpler, leaner and more agile structure, and focus on both domestic and international markets, which should lead to the capture of important synergies over the next two years, especially in logistic costs, selling and general expenses and raw material costs. The brands Mabella, Dagranja and Pena Branca will be included in the Division's portfolio, operating under the "umbrella" of SEARA, a solid national brand recognized for over 50 years in the market.

10. Provide a statement of justification from management recommending the deal's approval

As already mentioned in previous paragraphs, the acquisition of SEARA expanded the potential for processed food production in Brazil and consolidated Marfrig as the second-largest player in the domestic and export market for poultry and pork and as one of world's largest food companies, while adding the SEARA brand, which enjoys national recognition in higher-value processed products.

In view of the above, the Management of the Marfrig Alimentos S.A. recommends that the shareholders approve the acquisition of SEARA without any qualifications or restrictions.

11. Describe any ownership relationship that exists, even if indirectly, between:

a. Any of the sellers and the company whose control was or will be sold; and

b. Parties related to the Company, as defined by the accounting standards dealing with this matter

Not applicable.

12. Provide details on any transaction conducted over the last two (2) years by parties related to the Company, as defined by the accounting standards dealing with this matter, involving equity interests or other securities or debt instruments of the company whose control was or will be acquired

Not applicable.

13. Provide a copy of all studies and valuation reports prepared by the Company or by third parties substantiating the negotiation of the Acquisition Price.

The Corporation has submitted to the Shareholders' Meeting the valuation report prepared by Apis Consultoria Empresarial Ltda., which concluded that the share price of Seara Alimentos LTDA. paid by the Corporation through its subsidiary does not exceed one and a half times the amount of the three prices calculated pursuant to the methodology set forth in Article 256, Item II, Paragraph 2 of Law 6,404/76, as of December 31, 2009.

14. Regarding third parties that prepared studies or valuation reports

a. Information the name

Apsis Consultoria Empresarial Ltda., with registered office at Rua da Assembleia, nº 35, 12º floor, in the city and state of Rio de Janeiro, Corporate Taxpayer's ID (CNPJ) 27.281.922/0001-70.

b. Describe their qualifications

The consulting firm selected has renowned expertise in company valuations, as demonstrated by the track record of projects on its website: www.apsis.com.br

c. Describe how these companies were selected

The choice was based on the experience and quality presented by Apsis on similar projects.

d. Inform if they are parties related to the Company, as defined by the accounting standards dealing with this matter

Apsis is not a related party.

EXHIBIT VIII

INFORMATION ON APPRAISERS

1. List the appraisers recommended by management

The Management of Marfrig Alimentos S.A. recommends the hiring of Apsis Consultoria Empresarial Ltda., which prepared the valuation report of Seara Alimentos S.A., to fulfill the purposes of Article 256, paragraphs 1 and 2, and Article 8 of Law 6,404/76, and concluded the value per Company share, to be paid by Marfrig Alimentos S.A., does not exceed one and a half times the highest amount of the three prices calculated pursuant to the methodology set forth in Article 256, item II, paragraph 2 of Law 6,404/76, as of December 31, 2009

2. Describe the abilities of the recommended appraisers

The chosen consulting company has renowned expertise in company appraisals, as evidenced by its track record of works at its website: (www.apsis.com.br).

3. Provide a copy of the recommended appraisers' work proposals and compensation

For the preparation of the valuation report of Seara Alimentos S.A., pursuant to Article 256, item II, paragraph 2 of Law 6,404/76, Apsis Consultoria Empresarial Ltda. will receive seventy-one thousand Brazilian reais (R$71,000.00).

4. Describe any relevant relationship in the past three (3) years between the recommended appraisers and parties related to the Company, as defined by the accounting standards governing this issue

Not applicable