(Convenience translation into English from the original previously issued in Portuguese)

MARFRIG FRIGORÍFICOS E COMÉRCIO DE ALIMENTOS S.A.

INDIVIDUAL (COMPANY) AND CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 2008 AND 2007 AND SPECIAL REVIEW REPORT

BDO International is a world wide network of public accounting firms, called Member Firms, acting in 111 countries and 626 offices. Each BDO Member is an independent legal entity in its own country. BDO Trevisan is the member Firm of the BDO International network since 2004.

(Convenience translation into English from the original previously issued in Portuguese)
MARFRIG FRIGORÍFICOS E COMÉRCIO DE ALIMENTOS S.A.

INDIVIDUAL (COMPANY) AND CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 2008 AND 2007

CONTENTS

Special Review Report

Exhibit 1 – Balance sheets

Exhibit 2 - Statement of income

Notes to the financial statements

(Convenience translation into English from the original previously issued in Portuguese)
SPECIAL REVIEW REPORT

To
The Board of Directors and Shareholders of
Marfrig Frigoríficos e Comércio de Alimentos S.A.
Santo André - SP

1. We have performed a special review of the accompanying individual (company) and consolidated Quarterly Information (ITR) of Marfrig Frigoríficos e Comércio de Alimentos S.A. consisting of the balance sheet as of June 30, 2008, and the related statement of income and cash flows, and management report for the quarter then ended, prepared under the responsibility of the Company's management. The financial statements of the controlled companies Argentine Breeders & Packers S.A., Frigorífico Tacuarembó S.A., Inaler S.A., Marfrig Chile Inversiones Limitada, Weston Importers Limited, Prestcott International S.A., Masplen Limited, Secculum Participações Limitada, União Frederiquense Participações Limitada, Zanzibar Capital, LLC and Blue Horizon Trading Co., LLC were reviewed by other independent auditors, member firms of the BDO network, and our analysis of the carrying value of the investments in these companies and the corresponding equity in their earnings or loss is based on the work of those auditors.

2. Our review was performed in accordance with specific standards established by IBRACON (Brazilian Institute of Independent Auditors) together with the Federal Accounting Council, which consisted principally of: a) inquiry of and discussion with the managers responsible for the accounting, financial and operating areas as to the main criteria adopted in preparing the Quarterly Information and b) review of the information and subsequent events that have or may have material effects on the financial situation and operations of the Company and its controlled companies.

3. Based on our special review and on the other independent auditors' reports, we are not aware of any material changes which should be made to the Quarterly Information referred to above for it to be in conformity with the standards issued by CVM - Brazilian Securities and Exchange Commission applicable to the preparation of Quarterly Information, including its Announcement to the Market of January 14, 2008 and CVM Instruction No. 469/08.

4. As mentioned in note 3, on December 28, 2007 Law No. 11,638 took effect beginning January 1, 2008. This law modified, revoked and introduced new provisions into Law No. 6,404/76 (Brazilian Corporate Law), causing changes in Brazilian accounting practices. Although the Law has already come into effect, some of the changes that it introduced require the enactment of specific regulations by regulatory agencies before it can be fully applied by companies. Therefore, CVM set forth on Instruction No. 469/08 that during the transition companies are not obliged to apply all provisions of Law No. 11,638/07 to prepare the Quarterly Information. Accordingly, the accounting information included in the Quarterly Information – ITR for the quarter ended June 30, 2008 has been prepared in accordance with the CVM's specific instructions, and does not include all changes in accounting practices introduced by Law No. 11,638/07.

To
The Board of Directors and Shareholders of
Marfrig Frigoríficos e Comércio de Alimentos S.A
Santo André - SP

5. The individual (Company) and consolidated assets and liabilities of Marfrig Frigoríficos e Comércio de Alimentos S.A. and its controlled companies for the quarter ended March 31, 2008, presented for comparative purposes, were reviewed by us and our report thereon, dated April 29, 2008 was qualified regarding Instruction No. 469 of May 2, 2008 due to the fact that the Company was still analyzing and estimating the possible impacts of discounts to present value resulting from the provisions set forth therein. Our report also had an emphasis similar to that described in paragraph 4 hereof. The revenue and expense accounts for the quarter and six-month period ended June 30, 2007, also presented for comparison purposes, were reviewed by us and our special review report thereon, dated July 27, 2007, had an emphasis on the disclosure of the statement of changes in shareholders' equity and changes in financial position, considering the initial public offering of the Company's shares and subsequent start of trading on São Paulo's Stock Exchange on June 29, 2007 (1st trading session), are supplemental information to those statements, which are not required under the instructions set forth by the Brazilian Securities and Exchange Commission (CVM) for presentation of Quarterly Information – ITR, and are presented to allow an additional analysis.

6. The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Ribeirão Preto, July 29, 2008 (August 12, 2008 for note 24)

Estefan George Haddad
Engagement Partner
BDO Trevisan Auditores Independentes

(Convenience translation into English from the original previously issued in Portuguese)

EXHIBIT 1

MARFRIG FRIGORÍFICOS E COMÉRCIO DE ALIMENTOS S.A.

BALANCE SHEETS AS OF JUNE 30, 2008 AND MARCH 31, 2008
(In thousands of Brazilian reais)

	Company		Consolidated	
	30/06/08	31/03/08	30/06/08	31/03/08
ASSETS				
Current assets				
Cash and cash equivalents (note 4)	157.955	281.209	227.978	342.420
Financial investments (note 4)	366.895	711.368	513.059	842.168
Trade accounts receivable - domestic (note 5)	333.185	327.172	444.651	389.219
Trade accounts receivable - foreign (note 5)	118.266	216.439	274.574	353.858
Inventories of products and merchandise (note 6)	527.412	460.306	896.090	657.776
Recoverable taxes (note 7)	334.986	273.439	450.946	364.030
Prepaid expenses	1.688	1.608	2.945	2.515
Other receivables	7.667	4.421	7.667	4.421
Total current assets	1.848.054	2.275.962	2.817.910	2.956.407
Non-current assets				
Long-term assets				
Financial investments	260	250	3.725	3.765
Compulsory deposits	8.775	6.178	13.735	6.405
Notes receivable	193.784	90.688	42.829	3.283
Deferred taxes (note 8)	9.958	12.185	22.756	20.632
Recoverable taxes	2.009	2.009	3.204	3.460
Other receivables	100	87	22.703	10.298
	214.886	111.397	108.952	47.843
Permanent assets				
Investment (note 9)	1.023.745	1.014.395	961.594	598.684
Property, plant and equipment (note 10)	697.753	683.778	1.314.353	1.032.384
Deferred charges (note 11)			15.191	10.774
	1.721.498	1.698.173	2.291.138	1.641.842
Total non-current assets	1.936.384	1.809.570	2.400.090	1.689.685
Total assets	3.784.438	4.085.532	5.218.000	4.646.092

The accompanying notes are an integral part of these financial statements.

(Convenience translation into English from the original previously issued in Portuguese)

EXHIBIT 1

MARFRIG FRIGORÍFICOS E COMÉRCIO DE ALIMENTOS S.A.

BALANCE SHEETS AS OF JUNE 30, 2008 AND MARCH 31, 2008
(In thousands of Brazilian reais)

	Company		Consolidated	
	30/06/08	31/03/08	30/06/08	31/03/08
LIABILITIES				
Current liabilities				
Trade accounts payable	96.969	59.496	323.659	208.640
Accrued payroll and related charges (note 12)	85.688	56.549	193.306	78.769
Taxes payable (note 12)	8.344	11.571	246.187	44.738
Loans and financing (note 15)	249.031	297.727	624.106	510.271
Notes payable	23.683	192.289	23.683	216.257
Interest on equity capital		32.111		32.111
Other payables	1.165	81	236.683	28.466
Total current liabilities	464.880	649.824	1.647.624	1.119.252
Non-current liabilities				
Loans and financing (note 15)	1.782.720	1.933.906	1.896.441	2.020.376
Taxes payable (note 12)	38.148	58.047	70.025	58.777
Deferred taxes (note 17)	41.525	42.338	92.660	54.383
Provisions (note 16)	43.976	43.976	87.983	49.276
Other	69.190	54.129	66.220	14.555
Total non-current liabilities	1.975.559	2.132.396	2.213.329	2.197.367
Minority interest			13.048	26.161
Shareholders' equity (note 18)				
Capital stock	1.183.826	1.183.826	1.183.826	1.183.826
Capital reserve	(3.886)		(3.886)	
Statutory reserve	3.217	3.217	3.217	3.217
Income reserve	160.842	116.269	160.842	116.269
	1.343.999	1.303.312	1.343.999	1.303.312
Total liabilities and shareholders' equity	3.784.438	4.085.532	5.218.000	4.646.092

The accompanying notes are an integral part of these financial statements.

(Convenience translation into English from the original previously issued in Portuguese)

EXHIBIT 2

MARFRIG FRIGORÍFICOS E COMÉRCIO DE ALIMENTOS S.A.

STATEMENT OF INCOME FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2008 AND 2007 AND FOR THE SECOND QUARTER OF 2008 AND 2007 (In thousands of Brazilian reais)

	Company			
	2nd quarter 2008	Accumulated 2008	2nd quarter 2007	Accumulated 2007
GROSS SALES				
Domestic market	340.914	726.505	339.985	639.404
Foreign market	134.034	310.053	334.777	605.619
	474.948	1.036.558	674.762	1.245.023
DEDUCTIONS FROM GROSS SALES				
Sales taxes	(36.523)	(68.752)	(36.900)	(65.376)
Returns and discounts	(32.520)	(84.170)	(56.223)	(96.474)
NET SALES	405.905	883.636	581.639	1.083.173
Cost of goods sold	(301.231)	(660.102)	(444.984)	(826.851)
GROSS INCOME	104.674	223.534	136.655	256.322
OPERATING REVENUE (EXPENSES)				
Commercial expenses	(38.618)	(79.153)	(43.863)	(86.869)
Administrative and general expenses	(19.688)	(38.868)	(17.625)	(36.413)
Equity in earnings	24.928	57.733	5.861	5.071
Interest on equity capital				(3.647)
Other operating revenues (expenses)	(9.104)	(18.012)	(1.909)	(4.125)
	(42.482)	(78.300)	(57.536)	(125.983)
OPERATING INCOME BEFORE INFLATION AND FINANCIAL EFFECTS	62.192	145.234	79.119	130.339
FINANCIAL INCOME (EXPENSES)				
Financial income	33.910	52.699	10.955	12.642
Financial expenses	(67.985)	(111.642)	(68.378)	(109.853)
Interest on equity capital	-	-		
IPO expenses	-	-	(27.445)	(27.445)
Exchange gain	56.911	120.322	38.749	63.689
Exchange variation effect - translation				
Exchange loss	(31.208)	(132.601)	(28.077)	(45.631)
	(8.372)	(71.222)	(74.196)	(106.598)
OPERATING INCOME	53.820	74.012	4.923	23.741
Non-operating income (loss)	21	129	(49)	(209)
INCOME BEFORE TAXES	53.841	74.141	4.874	23.532
Income tax	(6.775)	(6.269)	(2.456)	(9.139)
Social contribution tax	(2.493)	(2.314)	(913)	(3.386)
	(9.268)	(8.583)	(3.369)	(12.525)
INCOME BEFORE REVERSAL OF INTEREST ON EQUITY CAPITAL	44.573	65.558	1.505	11.007
Reversal of interest on equity capital	-	-		3.647
INCOME BEFORE MINORITY INTEREST	44.573	65.558	1.505	14.654
Minority interest	-	-		
NET INCOME FOR THE PERIOD	44.573	65.558	1.505	14.654
PER THOUSAND SHARES - in Brazilian reais	218,55	321,44	7,51	73,10

The accompanying notes are an integral part of these financial statements.

(Convenience translation into English from the original previously issued in Portugu

EXHIBIT 2

MARFRIG FRIGORÍFICOS E COMÉRCIO DE ALIMENTOS S.A.

**STATEMENT OF INCOME FOR THE SIX-MONTH PERIODS ENDE
JUNE 30, 2008 AND 2007 AND FOR THE SECOND QUARTER OF
(In thousands of Brazilian reais)**

	Consolidated			
	2nd quarter 2008	Accumulated 2008	2nd quarter 2007	Accumulated 2007
GROSS SALES	698.505	1.314.049	408.852	788.738
Domestic market	625.855	1.191.321	473.038	827.883
Foreign market	1.324.360	2.505.370	881.890	1.616.621
DEDUCTIONS FROM GROSS SALES	(63.866)	(125.797)	(48.950)	(79.944)
Sales taxes	(43.364)	(95.371)	(57.008)	(97.582)
Returns and discounts	1.217.130	2.284.202	775.932	1.439.095
NET SALES	(970.616)	(1.822.482)	(617.912)	(1.139.836)
Cost of goods sold	246.514	461.720	158.020	299.259
GROSS INCOME				
OPERATING REVENUE (EXPENSES)	(82.769)	(150.100)	(49.777)	(98.157)
Commercial expenses	(39.355)	(75.440)	(25.879)	(52.493)
Administrative and general expenses			-	(3.647)
Equity in earnings				
Interest on equity capital	(12.117)	(19.389)	310	(1.853)
Other operating revenues (expenses)	(134.241)	(244.929)	(75.346)	(156.150)
OPERATING INCOME BEFORE INFLATION AND FINANCIAL EFFECTS	112.273	216.791	82.674	143.109
FINANCIAL INCOME (EXPENSES)				
Financial income	37.370	60.860	12.557	15.340
Financial expenses	(81.912)	(133.536)	(72.746)	(116.018)
Interest on equity capital		-	-	-
IPO expenses		-	(27.445)	(27.445)
Exchange gain	66.142	138.748	41.278	66.681
Exchange variation effect - translation	(2.417)	(2.855)	(574)	(766)
Exchange loss	(38.680)	(143.808)	(27.988)	(45.751)
	(19.497)	(80.591)	(74.918)	(107.959)
OPERATING INCOME	92.776	136.200	7.756	35.150
Non-operating income (loss)	342	(784)	(49)	(212)
INCOME BEFORE TAXES	93.118	135.416	7.707	34.938
Income tax	(21.332)	(34.521)	824	(8.118)
Social contribution tax	(2.082)	(2.137)	(913)	(3.386)
	(23.414)	(36.658)	(89)	(11.504)
INCOME BEFORE REVERSAL OF INTEREST ON EQUITY CAPITAL	69.704	98.758	7.618	23.434
Reversal of interest on equity capital		-		3.647
INCOME BEFORE MINORITY INTEREST	69.704	98.758	7.618	27.081
Minority interest	(3.305)	(7.300)	(144)	(189)
NET INCOME FOR THE PERIOD	66.399	91.458	7.474	26.892
PER THOUSAND SHARES - in Brazilian reais	325,57	448,44	37,28	134,14

The accompanying notes are an integral part of these financial state

(Convenience translation into English form the original previously issued in Portuguese)
MARFRIG FRIGORÍFICOS E COMÉRCIO DE ALIMENTOS S.A.

NOTES TO THE INDIVIDUAL (COMPANY) AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED JUNE 30, 2008 AND MARCH 31, 2008
(In thousands of Brazilian reais)

1. OPERATIONS

Marfrig Frigoríficos e Comércio de Alimentos S.A. (the "Company"), is a publicly held company that carries out foodstuff production and meat packing activities consisting of cattle, swine, sheep and poultry slaughtering; industrial processing, distribution and marketing of animal products and by-products, whether edible or not, at their own or third parties' facilities. Its activities also comprise import and export of animal products and by-products, as well as other activities described in the Company's by-laws.

The Company's financial and equity position should be considered within the integrated operational context of Marfrig Frigoríficos e Comércio de Alimentos S.A. (Brazil), Frigoclass Alimentos S.A. (Brazil), Argentine Breeders & Packers S.A. (Argentina), company which holds 100% of Best Beef S.A. (Argentina), Estâncias del Sur S.A. (Argentina) and Mirab S.A. (Argentina and USA), Frigorífico Tacuarembó S.A. (Uruguay), Inaler S.A. (Uruguay), Marfrig Chile Inversiones Ltda. (Chile), Weston Importers Ltd. (United Kingdom), which holds 100% of CDB Meats Ltd. (United Kingdom), Prestcott International S.A. (Uruguay), Masplen Ltd (Jersey Island), (company which holds 100% of Pampeano Alimentos S.A. (Brazil)), Secculum Participações Ltda. (Brazil) and União Frederiquense Participações Ltda. (Brazil), (companies that together hold 100% of Frigorífico Mabella Ltda. (Brazil)), Zanzibar Capital, LLC (EUA), which holds 100% of the company Establecimientos Colonia S.A. (Uruguay) and Blue Horizon Trading Co., LLC (USA), which holds 70.51% of the company Quickfood S.A. (Argentina).

2. PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The individual and consolidated financial statements are expressed in thousands of Brazilian reais and have been prepared in accordance with the accounting practices adopted in Brazil, as laid down in the Corporate Law (Law 6,404/76 and subsequent amendments), standards and instructions of the Brazilian Securities and Exchange Commission (CVM), and under the accounting standards issued by the Brazilian Institute of Independent Auditors – IBRACON, considering the CVM Resolution No. 488/05, and IBRACON's pronouncement NPC 27.

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

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

Accounting estimates:

The preparation of financial statements in accordance with Brazilian accounting practices 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 the definition of the useful lives of property, plant, and equipment, the recognition of an allowance for doubtful accounts, of deferred income tax assets and liabilities, of a provision for contingencies and the valuation of inventories and derivatives.

Transaction settlement involving those estimates might result in different values from estimates, due to the inherent inaccuracy of the process.

Recognition of the effects of monetary and exchange variation

The effects are recognized by the monetary restatement of assets and liabilities, indexing them to exchange rates, and recording offsetting entries to financial income and expense accounts.

Results of operations

Revenues and expenses are recognized under the accrual basis and consider:

- Earnings, charges and effects of monetary variations, calculated at statutory rates or indexes applied to the Company's assets and liabilities.

- the effects of asset adjustments to market or realizable value, when applicable.

Current and long-term assets and liabilities

Assets are stated at realizable values and liabilities at known or estimated values, plus related earnings, charges and monetary variations, when applicable.

Inventories are stated at the average purchase or production cost, which are lower than market or realizable values.

Permanent assets

- *Investments*

Investments in controlled companies are accounted for on the equity basis.

Other investments are valued according to the acquisition cost, less, when applicable, the impairment loss.

- *Property, plant and equipment*

Property, plant and equipment are carried at historical cost for assets acquired from January 1, 1996. Depreciation is calculated under the straight-line method at rates that consider the estimated useful lives of the assets.

Also, the revaluation of assets as of December 31, 2003 is considered, according to an engineering appraisal report.

On December 31, 2005, based on an engineering appraisal report, the Company performed a new valuation of its property, plant and equipment as mentioned in Note 10.

- *Deferred charges*

These are stated at historical cost. Amortization is calculated by the straight-line method, within a maximum period of 10 (ten) years, as shown in note 11.

Other current and non-current assets

They are stated at realizable or cost value including, when applicable, income earned to the balance sheet dates.

Income and social contribution taxes

Taxes are calculated and recorded based on taxable income at current rates, as legally stipulated.

Deferred tax liabilities, including deferred income and social contributions taxes, were recognized for the revaluation surplus.

Deferred tax assets were recognized for balances of tax losses and temporary differences, and the deferred social contribution tax asset was recognized for social contribution tax losses and temporary differences.

Consolidation of financial statements

Intercompany transactions and balances were eliminated n the consolidation of the financial statements of Marfrig Frigoríficos e Comércio de Alimentos S.A. and controlled companies for the period ended June 30 and March 31, 2008.

Financial statements of controlled companies located abroad were originally prepared in local currency, according to the applicable laws of each country where the companies are located. They were reviewed by independent auditors, converted into the International Financial Reporting Standards - IFRS and expressed in US dollars (US$). Later, those financial statements were converted into Brazilian accounting practices and translated into Brazilian reais, according to the exchange rate of the balance sheet date.

Controlled companies included in the consolidation of June 30, 2008 are: Frigoclass Alimentos S.A. (Brazil), Argentine Breeders & Packers S.A. (Argentina), company which holds 100% of Best Beef S.A. (Argentina), Estâncias del Sur S.A. (Argentina) and Mirab S.A. (Argentina and USA), Frigorífico Tacuarembó S.A. (Uruguay), Inaler S.A. (Uruguay), Marfrig Chile Inversiones Ltda. (Chile), Weston Importers Ltd. (United Kingdom), which holds 100% of CDB Meats Ltd. (United Kingdom), Prestcott International S.A. (Uruguay), Masplen Ltd. (Jersey Island), (company which holds 100% of Pampeano Alimentos S.A.), Secculum Participações Ltda. (Brazil) and União Frederiquense Participações Ltda. (Brazil), (companies that together hold 100% of Frigorífico Mabella Ltda. (Brazil)), Zanzibar Capital, LLC (EUA), which holds 100% of the company Establecimientos Colonia S.A. (Uruguay) and Blue Horizon Trading Co., LLC (USA), which holds 70.51% of the company Quickfood S.A. (Argentina).

New Legislation

On December 28, 2007 Law No. 11,638/07, which modified certain provisions of Law No. 6,404/76 (Brazilian Corporate Law) took effect beginning January 1, 2008.

The new law determines that the accounting standards issued by CVM (Brazilian Securities and Exchange Commission) be in line with the international accounting standards.

Based on CVM Instruction No. 469, of May 2, 2008, on CVM Deliberation No. 534, of January 29, 2008, and the Notice to the Market issued by CVM on January 14, 2008, the management of the Company and its subsidiaries point out the issues below which, in their opinion, may bring effects to the financial statements for the year ending December 31, 2008:

- Permanent assets – A new subgroup of accounts called “Intangible assets” will be created in permanent assets, in which intangible assets will be recorded, including goodwill from acquisitions; and deferred assets will be restricted to pre-operating expenses and additional restructuring costs.

- Shareholders' equity – will have a new subgroup of accounts called "Mark-to-Market Adjustments", under which the following will be recorded: fluctuations resulting from the valuation of certain financial instruments; exchange fluctuations of corporate investments abroad whose subsidiary is characterized as an entity independent from the parent company in Brazil; exchange fluctuations on transactions conducted for hedging an investment abroad; exchange fluctuations resulting from the translation of the financial statements of a subsidiary abroad, whose investee's functional currency is different from that of the controlling company.

  In the period ended June 30, 2008 exchange variations on corporate investments abroad and the exchange variation loss resulting from the conversion of the financial statements of controlled companies abroad, if recorded in Mark-to-Market Adjustments would generate a positive impact on the Company's net income of R$2,855.

- Financial instruments will be classified as: "trading", "held-to-maturity " and "available for sale", and will be valued at cost, plus yield, or at market value due to their classification.

- Assets and liabilities resulting from long-term transactions, or short-term transactions if the effects are material, will be discounted to present value.

  In the period ended June 30, 2008, discounts to present value were positive, totaling R$ 13,699, based on the weighted average between the Company's average funding rate and SELIC (Central Bank overnight rate).

- Periodical analyses will be performed to verify the level of recovery of the amounts recorded in property, plant and equipment - intangible assets and deferred assets.

- For acquisition, merger or spin-off transactions carried out among non-related parties, involving the actual transfer of control, all assets and liabilities must be valued and recorded at market value.

- Tax incentives will no longer be classified as capital reserve, but will be part of the results of operations. The portion of net income subject to this tax benefit may be allocated to the "Tax incentive reserve", which will be created. This reserve may be excluded from the calculation basis of mandatory dividends.

- Assets resulting from operations involving transfer of benefits, control and risk, regardless of transfer of ownership, will be recorded in property, plant and equipment.

- The Company decided to keep the balances of the revaluation surpluses recognized to the enactment of the law mentioned above. These amounts are stated in note 10.

- The Company substituted the Statement of Cash Flows for the Statement of Changes in Financial Position (DOAR).

- The Company will disclose the Value Added Statement at 2008 year end.

Although Law No. 11,638/07 has already come into effect, the main changes that it introduced require the enactment of specific regulations by Brazilian regulatory agencies.

4. CASH AND CASH EQUIVALENTS

Refer to the cash available in the company, in banks, and as investments as follows:

	Company		Consolidated	
	30/06/08	31/03/08	30/06/08	31/03/08
Cash and banks	157,955	281,209	227,978	342,420
Certificates of deposit - DI	366,895	711,368	513,059	842,168
	524,850	992,577	741,037	1,184,588

5. TRADE ACCOUNTS RECEIVABLE – DOMESTIC AND FOREIGN CUSTOMERS

	Company		Consolidated	
	30/06/08	31/03/08	30/06/08	31/03/08
Receivables - domestic customers	333,185	327,172	444,651	389,219
Receivables - foreign customers	245,641	319,448	415,267	471,504
(-) Advances on export contracts - ACEs	(127,375)	(103,009)	(140,693)	(117,646)
	118,266	216,439	274,574	353,858
	451,451	543,611	719,225	743,077

The Company sets up an allowance for trade accounts past due for more than 90 days, and notes receivable from insolvent and bankrupt companies, whose possibility of settlement is not assured and/or which are not collateralized by a secured guarantee.

Based on the aging-list, we did not identify trade accounts past due for more than 90 days for which an allowance for doubtful accounts should be set up.

6. INVENTORIES OF GOODS AND MERCHANDISE

	Company		Consolidated	
	30/06/08	31/03/08	30/06/08	31/03/08
Finished goods and others	494,685	428,755	819,887	612,394
Packaging and stockroom materials	32,727	31,551	76,203	45,382
	527,412	460,306	896,090	657,776

In the periods ended June 30 and March 31, 2008, Inventories of finished goods were valued at the average cost of purchases and or production, lower than realizable values, as explained in note 3.

7. RECOVERABLE TAXES

	Company		Consolidated	
	30/06/08	31/03/08	30/06/08	31/03/08
State VAT - ICMS	144,648	138,815	173,594	151,121
IPI (federal VAT) deemed credit	11,036	10,993	11,926	11,170
PIS (tax on sales) credit	36,019	27,247	43,202	31,943
COFINS (tax on sales) credit	130,124	90,115	159,246	110,682
Income tax		913	6,279	5,666
Social contribution tax		335	273	546
IRRF (withholding income tax)	13,159	5,021	13,294	5,056
IVA (value added tax)			15,154	22,461
Export certificates			22,748	20,572
Other			5,230	4,813
	334,986	273,439	450,946	364,030

7.1 ICMS

The balance of recoverable ICMS derives from credits taken for ICMS paid on the purchase of raw, packaging, and other materials, in higher values than the debts generated from domestic sales, since foreign market sales are free from this tax.

7.2 PIS and COFINS

This line item refers to the non-cumulative PIS and COFINS credits, which were taken for the purchase of raw, packaging, and other materials, used on the goods sold in the foreign market.

8. DEFERRED TAXES

	Company		Consolidated	
	30/06/08	31/03/08	30/06/08	31/03/08
Income tax	7,321	8,959	17,702	16,360
Social contribution tax	2,637	3,226	4,188	4,272
Other	-	-	866	-
	9,958	12,185	22,756	20,632

This caption refers to deferred income and social contribution taxes, calculated on taxes whose payment has been suspended (provisions) and which were added to the calculation base of taxable income and the social contribution tax basis of 2006 and 2007, and also calculated on tax losses incurred by controlled companies in Brazil, and will be realized in 2008 and 2009.

9. INVESTMENTS

	Company		Consolidated	
	30/06/08	31/03/08	30/06/08	31/03/08
Ownership interest in controlled companies	1.023.617	1.014.267	934.688	598.556
Other investments	128	128	26.906	128
	1.023.745	1.014.395	961.594	598.684

9.1 - Changes in investments

	No. of membership units/shares	Ownership interest in voting capital	Traded on the stock exchange	Capital	Equity	Net income (loss)
Argentine Breeders & Packers S.A. (1)	230,267	99.99	Não	127,119	132,091	(3,489)
Frigoclass Alimentos S.A. (2)	78,573,743	100.00	Não	78,574	57,094	(1,176)
Marfrig Chile Inversiones Ltda. (1)	7,786,221,763	99.00	Não	37,230	29,158	(3,812)
Inaler S.A. (1)	66,247,320	100.00	Não	2,335	15,611	11,594
Frigorífico Tacuarembó S.A. (1)	80,000,000	93.22	Não	10,400	63,198	24,946
Weston Importers Ltd. (1)	1,338,278	99.98	Não	25,666	26,601	2,255
Masplen Limited (1)	100	100.00	Não	0	22,343	(4,460)
Prestcott International S.A. (1)	79,638,916	97.99	Não	4,652	23,385	19,940
Secculum Participações Ltda. (2)	9,200,000	99.00	Não	9,200	11,119	2,575
União Frederiquense Partic. Ltda. (2)	22,769,600	99.00	Não	22,770	45,971	10,662
Blue Horizon Trading Co. LLC (5)	10,000,000	100.00	Não	249,095	52,114	11,739
Zanzibar Capital LLC (1)	60,020,000	100.00	Não	151,236	51,624	26,081
Total				718,277	530,309	96,855

	Book balance as of March 31, 2008	Acquisition of membership units	Goodwill/Negative goodwill on acquisition (4)	Increase in capital	Investment in the period	Equity in earnings (loss) (5)	(-) Amortization of goodwill (4)	Book balance as of June 30, 2008
Argentine Breeders & Packers S.A. (1)	167,274	-	-	-	-	(10,090)	(476)	156,708
Frigoclass Alimentos S.A. (2)	45,166	-	-	-	-	(548)	-	44,618
Marfrig Chile Inversiones Ltda. (3)	38,149	-	-	-	-	(9,282)	-	28,867
Inaler S.A. (1)	57,037	-	(6,433)	-	(6,433)	6,042	(885)	55,761
Frigorífico Tacuarembó S.A. (1)	111,978	-	-	-	-	5,610	(1,149)	116,439
Weston Importers Ltd. (1)	27,200	-	-	-	-	(2,027)	-	25,173
Masplen Limited (1)	45,863	-	-	-	-	(4,716)	(516)	40,631
Prestcott International S.A. (1)	35,799	-	-	-	-	11,402	(454)	46,747
Secculum Participações Ltda. (2)	24,960	-	-	-	-	2,988	(337)	27,611
União Frederiquense Partic. Ltda. (2)	44,803	-	-	-	-	12,377	(130)	57,050
Blue Horizon Trading Co. LLC (6)	255,054	-	-	-	-	3,001	(3,282)	254,773
Zamzibar Capital LLC (1)	160,984	-	-	-	-	10,171	(1,916)	169,239
Total	1,014,267	-	(6,433)	-	(6,433)	24,928	(9,145)	1,023,617

(1) Those companies had their financial statements for June 30 and March 31, 2008 reviewed by BDO member firms in their countries, which member firms issued limited review reports.

(2) Financial statements reviewed by BDO Trevisan Auditores Independentes, including the issue of a limited review report.

(3) Individual financial statements were reviewed by BDO Trevisan Auditores Independentes, but no formal audit report was issued.

(4) The goodwill recorded for the acquisitions is based on the generation of future income by controlled companies and will be amortized over 10 (ten) years, from January 2007. Future results for the next ten (10) years were projected at an average annual growth rate of 10%, which were discounted to the long-term interest rate (TJLP) of the last quarter of 2006 and of 2007, 6.85% p.a. and 6.25% p.a., respectively. In the period ended June 30, 2008 R$ 6,433 of goodwill resulting from the purchase of Inaler S.A. was written-off. This amount refers to the provision ("escrow") set forth by contract.

(5) Refers to equity in earnings (loss) recorded in the period and in the Company's shareholders' equity under the caption "Income reserve".

(6) This company's financial statements as of June 30 and March 31, 2008 were reviewed by other independent auditors.

These investments have been properly accounted for under the equity method, since they apply to controlled companies. The financial statements of those companies for the period ended June 30 and March 31, 2008 were prepared according to legislation in effect in each country where the companies are located and were reviewed by independent auditors, to be later converted into the International Financial Reporting Standards - IFRS and expressed in US dollars. Then, they were converted into Brazilian accounting practices and translated into Brazil's local currency.

On June 23, 2008 the Company signed a purchase commitment to acquire OSI Group in Brazil and in several European countries, including 15 poultry and other animal protein processing facilities, whose annual sales total US$2 billion. This acquisition, and the manner it will be financed, are described in note 24.

10. PROPERTY, PLANT AND EQUIPMENT

		Company			
				30/06/08	31/03/08
Description	Annual average depreciation rates	Adjusted and revalued cost	Accumulated depreciation	Net	Net
Plots of land		1,998	-	1,998	1,998
Buildings	4%	195,109	(19,717)	175,392	172,135
Machienry and equipment	10%	177,541	(33,506)	144,035	142,149
Furniture and fixtures	10%	3,691	(762)	2,929	2,388
Facilities	5%	41,017	(2,449)	38,568	34,243
Vehicles	20%	10,388	(9,798)	590	411
IT equipment	20%	4,076	(2,390)	1,686	810
Aircraft	20%	382	(38)	344	382
Advance for acquistion of property, plant and equipment	-	16,814	-	16,814	19,943
Leasehold improvements	-	2,266	(11)	2,255	2,257
Lease - Leasing VRG	-	3,800	-	3,800	3,595
Construction in progress	-	280,739	-	280,739	276,728
Software	20%	14,900	(2,308)	12,592	11,001
Trademarks and patents	-	15,468	-	15,468	15,196
Other	4%	543	-	543	542
		768,732	(70,979)	697,753	683,778

		Consolidated			
				30/06/08	31/03/08
Description	Annual average depreciation rates	Adjusted and revalued cost	Accumulated depreciation	Net	Net
Plots of land		44,854	-	44,854	30,187
Buildings	4%	473,724	(33,064)	440,660	315,101
Machinery and equipment	10%	358,027	(48,046)	309,981	227,724
Furniture and fixtures	10%	11,417	(3,098)	8,319	6,327
Faciliites	5%	99,101	(6,756)	92,345	73,508
Vehicles	20%	14,229	(10,824)	3,405	3,431
IT equipment	20%	10,281	(4,306)	5,975	346
Aircraft	20%	382	(38)	344	382
Advance for acquistion of property, plant and equipment		17,533	-	17,533	20,708
Leasehold improvements		2,266	(11)	2,255	2,257
Lease - Leasing VRG		15,945	(711)	15,234	14,248
Construction in progress		305,551	(41)	305,510	300,915
Software	20%	16,500	(2,720)	13,780	11,044
Trademarks and patents		15,521	-	15,521	15,196
Other	4%	61,001	(22,364)	38,637	11,010
		1,446,332	(131,979)	1,314,353	1,032,384

On December 31, 2005, according to Law No. 6,404/76, the Company recorded a revaluation of property, plant and equipment based on engineers' appraisal reports as follows:

Description	Revaluation report	Book balance	Revaluation amount
Production unit- Bataguassú/MS	92,826	41,357	51,469
Production unit - Promissão/SP	92,257	35,640	56,617
Production unit - Tangará/MT	45,919	23,988	21,931
	231,002	100,985	130,017

On the amount of R$ 130,017, corresponding to the appreciation, the respective taxes, in the total amount of R$ 44,182, of which R$ 32,480 was Corporate Income Tax – IRPJ, and R$ 11,702 was Social Contribution tax – CSLL were levied. The revaluation was recorded with a corresponding entry to a specific account in shareholders' equity and was incorporated into capital stock, net of taxes, which are recorded, according to current legislation, in long-term liabilities and are being realized according to Law.

11. DEFERRED CHARGES

				Consolidated	
				30/06/08	31/03/08
Description	Annual average depreciation rates	Adjusted and revalued cost	Accumulated depreciation	Net	Net
Pre-operating expenses	10%	24,962	(9,771)	15,191	10,774
		24,962	(9,771)	15,191	10,774

In the period ended June 30, 2008 the Company incurred no pre-operating expenses.

12. TAXES PAYABLE

The following amounts, including the respective legal charges, are shown under current liabilities:

12.1. Accrued payroll and related charges

	Company		Consolidated	
	30/06/08	31/03/08	30/06/08	31/03/08
INSS (Social security contribution)	53,228	44,197	121,039	44,916
Salaries and social charges	31,066	10,942	51,734	26,974
Other payroll and related charges payable	1,394	1,410	20,533	6,879
	85,688	56,549	193,306	78,769

On November 21, 2005, Law 11,196 was enacted allowing the offsetting of INSS debts against federal tax credits. This procedure was regulated by Interministry Ordinance No. 23 dated February 2, 2006.

12.2. Taxes, fees and contributions

	Company		Consolidated	
	30/06/08	31/03/08	30/06/08	31/03/08
ICMS payable	685	1.723	85.859	1.723
Special tax debt installment payment - PAES	1.945	2.133	1.945	2.133
Extraordinary tax debt installment payment - PAEX	42.760	65.102	42.760	65.102
Income tax payable	-		12.013	14.791
Installment payment of federal taxes	-		118.500	-
Other taxes, fees and contributions payable	1.102	660	55.135	19.766
	46.492	69.618	316.212	103.515
Current liabilities	8.344	11.571	246.187	44.738
Long-term liabilities	38.148	58.047	70.025	58.777

13. PAES - TAX DEBT INSTALLMENT PAYMENT - LAW NO. 10,684/03

On July 31, 2003, the Company adhered to PAES, established by Law No. 10,684 of May 30, 2003, which provides for the payment in installments of debts to the SRF - Federal Revenue Service, the PGFN - National Treasury Attorney General, and the INSS - National Social Security Institute. The company declared debts to the INSS, including Funrural (rural worker assistance fund) in the amount of R$ 23,562, and those with the SRF in the amount of R$ 4,063, which are payable in 180 monthly installments. INSS debts were transferred to PAEX, as referred to in note 14, therefore only the debts to SRF remain under PAES.

The balance is as follows:

	Controladora		Consolidado	
	30/06/08	31/03/08	30/06/08	31/03/08
Saldo inicial	2.133	2.282	2.133	2.282
Atualização monetária	42	42	42	42
(-) pagamentos efetuados	(143)	(191)	(143)	(191)
(-) ajuste a valor presente	(87)	-	(87)	-
Saldo final	1.945	2.133	1.945	2.133
Passivo circulante	554	573	554	573
Exigível a longo prazo	1.391	1.560	1.391	1.560

14. PAEX – EXTRAORDINARY TAX DEBT INSTALLMENT PAYMENT - MP NR 303/06

On September 11, 2006, the Company adhered to the PAEX, established by Executive Act No. 330 of June 29, 2006, which provides for payment in installments of debts due to the SRF, the PGFN, and the INSS. The Company declared debts to INSS, including Funrural, and the debts to INSS previously refinanced under PAES, in the amount of R$76,977. No installment payment was agreed with SRF.

The balance is as follows:

	Controladora		Consolidado	
	30/06/08	31/03/08	30/06/08	31/03/08
Saldo inicial	65.102	66.978	65.102	66.978
Atualização monetária	309	264	309	264
(-) pagamentos efetuados	(2.183)	(2.140)	(2.183)	(2.140)
(-) ajuste a valor presente	(20.468)		(20.468)	
Saldo final	42.760	65.102	42.760	65.102
Passivo circulante	6.001	8.615	6.001	8.615
Exigível a longo prazo	36.759	56.487	36.759	56.487

15. LOANS AND FINANCING

	Company		Consolidated	
Type and charges	30/06/08	31/03/08	30/06/08	31/03/08
ACC (Advances on export contracts) - Restated based on exchange variation (US dollar) plus annual interest ranging from 5.5% to 6%, with principal maturing in February 2009 and not collateralized	90,946	112,039	90,946	112,039
Finame (National Equipment Financing Authority) - This credit facility is adjusted using the TJLP (long-term interest rate), bears annual interest of 7% and matures in April 2010, being collateralized by the financed asset	361	414	361	414
Vehicle financing – Bears annual interest of 5%, plus TJLP (long-term interest rate), matures in June 2008 and is collateralized by the financed asset	-	115	-	115
Industrial complex financing – Bears interest at Libor, plus 3.50% p.a., is denominated in US dollars, its principal amount matures in July 2012 and is collateralized by equipment	17,390	19,483	17,390	19,483
Prepayment – Bears interest at Libor, plus 4.20% p.a., is denominated in US dollars, its principal matures in September 2011 and is collateralized by trade bills and supply agreements	21,991	32,805	21,991	32,805
Prepayment by ABN - Bears annual interest of 7.3%, is denominated in US dollars, its principal matures in October 2015 and is not collateralized	322,706	349,079	322,706	349,079
Preapyment by ING Bank - Bears interest at Libor, plus annual interest of 2%, is denominated in US dollars and is collateralzied by export documents	47,841	53,499	47,841	53,499
BNDES Exim Bradesco - Bears annual interest of 4%, plus TJLP, its principal matures in October 2009 and is collateralized by trade bills	45,214	51,827	45,214	51,827
BNDES Exim Bradesco - Bears annual interest of 4% plus a basket of currencies, its principal matures in October 2009 and is collateralized by trade bills	8,540	10,676	8,540	10,676
BNDES Exim Safra - Bears annual interest of 4% plus TJLP, its principal matures in March 2009 and is collateralized by trade bills	12,900	17,248	12,900	17,248
BNDES Exim Safra - Bears annual interest of 4% plus a basket of currencies, its principal matures in March 2009 and is collateralized by trade bills	2,410	3,521	2,410	3,521
BNDES Exim Banco do Brasil - Bears annual interest of 3.8% plus a basket of currencies, its principal matures in October 2009 and is not collateralized by trade bills	4,918	5,389	4,918	5,389
BNDES Exim Banco do Brasil - Bears annual interest of 3.8% plus TJLP, its principal matures in October 2009 and is collateralized by trade bills	25,602	25,602	25,602	25,602
BNDES Exim J. Safra - Bears annual interest of 5.04% plus TJLP, its principal matures in July 2008 and is collateralized by trade bills	3,513	13,864	3,513	13,864

	Company		Consolidated	
Type and charges	30/06/08	31/03/08	30/06/08	31/03/08
BNDES Exim J. Safra - Bears annual interest of 5.04%, plus a basket of currencies, principal matures in October 2008, and is collateralized by trade bills	651	2,813	651	2,813
BNDES Exim Votorantim - Bears annual interest of 4%, plus TJLP, its principal matures in October 2009 and is not collateralized	25,611	25,611	25,611	25,611
BNDES Exim Votorantim - Bears annual interest of 4%, plus a basket of currencies, its principal matures in October 2009 and is not collateralized	4,926	5,398	4,926	5,398
Marfrig Bonds - Bears annual interest of 9.625%, is denominated in US dollars, its principal matures in November 2016 and is not collateralized	577,195	656,707	577,195	656,707
Finep financing facility - Bears TJLP plus annual interest of 1%, plus TJLP, matures in October 2013 and is collateralized by the project itself	8,751	8,750	8,751	8,750
BNDES 07.2.0464-1 - Bears TJLP plus annual interest of 1.8%, its principal matures in April 2013 and is collateralized by bank collaterals	9,169	9,490	9,169	9,490
BNDES 07.2.0463-1 - Adjusted using a basket of currencies/TJLP, bears annual interest of 1.3%, its principal matures in April 2013 and is collateralized by bank collaterals	3,164	3,316	3,164	3,316
Votorantim NCE - Export Credit Note. It bears annual interest of 9.35%, is adjusted using the exchange variation (US dollar), its principal matures in March 2012 and is collateralized by supply agreement	32,070	35,236	32,070	35,236
ABN NCE - Export Credit Note. It bears LIBOR plus annual interest of 2%, is adjusted using the exchange variation (US dollar), its principal matures in June 2012 and is collateralized by trade bills	27,420	29,583	27,420	29,583
Citibank NCE - Export Credit Note. It bears annual interest of 7.35%, is adjusted using the exchange variation (US dollar), its principal matures in September 2012 and is not collateralized	48,908	52,762	48,908	52,762
Citibank NCE II - Export Credit Note. It bears annual interest of 7.28%, is adjusted using the exchange variation (US dollar), its principal matures in October 2012 and is not collateralized	72,722	81,368	72,722	81,368
Banco do Brasil NCE - Export Credit Note. It bears annual interest of 11.46%, its principal matures in October 2010 and is not collateralized	85,891	83,574	85,891	83,574
Societe Generali Brasil NCE - Export Credit Note. It bears annual interest of 7.9%, is adjusted using the exchange variation (US dollar), its principal matures in October 2010 and is not collateralized	47,977	52,715	47,977	52,715

	Company		Consolidated	
Type and charges	30/06/08	31/03/08	30/06/08	31/03/08
Bradesco NCE - Export Credit Note. It is adjusted using the certificate of interbank deposit CDI rate, bears annual interest of 1.35%, its principal matures in November 2011 and is collateralized by endorsements.	158,183	153,470	158,183	153,470
Prepayment by ABN III – bears LIBOR, plus annual interest of 2.75%, is denominated in US dollars, matures in February 2013 and is not collateralized	162,287	157,065	162,287	157,065
Prepayment by Credit Suisse – bears LIBOR, plus annual interest of 3%, is denominated in US dollars, matures in April 2014 and is collateralized by endorsement.	159,190	174,910	159,190	174,910
CSI Latina – This credit facility is adjusted using the CDI, bears annual interest of 4%, matures in December 2012 and is collateralized by equipment	3,304	3,304	3,304	3,304
Finame - This credit facility, which is a chattel mortgage, is adjusted using the TJLP, bears annual interest ranging from 5.65% to 7%, matures in August 2012 and is guaranteed by the financed asset.	-	-	105	120
ACC - Adjusted using the exchaneg variation (in US dollars), bears annual interest ranging from 6.6% to 9%, its principal matures in 2008 and is collateralized by mortgages, bank deposit certificates (CDB) and directors' endorsements	-	-	114,912	49,293
Letters of credit for the payment of merchandise imports - bears annual interest ranging from 5.5% to 6.10%, is denominated in US dollars and matures within 60 days.	-	-	3,296	6,652
Prefinancing of exports - Bears annual interest of 5%, is denominated in US dollars and is not collateralized	-	-	18,140	5,190
Foreign loan - DEG - Bears half-yearly LIBOR plus annual interest of 1.85%, is denominated in US dollars and matures as of September 2007	-	-	4,776	5,247
Bank vouchers - Bear annual interest ranging from 5.3% to 5.7%, are denominated in US dollars, mature as of April 2007 and are collateralized by bank vouchers.	-	-	2,255	2,973
Bank vouchers - Financing facility under BCU Circular Letter No. 1456 BCU - 270 days	-	-	79,033	81,251

	Company		Consolidated	
Types and charges	30/06/08	31/03/08	30/06/08	31/03/08
Bank loans - bear annual interest of 6%, adjusted in pesos, collateralized by mortgages and machinery	-	-	796	6,014
Machinery lease - Bears annual interest ranging from 18% to 20%, is denominated in pesos and is collateralized by the financed asset	-	-	7,633	8,602
B.R.O.U loan - Bears half-yearly LIBOR plus annual interest of 1.5%, is denominated in US dollars, matures in October 2015 and is guaranteed by bank voucher.	-	-	24,353	26,237
NBC - this loan is denominated in foreign currency (US dollar), bears 30-day LIBOR plus annual interest ranging from 0.6% to 1.5%	-	-	7,000	8,973
Rabo Bank - this loan is denominated in foreign currency (US dollar), bears annual interest of 6.5% and is collateralized by mortgage and machinery	-	-	7,688	8,540
Itaú Bank - this loan is denominated in foreign currency (US dollar), bears half-yearly LIBOR plus annual interest of 1.25%, matures as of December 2008 and is not collateralized	-	-	9,236	10,145
Citibank - Bears annual interest of 5.38%, is denominated in US dollars, its principal matures in January 2008 and is not collateralized	-	-	6,368	6,997
B.R.O.U loan - is denominated in US dollars, bears annual interest of 6.5% and matures as of February 2012	-	-	2,681	3,367
PAE for payment of lamb exports (Patagonia) - bears annual interest of 4.8%, is denominated in US dollars and matures within 180 days	-	-	13,631	13,999
Other - adjusted using exchange variation, bears annual interest ranging from 2% to 8%, is collateralized by chattel mortgage, mortgage and directors' endorsements	-	-	18,104	14,154
BBVA BANK, foreign currency loan denominated in US dollars which bears annual interest of 3.67% and matures on July 28, 2008	-	-	796	875
Working capital - this loan is adjusted using the CDI, it bears annual interest of 3.75%, its principal matures in October 2010 and is guaranteed by trade bills	-	-	1,071	2,367
Working capital - BNDES - this loan is adjusted using the TJLP, bears annual interest of 3.50%, matures in July 2007 and is guaranteed by a letter of credit	-	-	12,859	12,793
Prepayment by ABN - Bears annual interest of 7.30%, is denominated in US dollars, its principal matures in October 2015, and is not collateralized	-	-	4,866	5,156

Type and charges	Company		Consolidated	
	30/06/08	31/03/08	30/06/08	31/03/08
2.00%, is denominated in US dollars, its principal matures in July 2012 and is collateralized by export documents	-	-	908	969
VOTORANTIM - Export credit note. It bears annual interest of 9.35%, is adjusted using the exchange variation (in US dollar), its principal matures in March 2012 and is collateralized by the supply agreement	-	-	9.042	9.747
Financing facility for the payment of merchandise imports – Bears annual interest of 6.10%, is denominated in US dollars and matures in 60 days.	-	-	-	1.444
Working capital - Sundry - Bears annual interest ranging from 6.75% to 8.75%, its principal matures in 2008 and is collateralized by directors' endorsements, sureties and inventories	-	-	3.669	7.716
Foreign loan - Codorus	-	-	143	193
Torre Real-Uruguai - Adjusted using the US dollar variation, bears annual interest of 8.00% and its principal matures on several dates as from September 2007.	-	-	2.263	-
Working capital - Sundry - Bears annual interest ranging from 8.75% to 13.49%, its principal matures in 2008 and is collateralized by directors' endorsements, sureties and inventories	-	-	1.483	-
Investment agreement with Banco BNDES S/A - Bears TJLP plus annual interest of 3%, matures on ..... and is guaranteed by 1st and 2nd degree mortgage of Diamantino 1 and Petrovina poultry farms	-	-	14.564	-
Working capital loan from Banco ABN AMRO REAL S/A - Adjusted using 100% of the CDI rate, bears monthly interest of 0.4% and is guaranteed by 1st degree mortgage of the areas of Diamantino 2 poultry farm, 763 hectares and a plot of land of 110,000 meters.	-	-	5.566	-
Working capital loan from Banco BBM S/A - Adjusted using 100% of CDI rate, bears monthly interest of 0.7%. A chattel mortgage is offered as guarantee, together with a promissory note of R$ 21.25 million and endorsements by Renato Ribeiro de Abreu, Montagens e Projetos Especias S/A, MPE S/A - Participação e Administração, Gemon Geral de Engenharia e Montagens	-	-	1.435	-
NCE BRADESCO - Export credit note. It is adjusted using 100% of the average daily CDI rate, capitalized annually, plus annual spread of 1.75%, and its principal matures on June 18, 2010.	-	-	30.000	-
ACC - Adjusted using the US dollar variation, plus the CDI rate and its principal matures in September 2008.	-	-	80.124	-
	2.031.751	2.231.633	2.520.547	2.530.647
Current liabilities	249.031	297.727	624.106	510.271
Long-term liabilities	1.782.720	1.933.906	1.896.441	2.020.376

(1) Considering that the notes issued by the Company (Marfrig Bonds) account for 22.90% of indebtedness, requirements related to the maintenance of certain financial indexes agreed upon their issue are valid for all the other loans and financing outstanding at the balance sheet dates. These requirements, regarding indebtedness, correspond to: Interest Coverage Rate (EBITDA / net financial result ratio) may not be lower than 1.5; Net debt/EBITDA ratio may not be higher than 4.0.

Loans and financing were classified according to the contracted type and segregated into short and long-term according to the maturity of interest and principal.

The long-term portions mature as follows:

	Company		Consolidated	
	30/06/08	31/03/08	30/06/08	31/03/08
2009	35,849	54,162	91,939	84,755
2010	198,984	214,721	222,536	230,841
2011	387,391	408,487	401,852	421,514
2012	264,145	289,432	273,794	300,252
2013	191,586	190,879	195,741	196,647
2014	72,901	79,068	75,410	84,764
2015	60,644	65,600	63,949	70,046
2016	571,220	631,557	571,220	631,557
TOTAL	1,782,720	1,933,906	1,896,441	2,020,376

Loans and financing are guaranteed by a chattel mortgage on financed property, plant and equipment items, promissory notes and the directors' endorsements.

16. PROVISIONS

The Company and its controlled companies are involved in several lawsuits, of a nature considered normal to their businesses, for which provisions based on legal counselors' estimates have been set up. The principal information about these lawsuits is presented below:

	Company		Consolidated	
	30/06/08	31/03/08	30/06/08	31/03/08
Labor	3,161	3,161	34,855	6,306
Tax and social security	40,145	40,145	44,166	41,680
Civil	670	670	8,652	980
Other	-	-	310	310
	43,976	43,976	87,983	49,276

17. DEFERRED TAXES

	Company		Consolidated	
	30/06/08	31/03/08	31/03/08	31/12/07
Income tax	30,531	31,129	69,548	41,703
Social contribution tax	10,994	11,209	23,112	12,680
	41,525	42,338	92,660	54,383

Refer to deferred taxes recorded when property, plant and equipment items were revalued. They will be settled as revalued assets are sold, written off, depreciated or amortized, according to their useful lives established in the revaluation report.

18. SHAREHOLDERS' EQUITY

Capital stock

Subscribed and paid-in capital stock as of June 30, 2008 totals R$1,183,826 (same amount as of March 31, 2007) and comprises 203,948,954 common shares (same amount as of March 31, 2008), with no par value.

Capital reserve

On May 7, 2008 the Company acquired 205,600 shares for R$ 3,886, which were recorded as treasury shares. These shares are for the long-term share bonus and option program, as described in note 19.

Statutory reserve

It is 5% of the Company's net income, as defined in its by-laws and current legislation.

Dividends

Shareholders are entitled every year to mandatory minimum dividend of 25% (twenty-five per cent) of net income.

Minority interest

Refers to the interest of minority shareholders in the Company's equity.

19. MANAGEMENT'S COMPENSATION

The added value of the compensation received by the Company's managers for services in their respective areas for the quarter ended June 30, 2008 was R$691 (R$691 as of March 31, 2008).

On May 7, 2008, the Company acquired 205,600 shares, as authorized by its Board of Directors, to be kept in treasury, as explained in note 18 and further release to directors taking part in the long-term share bonus and option program, with limits already approved by the Extraordinary Annual Meeting held on May 20, 2007. This acquisition complied with the limits and conditions set forth by CVM Instruction No. 10/80. Acquisitions were made by Hedging Griffo CTVM S.A. and total R$ 3,886.

The Company's purpose is to maximize the creation of value for the shareholder through an efficient management of the capital structure and to align the interests of Marfrig's officers with those of market investors.

Under the management compensation program shares are granted for the restricted stock plan on the basis of the average prices of shares traded on the last twenty stock exchange sessions before March 4, 2008, without discount. A discount of 10% on above mentioned average was granted to board members, which will be the basis for the option. The granting to the officers and directors will be made at the ratio of 25% per year in 4 (four) years, according to what was approved.

20. INSURANCE COVERAGE

It is the Company's policy to insure its property, plant and equipment and inventories at risk, for amounts deemed sufficient to cover possible casualties. All this is done taking into consideration the nature of its activities and the insurance advisors' opinion.

	Company		Consolidated	
Description	30/06/08	31/03/08	30/06/08	31/03/08
Meat-packing facilities and buildings	896,300	1,133,915	1,580,016	1,384,954
Inventories and loss of income	314,800	124,252	521,383	239,770
Third parties' warehouses	32,000	115,000	44,426	128,077
Vehicles	3,803	3,395	13,345	11,371
Merchandise transportation	479,167	188,670	641,123	365,955
Directors' endorsements	40,000	40,000	50,347	51,369
Civil liability	1,673	2,500	8,796	7,708
Other	66,267	84,544	79,442	99,686
	1,834,010	1,692,276	2,938,878	2,288,890

21. FINANCIAL INSTRUMENTS - DERIVATIVES

The Company enters into derivative contracts for protection against foreign currency fluctuations due to exports and debts in US dollars.

Swap contracts, which are duly recorded, mature as follows:

Terms	30/06/08	31/03/08
Up to 90 days	-	15.768
From 91 to 180 days	14.009	-
From 181 to 360 days	14.009	15.768
Over 360 days	210.133	252.295
Total	238.151	283.831

The criteria and assumptions adopted for recording the amounts mentioned above are based on the US dollar rate agreed by contract, which is R$1.5525. Considering the US dollar rate of R$1.5919 at the balance sheet date, the market value of swap contracts is R$ 244,195.

Confident of policies and practices underlying its operations with derivatives, management finds the occurrence of non-measurable risks rather improbable.

In the period ended June 30, 2008 the Company recognized losses of R$44,817 on hedge transactions with financial instruments entered into in 2007.

22. INCOME AND SOCIAL CONTRIBUTION TAXES

Income and social contribution taxes are calculated as legally stipulated.

Income and social contribution tax calculations and returns are open to review and final assessment by tax authorities for varying statutory periods in relation to the payment or filing date.

Reconciliation of tax charges between effective and statutory rates is as follows:

Tax	Group	30/06/08	31/03/08
Income before taxes		74,141	20,300
Add-backs		25,493	12,905
(-) Deductions		(75,700)	(32,804)
Income and social contribution tax basis		23,934	401
Income tax (15%)		3,590	60
Surtax (10%)		2,381	34
(-) PAT (Workers' Meal Program		(144)	(2)
Total income tax		5,827	92
Social contribution tax (9%)		2,154	36
Statement - Income (loss)			
(-) Income tax - current	Current liabilities	(5,827)	(92)
Deferred income tax - Revaluation (1)	Long-term liabilities	1,195	598
Deferred income tax - Other (2)	Long-term assets	(1,637)	
Net	Income (loss)	(6,269)	506
(-) Social contribution tax - current	Current liabilities	(2,154)	(36)
(1)	Long-term liabilities	430	215
(2)	Long-term assets	(590)	
Net	Income (loss)	(2,314)	179

(1) Refer to the reversal of deferred income and social contribution taxes stated in note 17, considering the addition of depreciation of revalued assets to the taxable income and the social contribution tax basis.

(2) Refer to the deferred income and social contribution taxes, calculated for those taxes whose payment has been suspended (provisions), and which were added to the calculation of the taxable income and the social contribution tax basis, demonstrated in note 8.

23. STATEMENT OF CASH FLOW

	COMPANY		CONSOLIDATED	
	2nd quarter 2008	Accumulated 2008	2nd quarter 2008	Accumulated 2008
Cash flows from operating activities				
Net income	44.573	65.558	66.399	91.458
Non-cash items	(125.102)	(167.620)	(73.252)	(77.523)
Depreciation	6.894	14.334	17.122	30.451
Amortization	9.145	18.290	9.485	18.970
Minority interest			3.305	7.300
Provision for contingencies			38.707	39.829
Deferred taxes	1.414	601	36.153	32.941
Equity in earnings	(24.928)	(57.733)		
Exchange variation on financing	(117.627)	(143.112)	(156.198)	(181.114)
Investment gains			(21.826)	(25.900)
Changes in equity	(68.687)	(293.073)	144.689	(118.496)
Trade accounts receivable	92.160	107.811	23.852	18.149
Inventories	(67.106)	(81.049)	(238.313)	(301.519)
Escrow deposits	(2.597)	(3.277)	(7.330)	(8.211)
Accrued payroll and related charges	29.139	35.157	114.537	121.827
Accounts payable and accrued expenses	37.473	(71.301)	115.018	(11.737)
Taxes	(84.674)	(144.509)	126.037	60.422
Finance charges	217.933	260.831	47.697	93.436
Notes receivable and payable	(256.641)	(355.164)	(180.455)	(224.613)
Other assets and liabilities	(34.374)	(41.572)	143.646	133.750
Net cash used in (provided by) operating activities	(149.216)	(395.135)	137.836	(104.561)
Cash flows from investing activities				
Investments	-	(50.962)	(234.479)	(246.127)
Reduction in goodwill on investments	6.433	10.703	6.433	10.703
Consolidation of investments by controlled company			(420.732)	(374.257)
Purchases of property, plant and equipment	(20.869)	(60.421)	(22.367)	(120.148)
Deferred charges			(4.757)	(4.757)
Treasury shares	(3.886)	(3.886)	(3.886)	(3.886)
Cash flow from financing activities	(18.322)	(104.566)	(679.788)	(738.472)
Financing activities				
Dividends/Interest on equity capital paid in the period				
Loans and financing	(300.189)	156.799	98.401	534.264
Borrowings	174.298	942.807	587.236	1.467.988
Repayment of loans	(474.487)	(786.008)	(488.835)	(933.724)
Issuance of stock				
Cash flow used in (provided for) in financing activities	(300.189)	156.799	98.401	534.264
Cash flows for the period	(467.727)	(342.902)	(443.551)	(308.769)
Cash, bank accounts and short-term investments				
Ending balance	524.850	524.850	741.037	741.037
Beginning balance	992.577	867.752	1.184.588	1.049.806
Variation in the period	(467.727)	(342.902)	(443.551)	(308.769)

The accompanying notes are an integral part of these financial statements.

24. SUBSEQUENT EVENTS

On July 23, 2008, the Company signed a commitment to purchase Pemmican, a trademark, through its subsidiary Mirab USA Inc., in addition to equipment for the production of beef jerky from ConAgra Foods, Inc. for US$25,000,000 (twenty-five million US dollars) in kind.

The Company and ConAgra Foods entered into a sale and distribution agreement valid for 5 years, until July 2013, whereby ConAgra Foods will sell and distribute the beef jerky "Pemmican" trademark to Marfrig within its existing Division of Consumer Goods. The agreement also establishes the production of Slim Jim beef jerky by Marfrig for ConAgra Foods.

The Company has various facilities for beef jerky production in Brazil, Argentina and Uruguay, with a total capacity of 27 tonnes/day, including a packaging and distribution facility in Mirab (Detroit, USA).

On July 28, 2008 1,954,891 shares of QuickFood S/A were acquired for the total amount of US$16,127,916.00, of which 1,035,054 was acquired from Spearling Inc. for US$8,539,228.00 and 919,837 shares were acquired from Octavio Caraballo for US$7,588,688.00. On August XX, 2008, 145,271 shares were acquired from Rodolfo Gustavo Lopez Baasch for US$ 1,176.695.10. These acquisitions increased Marfrig's interest in QuickFood S/A from 70.51% to 80.3066%.

On August 12, 2008 the Company's Board of Directors discussed and approved the financing of the acquisition of OSI Group in Brazil and in several European countries.The acquisition detailed below, will be made by issuing shares to privately increase Marfrig's capital.

The Company's capital will increase by R$1,375.893 (one billion three hundred seventy-five million eight hundred ninety-three Brazilian reais), from the current R$1,183,826 (one billion one hundred eighty-three million eight hundred twenty-six Brazilian reais) to R$2,559,719 (two billion five hundred fifty-nine million seven nineteen hundred Brazilian reais), by issuing 63,995,000 (sixty-three million nine hundred ninety-five thousand) new common shares, with no par value.

The shares will be issued at the unit price of R$ 21.50 (twenty-one Brazilian reais and fifty cents), determined according to the average closing prices on the last 60 (sixty) trading sessions of the São Paulo Stock Exchange, i. e., the trading sessions from May 15, 2008 to August 11, 2008, of common shares issued by the Company, including a premium of 4.116% (four point one hundred sixteen percentage points), equivalent to R$0.85 per share (eighty-five cents of Brazilian real), pursuant to article 170, paragraph 1, item III, of Law No. 6.404/1976, to be subscribed and paid-in cash.

Holders on August 12, 2008 of common shares issued by Marfrig (date of the Board of Directors' meeting) will have preference for the subscription of the proposed increase in capital stock over shares identical to those they hold, at the ratio of 0.3137795 (point three one three seven seven nine five) common share for each common share issued by Marfrig that they have.

Shares acquired from August 13, 2008 will not entitle the acquiring shareholder to subscription. From August 13, 2008, shares issued by Marfrig will be traded with no right to subscription.

Shareholders will have 30 (thirty) days to exercise their preference right, from the date the notice to the market is published. Shareholders must pay in the shares within the same period. In addition, without prejudice to the procedures for the exercise of the preference right provided for in article 171 of Law No. 6.404/1976, a rights offering may, as necessary, be made to the Company's qualified investors not residing in Brazil, pursuant to American rules 144A and S Regulation.

On June 23, 2008, the Company signed a purchase commitment to acquire OSI Group. The agreement is initially worth US$680 million, of which US$400 million in currency and US$280 million in 20,000,000 Marfrig common shares which will be part and will be issued at the same price of the private increase in capital. A possible difference due to the exchange variation will supplemented by currency or discounted from the portion of US$400 million in currency mentioned above. The transaction may include more US$220 million, according to the future performance of European businesses. The amounts above may be adjusted during the legal diligence until the completion of the transaction. No net indebtedness is expected for the companies that are being acquired. Transactions are expected to be completed in the second half of 2008, according to decision and approval by our Board of Directors and information to the market on a Material Fact Disclosure.

* * *