MARFRIG GROUP

1Q09 Results
Financial Statements



(Convenience Translation into English from the Original Previously Issued in Portuguese)
INDEPENDENT AUDITORS' REVIEW REPORT

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

1. We have performed a review of the accompanying individual and consolidated Quarterly Information (ITR) of Marfrig Alimentos S.A. (the "Company") and its controlled companies consisting of the balance sheet as of March 31, 2009, and the related statements of operations, cash flows and changes in shareholders' equity, notes and management report for the quarter then ended, all expressed in Brazilian reais and prepared under the responsibility of the Company's management.

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 review, we are not aware of any material changes which should be made to the Quarterly Information referred to in paragraph 1 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 CVM Instruction No. 469/08.

4. As mentioned in note 2, Brazilian accounting practices were changed during 2008, and the effects of their initial adoption were only accounted for by the Company and its controlled companies in the fourth quarter of 2008, and disclosed in the financial statements as of December 31, 2008. The statements of operations, cash flows, and changes in shareholders' equity for the quarter ended March 31, 2008, presented along with the current quarter information, were not adjusted for comparative purposes pursuant to CVM/SNC/SEP Circular Letter No. 02/2009.

Ribeirão Preto, April 30, 2009 (except for note 25, whose date is May 07, 2009).



Estefan George Haddad
Engagement Partner
BDO Trevisan Auditores Independentes

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EXHIBIT 1

MARFRIG ALIMENTOS S.A.

BALANCE SHEETS AS OF MARCH 31, 2009 AND DECEMBER 31, 2008
(In thousands of Brazilian reais)

	Company		Consolidated	
	03/31/09	12/31/08	03/31/09	12/31/08
ASSETS				
Current				
Cash and cash equivalents (note 4)	750.354	774.160	1.125.082	1.071.664
Trade accounts receivable - domestic (note 5)	383.979	380.987	687.929	686.035
Trade accounts receivable - foreign (note 5)	51.159	115.847	184.439	315.877
Inventories of goods and merchandise (note 6)	869.391	774.872	1.626.524	1.581.934
Recoverable taxes (note 7)	483.969	455.572	746.886	689.393
Prepaid expenses	869	910	40.171	25.237
Other receivables	9.710	304	9.707	305
Total current assets	2.549.431	2.502.652	4.420.738	4.370.445
Noncurrent				
Long-term assets				
Financial investments	256	212	2.137	4.195
Compulsory deposits	15.557	15.895	23.449	23.378
Notes receivable (note 8)	1.838.424	1.589.329	1.552	363
Deferred taxes (note 9)	286.800	275.597	351.076	303.568
Recoverable taxes (note 7)	2.010	2.010	50.781	44.631
Other receivables	68	93	18.678	9.243
	2.143.115	1.883.136	447.673	385.378
Investment (note 10)	845.150	867.354	1.222	1.197
Property, plant and equipment (note 11)	893.025	890.682	2.223.822	2.235.688
Intangible assets (note 12)	525.187	525.038	2.132.733	2.144.212
Deferred charges (note 13)	-	-	13.256	18.252
	2.263.362	2.283.074	4.371.033	4.399.349
Total noncurrent assets	4.406.477	4.166.210	4.818.706	4.784.727
Total assets	6.955.908	6.668.862	9.239.444	9.155.172
	-	-	-	-

	Company		Consolidated	
	03/31/09	12/31/08	03/31/09	12/31/08
LIABILITIES				
Current				
Trade accounts payable	86.395	81.134	764.444	748.495
Accrued payroll and related charges (note 14)	110.490	97.492	291.805	269.793
Taxes payable (note 15)	9.336	9.297	243.978	274.543
Loans and financing (note 16)	706.375	577.500	1.294.620	1.232.097
Notes payable	11.354	11.660	11.354	11.660
Lease payable (note 17)	44.402	43.914	61.371	62.582
Other payables	369	235	72.829	200.323
Total current liabilities	968.721	821.232	2.740.401	2.799.493
Noncurrent				
Loans and financing (note 16)	3.037.111	2.820.083	3.296.628	3.081.377
Taxes payable (note 15)	39.846	37.087	84.458	78.674
Deferred taxes (note 19)	38.938	39.899	108.532	109.019
Provisions (note 18)	44.990	44.990	96.031	108.475
Lease payable (note 17)	97.443	107.603	129.287	142.114
Other	65.734	68.117	105.544	88.252
Total noncurrent liabilities	3.324.062	3.117.779	3.820.480	3.607.911
Minority interest	-	-	15.438	17.917
Shareholders' equity (note 20)				
Capital stock	2.559.718	2.559.718	2.559.718	2.559.718
Expenses on the issue of shares	(34.079)	(34.079)	(34.079)	(34.079)
Income reserves	155.061	155.061	155.061	155.061
Asset and liability valuation adjustments	(14.833)	15.777	(14.833)	15.777
Accumulated translation adjustments	33.411	33.374	33.411	33.374
Accumulated losses	(36.153)	-	(36.153)	-
	2.663.125	2.729.851	2.663.125	2.729.851
Total liabilities and shareholders' equity	6.955.908	6.668.862	9.239.444	9.155.172

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

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EXHIBIT 2

MARFRIG ALIMENTOS S.A.

STATEMENT OF OPERATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31
(In thousands of Brazilian reais)

	Company		Consolidated	
	2009	2008	2009	2008
GROSS SALES				
Domestic	373.212	385.591	1.483.222	615.544
Foreign	190.882	176.019	962.305	565.466
	564.094	561.610	2.445.527	1.181.010
DEDUCTIONS FROM GROSS SALES				
Sales taxes	(31.297)	(32.229)	(97.655)	(61.931)
Returns and discounts	(29.619)	(51.650)	(96.998)	(52.007)
NET SALES	503.178	477.731	2.250.874	1.067.072
Cost of goods sold	(358.905)	(358.871)	(1.937.492)	(851.866)
GROSS INCOME	144.273	118.860	313.382	215.206
OPERATING REVENUES (EXPENSES)				
Commercial expenses	(37.320)	(40.535)	(155.933)	(67.331)
Administrative and general expenses	(18.786)	(19.180)	(66.737)	(36.085)
Equity in earnings of controlled companies	8.027	32.805	-	-
Goodwill amortization	-	(9.145)	-	(9.145)
Other operating revenues (expenses)	197	237	10.248	1.873
	(47.882)	(35.818)	(212.422)	(110.688)
OPERATING INCOME BEFORE INFLATION AND FINANCIAL ADJUSTMENTS	96.391	83.042	100.960	104.518
FINANCIAL INCOME (EXPENSES)				
Financial income	21.787	18.789	28.199	23.490
Financial expenses	(133.475)	(43.657)	(168.823)	(51.624)
Exchange gain	9.395	63.411	5.952	72.606
Effects of exchange variation - translation				(438)
Exchange loss	(42.415)	(101.393)	(43.847)	(105.128)
	(144.708)	(62.850)	(178.519)	(61.094)
OPERATING INCOME (LOSS)	(48.317)	20.192	(77.559)	43.424
Non-operating income (loss)		108		(1.126)
INCOME (LOSS) BEFORE TAXES	(48.317)	20.300	(77.559)	42.298
Income tax	8.955	506	27.216	(13.189)
Social contribution tax	3.209	179	12.841	(55)
	12.164	685	40.057	(13.244)
INCOME (LOSS) BEFORE MINORITY INTEREST	(36.153)	20.985	(37.502)	29.054
Minority interest			(664)	(3.995)
NET INCOME (LOSS) FOR THE PERIOD	(36.153)	20.985	(38.166)	25.059
PER THOUSANDS SHARES - in Brazilian reais	(134,93)	102,89	(142,44)	122,87

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

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EXHIBIT 3

MARFRIG ALIMENTOS S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands of Brazilian reais)

	Capital stock	Expenses on the issue of shares	Income reserve	Asset and liability valuation adjustment	Accumulated translation adjustment	Accumulated earnings (losses)	Total
AS OF DECEMBER 31, 2008	2.559.718	(34.079)	155.061	15.777	33.374	-	2.729.851
Exchange variation on investments	-	-	-	(30.610)	-	-	(30.610)
Exchange variation - balance sheet translation	-	-	-	-	37	-	37
Loss in the period	-	-	-	-	-	(36.153)	(36.153)
AS OF MARCH 31, 2009	2.559.718	(34.079)	155.061	(14.833)	33.411	(36.153)	2.663.125

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

EXHIBIT 4

MARFRIG ALIMENTOS S.A.

STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED MARCH 31

(In thousands of Brazilian reais)

	Company		Consolidated	
	2009	2008	2009	2008
Net income (loss) for the period	(36.153)	20.985	(38.166)	25.059
Non-cash items	27.041	(42.518)	80.883	(4.271)
Depreciation	14.242	7.440	54.590	13.329
Amortization	-	9.145	8.026	9.485
Minority interest	-	-	664	3.995
Provision for contingencies	-	-	12.434	1.122
Deferred taxes	(12.164)	(813)	(31.211)	(3.212)
Equity in loss of controlled companies	(8.027)	(32.805)		-
Exchange variation on financing	(7.960)	(25.485)	3.268	(24.916)
Exchange variation on other assets and liabilities	40.980		34.627	
Write-off of property, plant and equipment	(30)	-	(1.515)	-
Investment gains	-	-		(4.074)
Changes in shareholders' equity	(292.344)	(224.386)	43.022	(263.185)
Trade accounts receivable	34.006	15.651	100.273	(5.703)
Inventories	(94.519)	(13.943)	(52.641)	(63.205)
Escrow deposits	338	(680)	(72)	(881)
Accrued payroll and accrued expenses	12.998	6.018	23.499	7.290
Trade accounts payable	4.554	(108.774)	19.503	(126.756)
Taxes	(25.599)	(59.835)	(103.195)	(65.615)
Financial charges	72.649	42.898	96.134	45.739
Financial charges - lease	4.501	-	5.304	-
Notes receivable and payable	(261.017)	(98.523)	1.855	(44.158)
Other asset and liability accounts	(40.255)	(7.198)	(47.638)	(9.896)
Cash flows from operating activities	(301.456)	(245.919)	85.739	(242.397)
Investment activities				
Investments	(3.262)	(50.962)	(160.676)	(11.648)
Exchange variation on investments	30.573	-	30.573	-
Reduction of goodwill on investments	-	4.270	-	4.270
Consolidation of investments without cash effects	-	-	-	46.565
Investments in property, plant and equipment	(16.555)	(39.552)	(74.297)	(97.871)
Exchange variation on property, plant and equipment			7.203	-
Intangible assets	(149)	-	(389)	-
Exchange variation on intangible assets	-	-	4.898	-
Cash flows from investment activities	10.607	(86.244)	(192.688)	(58.684)
Financing activities				
Loans and financing	281.216	456.988	180.880	435.863
Loans taken out by the Company	600.966	768.509	876.572	880.752
Loans repaid by the Company	(319.750)	(311.521)	(695.692)	(444.889)
Lease payable	(14.173)	-	(17.875)	-
New leases	68	-	2.042	-
Paid leases	(14.241)	-	(19.917)	-
Cash flows from financing activities	267.043	456.988	163.005	435.863
Exchange variation on cash and cash equivalents			(2.638)	
Cash flows in the period	(23.806)	124.825	53.418	134.782
Cash, bank accounts and short-term investments				
Ending balance	750.354	992.577	1.125.082	1.184.588
Beginning balance	774.160	867.752	1.071.664	1.049.806
Changes in the period	(23.806)	124.825	53.418	134.782
	-	-	-	-

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

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MARFRIG ALIMENTOS S.A.

NOTES TO THE INDIVIDUAL (COMPANY) AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009 AND YEAR ENDED DECEMBER 31, 2008
(In thousands of Brazilian reais)

1. OPERATIONS

Marfrig Alimentos S.A. (the "Company"), is a publicly held company that carries out foodstuff production and meat packing activities consisting of cattle, pig, sheep and poultry slaughtering; industrial processing, distribution and sale 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.

Marfrig Alimentos S.A. was set up on June 6, 2000 and became a corporation on March 26, 2007. The Company was registered with the Brazilian Securities and Exchange Commission (CVM) under No. 20788 on June 18, 2007 and made its initial public offering (IPO) on June 29, 2007. Its shares were listed on the New Market of São Paulo Stock Exchange (BM&F Bovespa) under code No. MRFG3. As of March 31, 2009 the Company's subscribed and paid-in capital stock consisted of 267,943,954 common shares of which 135,162,786 or 50.44% are under the control of MMS Participações S.A. and 132,781,170 shares or 49.56% are traded ("free float") in capital markets. MMS Participações S.A. is controlled by Marcos Antônio Molina dos Santos and Márcia Aparecida Pascoal Marçal dos Santos, each holding a 50% ownership interest.

As a participant in BM&FBOVESPA's New Market, the Company is subject to arbitration under the Market Arbitration Chamber, pursuant to arbitration clause included in its by-laws.

The Company's financial and equity position should be considered within the context of the integrated activities of:

- Beef and Food Service Divisions – Brazil:
  - Marfrig Alimentos S.A. (Brazil) – made up of nine cattle slaughtering units, three beef processing units located in the States of São Paulo, Rio Grande do Sul, Goiás, Mato Grosso do Sul, Mato Grosso and Rondônia, in addition to a Distribution Center in the State of São Paulo;

  - Masplen Ltd (Jersey), (company which holds 100% of Pampeano Alimentos S.A. (Brazil)), a company that produces canned meat and other industrialized products in Rio Grande do Sul.

- Division of Poultry, Swine and Processed Products – Brazil:

- Secculum Participações Ltda. (Brazil) and União Frederiquense Participações Ltda. (Brazil), (companies that together hold 100% of Frigorífico Mabella Ltda. (Brazil)). Mabella operates a pig-slaughtering unit in the State of Santa Catarina and one pig slaughtering and pork processing unit in the State of Rio Grande do Sul. It is also responsible for Marfrig's poultry and pig operations, contemplating the companies below:
    - DaGranja Agroindustrial Ltda.;
    - Braslo Produtos de Carne Ltda.;
    - Agrofrango Indústria e Comércio de Alimentos Ltda.;
    - Penasul Alimentos Ltda.;

    Poultry operations consist of seven poultry slaughtering plants and seven poultry processing units in the States of Santa Catarina, Rio Grande do Sul, Paraná, São Paulo, Minas Gerais and Distrito Federal;
    - MBL Alimentos S.A (Carroll's), a company engaged in pig raising.

- Argentina division:
    - Argentine Breeders & Packers S.A. (Argentina), with three cattle slaughtering plants (including positions whereby it holds 100% of Best Beef S.A. companies. (Argentina), Estâncias del Sur S.A. (Argentina) and Mirab S.A. (Argentina and USA), producer and distributor of beef jerky for the US market and several other export destinations;
    - Quickfood S.A (Argentina), holder of PATY brand, a leader in the Argentine, Uruguayan and Chilean hamburger markets, with two slaughtering plants and three units of processed beef products.
- Uruguay Division:
    - Frigorífico Tacuarembó S.A. (Uruguay), which operates a cattle slaughtering and beef processing unit;
    - Inaler S.A. (Uruguay), cattle and sheep slaughtering unit;
    - Marfrig Chile Inversiones Ltda. (Chile), operating a lamb packing plant in Patagonia and a meat deboning and trading unit which operates in the Chilean market;
    - Prestcott International S.A. (Uruguay), which holds 100% Cledinor S.A (Uruguay), beef and lamb packing plant in the city of Salto;
    - Establecimientos Colonia S.A. (Uruguay), beef packing plant in the city of the same name.

- Europe Division:
    - Weston Importers Ltd. (United Kingdom), a trading company which operates in the European market and holds 100% of CDB Meats Ltd (UK), producer of processed meat and 100% of Moy Park Holdings Ltd (company headquartered in Northern Ireland), holds 100% of Moy Park Group and Kitchen Range Foods Ltd (England), which operates three poultry slaughtering plants and eight processed product plants in England, Northern Ireland, France and the Netherlands.

2. PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

The individual and consolidated financial statements are expressed in Brazilian reais and have been prepared in accordance with Brazilian accounting practices, which comprise the Brazilian Corporate Law (Law No. 6,404/76), the Pronouncements, Guidelines and Interpretations issued by the Committee of Accounting Pronouncements – CPC, approved by the Brazilian Securities and Exchange Commission (CVM) as well as other pronouncements issued by that federal agency.

2.1 New legislation and changes in accounting practices

On December 28, 2007 Law No. 11,638/07, which was changed by Executive Act No. 449 of December 3, 2008, took effect beginning January 1, 2008. These regulations modified certain provisions of Law No. 6,404/76 (Brazilian Corporate Law). The Company implemented for the first time the changes during the preparation of the individual and consolidated financial statements of 2008.

2.2 Initial adoption of Law No. 11,638/2007 and Executive Act No. 449/2008

The Company adopted January 1, 2008 as the transition date to apply the new accounting practices, according to CVM Resolution No. 565/2008. This resolution approved CPC No. 13, which addresses the preparation of the first financial statements according to the new accounting practices adopted in Brazil. Therefore, the Company opted to apply only paragraph 1, article 186 of Law No. 6,404/76.

The financial statements for the period ended March 31, 2008 were prepared in accordance with legislation in effect at that time. The Company decided not to republish them, pursuant to CVM/SNC/SEP Circular Letter No. 02 of May 5, 2009 and IBRACON Technical Communication No. 04 of May 7, 2009. Therefore these financial statements may not be compared with the financial statements for the period ended March 31, 2009.

Due to the changes brought about by the new accounting legislation, the effects on operations for the period ended March 31, 2008 are presented below:

Effects in the period ended March 31, 2008

	Income for the year		Shareholders equity	
	Company	Consolidated	Company	Consolidated
New legislation (1)	**51.765**	**51.193**	**1.328.908**	**1.328.908**
Exchange variation on foreign investments	(5.084)	(438)	-	-
Discount to present value of assets and liabilities	(19.930)	(19.930)	19.930	19.930
Finance lease	(5.766)	(5.766)	5.766	5.766
	-	-	-	-
According to previous legislation	**20.985**	**25.059**	**1.303.212**	**1.303.212**

(1) The adjustments resulting from the new accounting practices caused no tax effects,

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

3.1 Significant accounting practices

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

a. Result of operations

Results of operations are recorded under the accrual basis.

Service revenues are recognized in the statement of operations as services are rendered.

b. Accounting estimates

The preparation of the individual and consolidated 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 determination of the residual value of property, plant, and equipment, and the recognition of deferred income and social contribution taxes, allowances for doubtful accounts, inventory valuation allowances and provisions for tax, labor and civil risks. Transaction settlement involving those estimates may result in values different from estimates, due to the inherent inaccuracy of the process. The Company and its controlled companies review estimates and assumptions at least quarterly.

c. 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 recognized at their fair value plus, for instruments that are not recognized at fair value in operations, any directly attributable transaction costs. After initial recognition, non-derivative financial instruments are measured according to their respective classification:

- Held-to-maturity instruments

  If the Company intends and is able to hold its debt instruments until maturity, they are classified as held-to-maturity instruments. Held-to-maturity investments are stated at their amortized cost using the effective interest rate method, less possible impairment charges.

- Available-for-sale instruments

  The Company's investments in equity instruments and certain assets related to debt instruments are classified as available for sale. After initial recognition, they are stated at fair value and their fluctuations, except impairment charges, and the foreign currency differences of these instruments, are recognized directly in equity, net of tax effects. When an investment fails to be recognized, the gain or loss accumulated in equity is transferred to the statement of operations.

- Financial instruments stated at fair value in the statement of operations

  An instrument is carried at fair value in the statement of operations if it is held for trading, i.e. classified as such upon initial recognition. Financial instruments are carried at fair value in the statement of operations if the Company manages these investments and takes purchasing and sales decisions according to their fair value and the investment and risk management strategy documented by the Company. After initial recognition, attributable transaction costs are recognized in the statement of operations when incurred. Financial instruments stated at fair value in the statement of operations are determined according to their fair value and their fluctuations are recognized in the statement of operations.

- Other

  Other non-derivative financial instruments are stated at amortized cost using the effective interest rate method, adjusted for possible impairment charges.

d. Foreign currency

The Company's management established that its functional currency is the Brazilian real, according to the provisions of CPC Technical Pronouncement No. 02 – Effects on Changes in Exchange Rates and Translation of Financial Statements, approved by CVM Resolution No. 534/08.

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

e. Current and noncurrent assets

- Trade accounts receivable

  Trade accounts receivable are recorded at the billed amount and when applicable, discounted to present value.

  The allowance for doubtful accounts was set up in an amount the management deems sufficient to cover possible losses on the realization of receivables.

- Inventories

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

- Investments

  Investments in controlled and affiliated companies are valued under the equity method.

- 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 11 and take into consideration the estimated useful lives of assets and property lease terms with respect to leasehold improvements.

  Finance charges on financing agreements entered into by the Company when property, plant, and equipment items are being built are capitalized.

  Other expenses are capitalized only when economic benefits of property, plant, and equipment increase. Any other type of expense is recognized in operations as an expense when incurred.

- Lease

  Finance lease

  Certain lease agreements substantially transfer the risks and benefits pertaining to the property of an asset. These agreements are finance leases and assets are recognized at fair value or at the present value of minimum payments provided for by the agreements. Items recognized as assets are depreciated at the rates applicable to each group of assets, according to note No. 11. Finance charges on finance lease agreements are recognized in operations during the lease term, using the amortized cost method and the effective interest rate.

Operating lease

Payments made under an operating lease are recognized as expenses in the statement of operations on a straight-line basis during the lease term.

- 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 amortization calculated using the straight-line method, according to the terms of the exploration rights set forth on lease agreements.

Intangible assets with an indefinite useful life and goodwill resulting from expected future profitability as from January 1, 2009 will not be amortized and will be annually tested for impairment.

f. Impairment

Property, plant and equipment, intangible assets and deferred charges are tested for impairment at least annually, if events and circumstances have occurred that indicate possible impairment. Goodwill and intangible assets with an indefinite useful life are tested for impairment annually regardless of whether or not events and circumstances have occurred that indicate possible impairment.

g. Current and noncurrent liabilities

These are stated at known or estimated amounts, plus the related charges, exchange and/or monetary variations incurred through the balance sheet date, when applicable. Where applicable, current and non-current liabilities are stated at present value, transaction by transaction, according to interest rates which reflect each transaction's term, currency and risk. The offsetting entry to discounts to present value is made to the accounts that originated the liability. The difference between the present value of a transaction and the face value of a liability is recorded in the statement of operations during the term of the contract according to the amortized method cost and the effective interest rate.

h. Provisions

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

i. Share-based compensation plan

The effects of the share-based compensation plan are calculated at fair value and recognized in the balance sheet and the statement of operations as contract conditions are met and as commented in note 21.

j. 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 assets stemming from income and social contribution tax losses and temporary differences are recognized pursuant to tax legislation and CVM Instruction No. 371 of June 27, 2002. They take into consideration the Company's history of profitability and the expected generation of taxable income in the future supported by a technical feasibility study annually reviewed.

Under Executive Act No. 449/08, the Company and its controlled companies, where applicable, must opt for the Temporary Tax Regime, which option must be made irrevocably on the 2009 Corporate Income Tax Return.

k. Earnings per share

Earnings per share are calculated based on the number of shares outstanding at the balance sheet date.

l. Consolidation

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

Description of the main consolidation procedures:

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

3.2 Consolidated financial statements

The consolidated financial statements include the accounts of the Company and its controlled companies, as follows:

DIRECTLY CONTROLLED COMPANIES	Ownership interest 3/31/09	12/31/08
Argentine Breeders & Packers S.A	99,99%	99,99%
Frigoclass Alimentos S.A	100%	100%
Marfrig Chile Inversiones Ltda	99,47%	99,47%
Inaler S.A	100%	100%
Frigorífico Tacuarembó S.A	93,26%	93,26%
Weston Importers Ltd	100%	100%
Masplen Limited	100%	100%
Prestcott International S.A	100%	97,99%
Secculum Participações Ltda	99,00%	99,00%
União Frederiquense Partic. Ltda	99,99%	99,84%
QuickFood S.A	80,31%	80,31%
Establecimientos Colonia S.A	100%	100%

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.

4. CASH AND CASH EQUIVALENTS

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

	Company		Consolidated	
	3/31/09	12/31/08	3/31/09	12/31/08
Cash and banks	40.464	293.469	162.676	395.662
Certificates of deposit	709.890	480.691	962.406	676.002
	750.354	774.160	1.125.082	1.071.664

The cash and cash equivalents of controlled companies are stated as follows (Consolidated):

	Brazil		Foreign	
	3/31/09	12/31/08	3/31/09	12/31/08
Cash and banks	19.100	29.191	103.112	73.002
Certificates of deposit	24.322	29	228.194	195.282
	43.422	29.220	331.306	268.284

5. TRADE ACCOUNTS RECEIVABLE – DOMESTIC AND FOREIGN CUSTOMERS

	Company		Consolidated	
	3/31/09	12/31/08	3/31/09	12/31/08
Trade accounts receivable - domestic	383.979	380.987	687.929	686.035
Trade accounts receivable - foreign	181.633	168.488	316.357	409.533
(-) Advances on export contracts (ACEs)	(130.474)	(52.641)	(131.918)	(93.656)
	51.159	115.847	184.439	315.877
	435.138	496.834	872.368	1.001.912
Amounts coming due	427.242	484.830	755.437	885.254
Amounts overdue				
From 1 to 30 days	5.435	9.657	79.680	75.156
From 31 to 60 days	88	161	11.632	23.594
From 61 to 90 days	622	205	9.339	5.992
More than 90 days	1.751	1.981	46.313	40.150
(-) Allowance for doubtful accounts	-	-	(30.033)	(28.234)
	435.138	496.834	872.368	1.001.912

The allowance for doubtful accounts was set up in an amount the management deemed sufficient to cover possible losses on the realization of receivables.

Receivables were adjusted to present value, in compliance with Technical Pronouncement CPC no. 12 approved by CVM Resolution no. 564/2008.

6. INVENTORIES OF GOODS AND MERCHANDIZE

	Company		Consolidated	
	3/31/09	12/31/08	3/31/09	12/31/08
Finished products and other	843.212	743.801	1.545.696	1.468.800
Packaging materials and storeroom supplies	26.179	31.071	80.828	113.134
	869.391	774.872	1.626.524	1.581.934

In the year ended December 31, 2008 and in the 1st quarter of 2009, inventories of finished goods were carried at average purchase and/or production cost, lower than realization values, as explained in note 3.

Inventories of controlled companies are stated as follows (Consolidated):

	Brazil		Foreign	
	3/31/09	12/31/08	3/31/09	12/31/08
Finished products and other	254.137	234.870	448.347	490.129
Packaging materials and storeroom supplies	26.713	61.953	27.936	20.110
	280.850	296.823	476.283	510.239

7. RECOVERABLE TAXES

	Company		Consolidated	
	3/31/09	12/31/08	3/31/09	12/31/08
ICMS (State VAT)	178.413	163.950	236.067	217.527
IPI (Federal VAT) deemed credit	60.807	60.782	66.968	66.941
PIS (tax on sale) credit	34.916	38.605	63.676	64.056
COFINS (tax on sale) credit	167.064	152.483	301.374	262.090
Income tax	5.827	5.827	33.448	27.946
Social contribution tax	4.164	4.164	6.758	5.010
IRRF (withholding income tax)	34.788	31.771	34.972	33.147
IVA (value-added tax)	-	-	39.411	36.704
Export certificates	-	-	7.929	12.575
Other	-	-	7.064	8.028
Total	**485.979**	**457.582**	**797.667**	**734.024**
Current assets	483.969	455.572	746.886	689.393
Non-current assets	2.010	2.010	50.781	44.631
Total	**485.979**	**457.582**	**797.667**	**734.024**

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. The balance also includes total balances of these credits resulting from companies acquired in 2008.

7.2 Deemed IPI credit

Refers to the refund of PIS and COFINS levied on input acquired domestically and used in the processing of goods actually exported. It also includes total balances of these credits resulting from companies acquired in 2008.

7.3 PIS and COFINS

Refer to noncumulative credit of PIS and COFINS levied on the acquisition of raw, packaging, and other materials used in the goods sold in foreign markets. They also include total balances of these credits resulting from companies acquired in 2008.

7.4 Income and social contribution taxes

Refer to income and social contribution taxes prepaid in the year ended December 31, 2008.

7.5 Withholding Income Tax (IRRF)

Withholding income tax refers to income tax withheld from gains on financial investments the Company made.

7.6 Export certificates

Export certificates are certificates issued by the government of Uruguay as return of a percentage of income tax exporters paid.

7.7 IVA – Value Added Tax

This caption refers to balances of recoverable value added tax of foreign controlled companies resulting from the tax difference between purchases and sales, given that the difference in the food rate is lower than most transactions.

8. NOTES RECEIVABLE (NON-CURRENT)

	Company		Consolidated	
	3/31/09	12/31/08	3/31/09	12/31/08
Related parties	1.815.056	1.566.063	-	-
Other notes receivable	23.368	23.266	1.552	363
	1.838.424	1.589.329	1.552	363

The Company's notes receivable mostly consist of balances resulting from transaction with its controlled companies (related parties), as described in note 8.1.

8.1 RELATED-PARTY TRANSACTIONS

COMPANY

			3/31/09		1 Q 09	
March, 31 2009	Accounts receivable	Accounts payable	Credits	Debits	Purchases	Sales
Argentine Breeders & Packers S.A.	-	638	38.910	-	450	-
Frigorífico Tacuarembó S.A.	-	-	15.721	-	883	-
Inaler S.A.	-	446	9.941	-	543	-
Marfrig Chile Inversiones Ltda	-	-	-	-	441	-
Weston Importers Ltd.	-	-	-	-	-	5.618
Frigoclass Alimentos S.A.	-	-	306	43.107	-	-
Pampeano Alimentos S.A.	9.437	-	29.296	-	3	14.440
Cledinor S.A.	-	855	-	-	343	-
Frigorifico Mabella Ltda	1.738	166	290.507	-	4.363	303
Masplen Limited	-	-	103	-	-	-
Dagranja Agroindustrial Ltda	357	842	98.346	-	927	1.047
Mirab USA	-	-	69.188	-	-	-
Establecimientos Colonia S.A.	-	4.055	-	-	1.782	-
Quickfood S.A.	-	-	-	-	847	-
Moy Park Limited	-	-	23.152	-	-	-
Moy Park Holdings Europe Limited	-	-	1.223.985	-	-	-
Braslo Produtos de Carne Ltda	8.026	1.802	15.563	-	3.476	17.823
MBL Alimentos Ltda	-	-	17	-	-	283
Pena Branca Ltda	-	-	-	-	353	1
Penasul Alimentos Ltda	-	-	-	-	-	216
Maremar Adm. Bens S/C Ltda	-	-	21	-	-	-
Marcos Antonio Molina dos Santos	-	489	-	-	4.063	-
	19.558	9.293	1.815.056	43.107	18.474	39.731

						COMPANY
				12/31/08		1 Q 08
December 31, 2008	Accounts receivable	Accounts payable	Credits	Debits	Purchases	Sales
Argentine Breeders & Packers S.A.	-	-	39.277	-	1.057	-
Frigorífico Tacuarembó S.A.	-	936	16.087	-	1.801	-
Inaler S.A.	-	1.056	10.035	-	1.589	-
Marfrig Chile Inversiones Ltda	-	-	168	-	-	-
Quinto Cuarto S.A.	401	-	-	-	-	-
Weston Importers Ltd.	7.186	-	-	-	-	11.302
Frigoclass Alimentos S.A.	-	-	306	43.107	-	-
Pampeano Alimentos S.A.	-	-	-	102	-	17.275
Cledinor S.A.	-	1.513	-	-	1.224	-
Frigorifico Mabella Ltda	-	-	136.878	-	2.887	71
Masplen Limited	-	-	104	-	-	-
Dagranja Agroindustrial Ltda	-	-	66.846	-	-	-
Mirab USA	-	-	68.671	-	-	-
Establecimientos Colonia S.A.	-	1.640	-	-	1.212	-
Quickfood S.A.	-	4.614	-	-	3.059	-
Moy Park Limited	-	-	23.370	-	-	-
Moy Park Holdings Europe Limited	-	-	1.188.770	-	-	-
Braslo Produtos de Carne Ltda	-	-	15.551	-	-	-
MBL Alimentos Ltda	-	-	-	-	-	-
Maremar Adm. Bens S/C Ltda	-	-	-	-	-	-
Marcos Antonio Molina dos Santos	-	843	-	-	2.933	-
	7.587	10.602	1.566.063	43.209	15.762	28.648

Notes receivable and payable between related parties are monetarily adjusted according to the prevailing rates in the financial market. Such operations do not have impacts on the consolidated financial statements, as they are eliminated in the consolidation process.

	CONSOLIDATED			
	Accounts payable		Total purchases in the period	
	3/31/09	12/31/08	3/31/09	12/31/08
Marcos Antonio Molina dos Santos	489	843	4.063	2.933
	489	843	4.063	2.933

Mr. Marcos Antonio Molina dos Santos and his wife acquired a property in the State of São Paulo on April 27, 2007 through Maremar – Administração de Bens S/C Ltda., which is controlled by them. This property engages in genetic studies to improve breeds of beef cattle. From mid 2008, the property began to confine 7,800 animals, which are slaughtered in the Company's beef packing plants.

9. DEFERRED TAXES

	Company		Consolidated	
	03/31/09	12/31/08	03/31/09	12/31/08
Income tax	210.888	202.644	262.442	226.421
Social contribution tax	75.912	72.953	88.634	77.147
	286.800	275.597	351.076	303.568

Refer to deferred income and social contribution taxes, calculated on taxes whose payment has been suspended (provisions), which were added to the computation of taxable income and the social contribution calculation base of previous years, as well as on tax losses and future utilization for tax purposes of goodwill paid due to future profitability, which will be realized from 2009 to 2013.

Below is the movement of taxes deferred in the first quarter of 2009:

	Company		Consolidated	
Description	Corporate income tax	Social contribuion tax	Corporate income tax	Social contribuion tax
Beginning balance	202.644	72.953	226.421	77.147
(-) Deferred taxes on goodwill utilized for tax purposes	(4.913)	(1.769)	(4.913)	(1.769)
Deferred taxes on income tax losses	13.157		33.545	
Deferred taxes on social contribution tax losses		4.728		13.256
Other			7.389	
Ending balance	210.888	75.912	262.442	88.634

10. INVESTMENTS

	Company		Consolidated	
	3/31/09	12/31/08	3/31/09	12/31/08
Ownership interest in controlled companies	845.022	867.226	-	-
Other investments	128	128	1.222	1.197
	845.150	867.354	1.222	1.197

10.1 - Investments (Company)

	No. of units of interest/shares	Ownership percentage of voting capital (1)	Traded on the stock exchange	Capital stock	Equity	Net income (loss) for the period
Argentine Breeders & Packers S.A	260.328	99,99	No	180.291	153.033	(3.743)
Frigoclass Alimentos S.A	78.573.743	100,00	No	78.574	57.780	1.791
Marfrig Chile Inversiones Ltda	13.358.426.280	99,47	No	57.595	30.450	4.308
Inaler S.A	66.247.320	100,00	No	3.397	29.370	870
Frigorífico Tacuarembó S.A	80.000.000	93,26	No	15.125	104.147	(163)
Weston Importers Ltd	1.338.278	100,00	No	26.530	27.054	16.846
Masplen Limited	100	100,00	No	0	27.638	(253)
Prestcott International S.A	79.638.916	100,00	No	6.765	36.888	461
Secculum Participações Ltda	9.200.000	99,00	No	9.200	11.751	(925)
União Frederiquense Partic. Ltda	98.449.805	99,99	No	98.450	190.898	(15.045)
QuickFood S.A	21.419.606	80,31	Yes	31.562	112.636	4.365
Establecimientos Colonia S.A	80.647.477	100,00	No	60.777	94.581	62
Total				568.266	876.226	8.574

(1) The capital of controlled companies equals the voting capital

10.2 - The breakdown of investments is as follows (Company)

	Book balance as of December 31, 2008	Adjustment	Acquisition of units	Increase in capital	Investment in the period	Equity in earnings (loss) (5)	Exchange variation on the calculation of equity	Book balance as of March 31, 2009
Argentine Breeders & Packers S.A. (1)	166.361	-	-	-	-	(3.767)	(9.560)	153.034
Frigoclass Alimentos S.A. (2)	55.992	-	-	-	-	1.786	-	57.778
Marfrig Chile Inversiones Ltda. (1)	26.185	-	-	-	-	4.286	(181)	30.290
Inaler S.A. (1)	28.767	-	-	-	-	871	(267)	29.371
Frigorífico Tacuarembó S.A. (1)	98.085	-	-	-	-	(69)	(916)	97.100
Weston Importers Ltd. (1)	18.508	-	-	-	-	17.644	(10.631)	25.521
Masplen Limited (1)	27.437	341	-	-	-	(143)	-	27.635
Prestcott International S.A. (1)	36.032	-	-	-	-	1.191	(336)	36.887
Secculum Participações Ltda. (2)	13.078	-	-	-	-	(1.445)	-	11.633
União Frederiquense Partic. Ltda. (2)	207.079	-	-	-	-	(16.200)	-	190.879
QuickFood S.A (1)	94.556	-	-	-	-	3.612	(7.792)	90.376
Establecimientos Colonia S.A (1)	95.146	-	-	-	-	262	(890)	94.518
					-			-
Total	867.226	341	-	-	-	8.028	(30.573)	845.022

(1) Those companies had their financial statements as of March 31, 2009 reviewed by member firms of the BDO network in their countries of origin with the issuance of limited review reports

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

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 years ended December 31, 2008 1st quarter of 2009, 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.

11. PROPERTY, PLANT AND EQUIPMENT

				Company	
				3/31/09	12/31/08
Description	Annual average depreciation rates	Adjusted and revalued cost	Accumulated depreciation	Net	Net
Plots of land	-	2.328	-	2.328	2.118
Buildings and equipment	4%	277.425	(27.720)	249.705	254.918
Machinery and equipment	10%	196.203	(45.882)	150.321	149.650
Furniture and fixtures	10%	4.876	(1.148)	3.728	3.799
Facilities	5%	156.045	(7.097)	148.948	150.737
Vehicles	20%	10.594	(10.268)	326	449
IT equipment	20%	4.555	(2.449)	2.106	2.397
Aircrafts	20%	382	(96)	286	306
Advance for acquisition of property, plant and equipment	-	14.724	-	14.724	14.507
Leasehold improvements	-	2.266	(14)	2.252	2.253
Lease - vehicles	20%	30.999	(12.665)	18.334	19.861
Lease - computer hardware	20%	17.010	(5.020)	11.990	12.768
Lease - machinery	10%	26.628	(2.721)	23.907	22.957
Lease - facilities	5%	79.192	(7.532)	71.660	72.449
Lease - buildings	4%	67.383	(6.584)	60.799	61.471
Construction in progress	-	128.005	-	128.005	102.484
Software	20%	6.096	(3.033)	3.063	17.015
Trademarks and patents	-				-
Other	4%	543	-	543	543
		1.025.254	(132.229)	893.025	890.682

				Consolidated	
				3/31/09	12/31/08
Description	Annual average depreciation rates	Adjusted and revalued cost	Accumulated depreciation	Net	Net
Plots of land	-	58.093	-	58.093	57.406
Buildings	4%	827.551	(39.443)	788.108	830.400
Machinery and equipment	10%	664.517	(72.875)	591.642	602.263
Furniture and fixtures	10%	26.481	(2.949)	23.532	20.055
Facilities	5%	209.909	(12.659)	197.250	189.455
Vehicles	20%	18.648	(11.004)	7.644	7.490
IT equipment	20%	20.366	(4.634)	15.732	16.933
Aircrafts	20%	382	(95)	287	306
Advance for acquisition of property, plant and equipment	-	16.824	-	16.824	20.416
Leasehold improvements	-	18.550	(657)	17.893	15.393
Lease - vehicles	20%	30.998	(12.640)	18.358	19.950
Lease - computer hardware	20%	17.528	(5.051)	12.477	13.059
Lease - machinery	10%	37.672	(3.372)	34.300	33.238
Lease - facilities	5%	81.842	(7.694)	74.148	74.725
Lease - buildings	4%	67.383	(6.584)	60.799	61.471
Construction in progress	-	239.275	-	239.275	153.344
Software	20%	7.084	(3.041)	4.043	31.108
Trademarks and patents	-				-
Other	4%	64.440	(1.023)	63.417	88.676
		2.407.543	(183.721)	2.223.822	2.235.688

After the enactment of the CVM Resolution no. 554/2008, the goods the Company acquired through finance lease are now recorded in Property, plant and equipment together with the respective depreciation mentioned above, with corresponding entries recorded to lease payable, as demonstrated in note 17.

Pursuant to CVM Resolution no. 527/2007, in December 31, 2008, an analysis was executed to check impairment of property, plant, and equipment. Based on the tests carried out, there are no assets recorded at amounts that exceed the value recoverable through use or sale.

12. INTANGIBLE ASSETS

According to CVM Resolutions No. 553/08 and 565/08, the “Intangible Assets” account was created in non-current assets. Below are the movements of that account in 2008:

	3/31/09	12/31/08
Intangíble assets - Company	525.187	525.038
Intangible assets - Controlled companies	1.607.546	1.619.174
	2.132.733	2.144.212

The changes in intangible assets in the Company and in the consolidated numbers in 2008 are the following:

12.1 – Changes in intangible assets (Company)

	Book balance as of December 31 , 2008	Acquisition/write-off	Goodwill on acquisition	(-) Amortization of goodwill	Book balance as of March 31 , 2009
Argentine Breeders & Packers S.A. - Goodwill	23.672	-	-	-	23.672
Frigoclass Alimentos S.A. - Negative goodwill	(12.478)	-	-	-	(12.478)
Inaler S.A. - Goodwill	38.379	-	-	-	38.379
Frigorífico Tacuarembó S.A. - Goodwill	57.824	-	-	-	57.824
Masplen Limited - Goodwill	17.258	-	-	-	17.258
Prestcott International S.A. - Goodwill	22.922	-	-	-	22.922
Secculum Participações Ltda. - Goodwill	16.188	-	-	-	16.188
União Frederiquense Partic. Ltda. - Goodwill	11.683	-	-	-	11.683
QuickFood S.A - Goodwill	218.948	-	-	-	218.948
Establecimientos Colonia S.A - Goodwill	114.479	-	-	-	114.479
Trademarks and patents	16.163	149	-	-	16.312
Total	525.038	149	-	-	525.187

12.2 – Changes in intangible assets (controlled companies)

	Book balance as of December 31, 2008	Reclassification	Goodwill/Negative goodwill on acquisition	Acquisition of trademark /Others	Exchange variation on translation	Book balance as of March 31, 2009
Argentine Breeders & Packers S.A.						
	200.111	**-**	**-**	**-**	**(6.926)**	**193.185**
Estancias del Sur - Goodwill	64.220	-	-	-	(3.071)	61.149
Mirab(AR) - Goodwill	41.263	-	-	-	(3.347)	37.916
Best Beef - Goodwill	27.562	-	-	-	(1.232)	26.330
Trademarks and patents/others	67.066	-	-	-	724	67.790
Marfrig Chile Inversiones Ltda	**16.401**	**317**	**-**	**-**	**(154)**	**16.564**
QuintoCuarto - Goodwill	3.150	-	-	-	(29)	3.121
QuintoCuarto - DesGoodwill	-	-	-	-	-	-
Frigorífico Patagonia - Goodwill	13.251	317	-	-	(125)	13.443
PBP Chile - Goodwill	-	-	-	-	-	-
Weston Importers Ltd.	**881.744**	**3.908**	**-**	**-**	**(8.430)**	**877.222**
CDB Meats Ltd - Goodwill	12.829	-	-	-	(121)	12.708
Moy Park - Goodwill	780.556	-	-	-	(7.483)	773.073
Moy Park France - Goodwill		76				76
Dungannon Proteins - Goodwill		3.832				3.832
Kitchen Range - Goodwill	88.359	-	-	-	(826)	87.533
Masplen Limited	**322**	**-**	**-**	**-**	**-**	**322**
Trademarks and patents/others	322	-	-	-	-	322
Quickfood	**261**	**(261)**	**-**	**-**	**-**	**-**
Trademarks and patents	261	(261)	-	-	-	-
Prestcott International S.A	**10.274**	**-**	**-**	**-**	**(96)**	**10.178**
Cledinor - Goodwill	10.274	-	-	-	(96)	10.178
União Frederiquense Partic. Ltda.	**479.560**	**1.027**	**-**	**13**	**-**	**480.543**
Pena Paulo - Goodwill	4.597	9	-	-	-	4.606
MBL (Carroll's) - Goodwill	8.077	17	-	-	-	8.094
Dagranja - Goodwill	334.132	675	-	-	-	334.807
Agrofrango - Goodwill	26.648	54	-	-	-	26.702
Penasul - Goodwill	9.377	19	-	-	-	9.396
Braslo - Goodwill	12.361	25	-	-	-	12.386
Mas do Brasil - Goodwill	84.311	171	-	-	-	84.482
Trademarks and patents/others	57	57	-	13	-	70
Secculum Participações Ltda.	**30.501**	**(967)**	**-**	**1**	**-**	**29.532**
Pena Paulo - Goodwill	292	(9)	-	-	-	283
MBL (Carroll's) - Goodwill	514	(17)	-	-	-	497
Dagranja - Goodwill	21.252	(675)	-	-	-	20.577
Agrofrango - Goodwill	1.695	(54)	-	-	-	1.641
Penasul - Goodwill	596	(19)	-	-	-	577
Braslo - Goodwill	786	(25)	-	-	-	761
Mas do Brasil - Goodwill	5.363	(171)	-	-	-	5.192
Trademarks and patents/others	3	3	-	1	-	4
Total	1.619.174	4.024	-	14	(15.606)	1.607.546

The goodwill recorded in the Company and in its controlled companies was based on expectation of future profitability of the respective acquired companies.

Pursuant to CVM Resolution no. 527/2007, in December 31, 2008, an analysis was executed to check impairment of property, plant, and equipment. Based on the tests carried out, there are no assets recorded at amounts that exceed the value recoverable through use or sale.

13. DEFERRED CHARGES

					Consolidated	
					3/31/09	12/31/08
Description	Annual average amortization rates	Adjusted and revalued cost	Reclassification	Accumulated amortization	Net	Net
Prepaid expenses	10%	21.507	(3.908)	(4.343)	13.256	18.252
		21.507	(3.908)	(4.343)	13.256	18.252

In the period ended March 31, 2009, the Company incurred no pre-operating expenses.

As of March 31, 2009, the balance of deferred charges (consolidated) will be maintained until its full amortization, according to CVM Resolution no. 565/2008.

14. ACCRUED PAYROLL AND RELATED CHARGES

	Company		Consolidated	
	3/31/09	12/31/08	3/31/09	12/31/08
INSS (social security contribution) payable	84.405	75.107	162.099	147.119
Salaries and labor provisions	25.135	21.101	114.860	72.981
Other social charges and benefits payable	950	1.284	14.846	49.693
	110.490	97.492	291.805	269.793

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.

15. TAXES PAYABLE

	Company		Consolidated	
	3/31/09	12/31/08	3/31/09	12/31/08
ICMS (State VAT) payable	1.068	601	33.954	29.974
PAES	1.788	1.808	1.788	1.808
Extraordinary tax debt installment payment program - PAEX	45.611	42.276	45.611	42.276
Income tax payable	-	-	37.375	36.160
Installment payment of federal taxes	-	-	139.335	118.813
Other	715	1.699	70.373	124.186
	49.182	46.384	328.436	353.217
Current liabilities	9.336	9.297	243.978	274.543
Non-current liabilities	39.846	37.087	84.458	78.674

15.1. PAES – Special Tax Debt Installment Payment Program - 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) corresponding to 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 15.2, therefore only the debts to SRF remain under PAES.

The balance is as follows:

	Company		Consolidated	
	3/31/09	12/31/08	3/31/09	12/31/08
Beginning balance	1.808	2.282	1.808	2.282
Monetary adjustment	48	175	48	175
(-) payments made	(50)	(579)	(50)	(579)
(-) discount to present value	(18)	(70)	(18)	(70)
Ending balance	1.788	1.808	1.788	1.808
Current liabilties	582	570	582	570
Non-current liabilities	1.206	1.238	1.206	1.238

15.2 PAEX – Extraordinary Tax Debt Installment Payment – Executive Act No. 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:

	Company		Consolidated	
	3/31/09	12/31/08	3/31/09	12/31/08
Beginning balance	42.276	66.978	42.276	66.978
Monetary adjustment	454	1.328	454	1.328
(-) payments made	-	(7.856)	-	(7.856)
(-) discount to present value	2.881	(18.174)	2.881	(18.174)
Ending balance	45.611	42.276	45.611	42.276
Current liabilities	6.971	8.946	6.971	8.946
Non-current liabilities	38.640	33.330	38.640	33.330

16. LOANS AND FINANCING

				Company	
Credit line	**Charges (% p.a.)**	**Weighted average interest rate (p.a.)**	**Weighted average maturity (years)**	**Balance 3.31.09**	**Balance 12.31.08**
Local currency					
FINAME	TJLP + Fixed rate	13,12	1,48	226	260
BNDES Exim	TJLP + Fixed rate	10,18	0,51	44.492	74.236
BNDES Finem	TJLP + 1.80%	8,05	3,9	13.361	14.203
FINEP	TJLP + 1%	7,25	4,57	30.071	29.857
NCE	Fixed rate+CDI	13,16	1,75	464.228	471.494
Prepayment (interest)	CDI	13,86	0,5	57	341
Total local currency		12,48		**552.435**	**590.391**
Foreign currency					
ACC (US$)	Fixed rate + Exchange variation	7,96	0,46	552.030	387.905
Financing of industrial complex (US$)	Libor + 3.5% p.a.	5,5	3,3	18.640	21.899
Prepayment (US$)	Libor + Fixed rate	7,68	4,92	1.181.911	1.027.046
BNDES Exim (US$)	Fixed rate	11,53	0,51	12.414	20.661
Bonds (US$)	Fixed rate + Exchange variation	9,63	7,7	886.093	869.188
BNDES Finem	Basket of currencies + 1.30%	8,90	3,9	3.466	2.792
NCE (US$)	Fixed rate+Exchange variation (US$)+Libor	9,13	3,03	519.178	452.966
Swap	Premium + Exchange variation	Premium + Exchange variation	0,01	17.319	24.735
Total foreign currency		8,51		**3.191.051**	**2.807.192**
Total indebtedness		9,08		**3.743.486**	**3.397.583**
Current liabilities				**706.375**	**577.500**
Non-current liabilities				**3.037.111**	**2.820.083**

				Consolidated	
Credit line	**Charges (% p.a.)**	**Weighted average interest rate (p.a.)**	**Weighted average maturity (years)**	**Balance 3.31.09**	**Balance 12.31.08**
Local currency					
FINAME	TJLP + Fixed rate	10,51	3,29	10.058	11.544
BNDES Exim	TJLP + Fixed rate	10,18	0,51	44.492	74.236
BNDES Finem	TJLP + 1,80	8,05	3,9	13.361	14.203
FINEP	TJLP + 1%	7,25	4,57	30.071	29.857
NCE	Fixed rate+CDI	13,28	1,71	500.476	512.221
Working capital (R$)	Fixed rate+CDI	17,65	0,68	133.976	102.814
Rural credit note (R$)	Fixed rate	6,79	0,86	16.129	49.076
Prepayment (interest)	CDI	11,77	0,5	57	341
Other			0,33	19	33
Total local currency		13,36		**748.639**	**794.325**
Foreign currency					
ACC (US$)	Fixed rate + Exchange variation.	7,85	0,54	742.931	580.985
Financing of industrial complex (US$)	Libor+Fixed rate + Exchange variation	4,65	2,73	36.835	40.186
Prepayment (US$)	Libor+Fixed rate + Exchange variation	8,04	4,88	1.273.023	1.335.609
BNDES Exim (US$)	Basket of currencies + Fixed rate	11,53	0,51	12.414	20.661
Bonds (US$)	Fixed rate + Exchange variation	9,63	7,7	886.093	869.188
BNDES Finem	Basket of currencies + 1.30	8,90	3,9	3.466	2.792
NCE (US$)	CDI+Fixed rate + Exchange variation (US$) + Libor	9,7	3	532.098	466.296
Swap	Premium + Exchange variation	Premium + Exchange variation	0,01	17.319	32.330
Working capital (US$)	Fixed rate + Libor	5,98	2,69	52.338	58.797
Working capital (Pesos)	Stimulation unit	7,7	0,1	1.806	8.830
Bank loan (US$)	Fixed rate	4,62	3,63	96.169	76.801
PAE (US$)	Fixed rate	6,9	0,3	16.857	12.559
Financing (US$)	Fixed rate	4,7	0,58	140.901	14.115
Overdraft account (US$)	Libor + 1,85%	3,13	0,29	28.995	-
Other	Fixed rate	3,5	1,3	1.364	-
Total foreign currency		7,81		**3.842.609**	**3.519.149**
Total indebtedness		8,71		**4.591.248**	**4.313.474**
Current liabilities				**1.294.620**	**1.232.097**
Non-current liabilities				**3.296.628**	**3.081.377**

The Company's types of loans and financing can be described as follows:

FINAME – Machinery and Equipment Finance

BNDES (National Bank for Economic and Social Development) credit line for acquisition of capital goods. The currency to be used by BNDES to adjust values is URTJLP. These transactions are guaranteed by the acquired asset itself. Repayments will be made until October 2010.

BNDES – EXIM (export finance)

BNDES' credit line to encourage exports passed on by commercial banks. Funds raised under this credit line are used to finance exports. This finance agreement is partially adjusted using the TJLP (Long-Term Interest Rate) and the rest is adjusted using the UMBNDES, which is made up of a basket of currencies that reflects daily fluctuation of the currencies in which BNDES raises loans. This type of financing is partially guaranteed by a percentage of trade notes kept by agents who pass on the credit and endorsement. Repayments are made monthly. Installments include interest and mature from May 2008 to October 2010.

BNDES FINEM – Business Finance

BNDES credit line to finance businesses. The loans have been raised to acquire machinery and equipment, and expand production facilities. This finance agreement is partially adjusted using the TJLP (Long-Term Interest Rate) and the rest is adjusted using the UMBNDES, which is made up of a basket of currencies that reflects daily fluctuation of the currencies in which BNDES raises loans. This type of financing is secured by bank guarantees given by Banco Bradesco. A portion of the principal plus interest will be repaid in monthly installments maturing until February 2013.

FINEP – Fund for Financing Studies and Projects

FINEP credit line for financing studies and projects. FINEP is a public institution linked to the Ministry of Science and Technology. The currency used for adjusting the finance agreement is URTJ01, which is based on TJLP variation. The finance agreement is guaranteed by a contract with Bradesco. It will be repaid in monthly installments maturing from October 2009 to October 2013.

NCE - Export Credit Note (ECN)

Credit line that grants tax benefits to export companies. Exports made must be proved. Funds raised under this credit line are used as working capital. These transactions, some of them denominated in R$ and some in US$, are guaranteed by trade notes, endorsements and supply contracts; in some cases, no guarantee is given. Repayments will be made until March 2012.

Working capital

Funds raised under this credit line are used as working capital financing. There are transactions conducted in both BRL and Pesos. They are guaranteed by endorsements and mortgages. Repayments will be made until August 2011.

Rural credit note

Credit line to finance the integration system between rural producers (partners) and meat packing plants. Funds under this credit line are raised in BRL and linked to production. This finance is guaranteed by endorsement. Repayments will be maid until September 2009.

ACC – Advance on exchange contracts

Foreign credit line for export companies. Funds raised under this credit line are used for export financing.

ACC transactions are conducted in US$. Payment is linked to exports and guaranteed by promissory notes. Repayments will be made until August 2009.

Financing of industrial complex (US$)

Foreign credit line for acquisition of equipment. This transaction is conducted in US$, and is guaranteed by the financed equipment itself. Repayment is scheduled up to July 2012, with quarterly installments of the principal and interest.

Prepayment

Foreign credit line for export companies. Funds raised under this credit line are used for export financing. This transaction is conducted in US$ and guaranteed by promissory notes, endorsements, supply contracts and export documents. In some cases, no collaterals are offered. Repayments will be made until March 2013.

Bonds

Debt notes issued abroad – 144A. / Reg. S, which were used to acquire the units in Argentina and Uruguay. This finance was raised in US$, and does not have guaranties. Principal matures in November 2016, with interest paid every six months.

PAE – Export Loan

Chile's credit line for export companies. The purpose of the loans raised under this credit line, which may be used for any export contract, is to finance exports of lamb, food fish, and other products brought to Brazil. The difference between this line and a normal one is that its exempt from IPE – "Impuesto de Timbre y Estampilla" (equivalent to the tax on financial transactions in Brazil) and only in 2009 there will no difference in relation to a common loan. Lines are raised in US$ and are collateralized by bank guarantees.

Below is a debt maturity schedule:

	Company		Consolidated	
	03.31.09	**12.31.08**	**03.31.09**	**12.31.08**
Local currency				
1Q09	-	46.257	-	70.527
2Q09	29.516	22.385	45.857	29.351
3Q09	26.848	24.139	160.491	153.129
4Q09	7.195	7.861	9.320	9.603
1Q10	882	-	2.968	
2010	198.955	196.675	236.089	234.029
2011	263.743	267.774	267.237	271.092
2012	9.651	9.622	10.699	10.670
2013	7.259	7.262	7.593	7.508
2014	3.594	3.580	3.594	3.580
2015	3.594	3.580	3.594	3.580
2016	1.198	1.256	1.197	1.256
	552.435	590.391	748.639	794.325
Foreign currency				
1Q09	-	86.303	-	316.512
2Q09	226.331	236.402	402.156	364.709
3Q09	14.288	35.617	148.325	102.859
4Q09	64.064	118.536	160.727	185.407
1Q10	337.251	-	364.776	-
2010	179.608	158.538	228.267	206.030
2011	558.101	457.992	634.635	536.985
2012	411.797	380.419	464.998	433.836
2013	310.277	278.077	336.033	303.796
2014	140.753	107.023	147.414	113.861
2015	96.880	89.028	103.541	95.846
2016	851.701	859.257	851.737	859.308
	3.191.051	2.807.192	3.842.609	3.519.149
Total indebtedness	**3.743.486**	**3.397.583**	**4.591.248**	**4.313.474**

Following are the guarantees for loans and financing:

	Company		Consolidated	
	3.31.09	**12.31.08**	**3.31.09**	**12.31.08**
Financing balance	3.743.486	3.397.583	4.591.248	4.313.474
Guarantees:				
No guarantees	1.649.988	1.662.974	1.674.597	1.802.053
Promissory note	1.021.267	626.878	1.038.165	640.483
Trade bills	42.583	55.850	75.248	74.387
Bank guarantee	16.827	16.995	108.187	90.712
Supply contract	46.653	47.104	59.572	60.434
Endorsement	847.173	865.565	1.067.790	1.267.993
Financed asset	225	260	90.732	13.764
Export documents	70.060	70.201	71.839	103.283
Facilities	48.710	51.756	48.710	51.756
Mortgage	-	-	65.385	56.774
Financial investment	-	-	164.947	115.905
Export credit	-	-	126.076	35.930

Considering that the notes issued by the Company (Bonds Marfrig), maturing in 2016, account for 19.30% of consolidated indebtedness (20.15% on December 31, 2208), requirements related to the maintenance of certain financial indexes agreed upon their issue are valid for all the other loans and financing outstanding on the balance sheet date. 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.

17. LEASE PAYABLE

According to CVM Decision No. 554/08, finance lease operations are now recognized under the Company's current liabilities, instead of noncurrent liabilities, with an offsetting entry of the asset into property, plant and equipment, according to note 11.

Transactions agreed before the issuance of the decision referred to above are not considered in the calculation of the covenants referred to in note 16.

				Company	
Credit line	**Charges (% p.a.)**	**Weighted average interest rate (p.a.)**	**Weighted average maturity (years)**	**Balance 3.31.09**	**Balance 12.31.08**
Local currency					
Finance lease Vehicles	CDI* + Rate	13.6%	3.6	18,714	20,080
Finance lease IT equipment	CDI + Rate	8.7%	3.9	13,453	14,486
Finance lease Machinery and equipment	CDI + Rate	13.8%	4.2	22,669	22,209
Finance lease Industrial facilities	CDI + Rate	13.9%	2.2	48,139	53,710
Finance lease Buildings	CDI + Rate	14.1%	2.6	38,870	41,032
Total local currency				**141,845**	**151,517**
Total Company				**141,845**	**151,517**
Current liabilities				**44,402**	**43,914**
Non-current liabilities				**97,443**	**107,603**

* Interbank deposit rate

				Consolidated	
Credit line	**Charges (% p.a.)**	**Weighted average interest rate (p.a.)**	**Weighted average maturity (years)**	**Balance 3.31.09**	**Balance 12.31.08**
Local currency					
Finance lease Vehicles	CDI + Rate	13.6%	3.4	18,892	20,080
Finance lease IT equipment	CDI + Rate	8.7%	3.6	13,453	14,486
Finance lease Machinery and equipment	CDI + Rate	13.8%	4.0	22,669	22,209
Finance lease Industrial facilities	CDI + Rate	13.9%	3.1	48,139	53,710
Finance lease buildings	CDI + Rate	14.1%	2.6	38,870	41,032
Total local currency				**142,023**	**151,517**
Foreign currency					
Finance lease Vehicles	Rate	8.0%	2.3	1,234	1,359
Finance lease IT equipment	Rate	10.9%	2.4	1,957	-
Finance lease Machinery and equipment	Rate	7.8%	1.7	37,435	42,895
Finance lease Industrial facilities	Rate	12.0%	5.0	2,688	2,576
Finance lease buildings	Rate	3.6%	3.8	5,321	6,349
Total foreign currency				**48,635**	**53,179**
Total amount consolidated				**190,658**	**204,696**
Current liabilities				**61,371**	**62,582**
Non-current liabilities				**129,287**	**142,114**

Below is a lease maturity schedule:

	Company		Consolidated	
	3.31.09	**12.31.08**	**3.31.09**	**12.31.08**
Local currency				
1Q09	-	10.681	-	10.681
2Q09	11.121	10.883	11.143	10.883
3Q09	11.117	11.065	11.140	11.065
4Q09	11.111	11.285	11.133	11.285
1Q10	11.053	-	11.075	
2010	34.862	45.433	34.922	45.433
2011	42.083	42.232	42.098	42.232
2012	18.092	17.719	18.106	17.719
2013	2.405	2.219	2.405	2.219
2014	1		1	
Total local currency	**141.845**	**151.517**	**142.023**	**151.517**
Foreign currency				
1Q09	-	-	-	5.511
2Q09	-	-	4.642	4.598
3Q09	-	-	4.333	4.390
4Q09	-	-	4.120	4.170
1Q10	-	-	3.784	
2010	-	-	3.499	14.220
2011	-	-	3.311	10.668
2012	-	-	3.150	8.567
2013	-	-	11.094	1.055
2014	-	-	8.953	-
2015	-	-	1.682	-
2016	-	-	67	-
Total foreign currency	**-**	**-**	**48.635**	**53.179**
Total lease	**141.845**	**151.517**	**190.658**	**204.696**

Following are the guarantees for the leases:

	Company		Consolidated	
	3.31.09	**12.31.08**	**3.31.09**	**12.31.08**
Local currency				
Guarantees:	-	-	-	-
Financed asset	141,845	151,517	142,023	151,517
Total local currency	**141,845**	**151,517**	**142,023**	**151,517**
Foreign currency				
Guarantees:	-	-	-	-
Financed asset	-	-	48,635	53,179
Total foreign currency	**-**	**-**	**48,635**	**53,179**
Total	**141,845**	**151,517**	**190,658**	**204,696**

The recognition of the operating lease still uses the previous accounting criterion, that is, the expense on lease is monthly recorded, according to CVM Decision No. 554/08.

Operating lease as of March 31, 2009 is as follows:

OPERATING LEASE

Financial Institution	Leased asset	Beginning date	Weighted average interest rate (p.a.)	Weighted average maturity (years)	Total amount financed	Company Expense amount on Mar. 31, 2009
	Local currency					
CSI LATINA A. M. S.A	IT equipment	02/18/05	10,47%	3,8	282	46
CSI LATINA A. M. S.A	IT equipment	07/11/06	10,92%	2,9	2.270	227
CSI LATINA A. M. S.A	IT equipment	11/07/06	11,73%	2,9	1.344	136
CSI LATINA A. M. S.A	IT equipment	07/02/07	10,09%	2,9	1.173	116
CSI LATINA A. M. S.A	IT equipment	12/05/07	17,97%	4,4	1.046	71
CSI LATINA A. M. S.A	Machinery and equip.	05/03/04	10,39%	4,2	311	33
CSI LATINA A. M. S.A	Machinery and equip.	09/30/04	10,26%	3,9	389	23
CSI LATINA A. M. S.A	Machinery and equip.	12/21/05	6,93%	3,8	992	133
CSI LATINA A. M. S.A	Machinery and equip.	01/21/06	6,93%	3,8	1.332	181
CSI LATINA A. M. S.A	Machinery and equip.	02/15/06	8,45%	2,9	693	100
CSI LATINA A. M. S.A	Machinery and equip.	03/23/06	6,95%	2,9	2.278	244
CSI LATINA A. M. S.A	Machinery and equip.	03/28/07	17,35%	4,4	3.700	257
CSI LATINA A. M. S.A	Machinery and equip.	12/21/07	17,35%	5,1	1.498	-
CSI LATINA A. M. S.A	Machinery and equip.	01/10/08	11,19%	2,9	10.008	1.171
	Total local currency				**27.316**	**2.738**

Operating leases mature as follows:

	3/31/09
Local currency	
Up to 1 year	7.864
From 1 to 5 years	2.822
Over 5 years	-
	10.686

The consolidated operational leasing numbers are based on the same contracts mentioned above.

18. PROVISIONS

The Company and its controlled companies are involved in several lawsuits, in the ordinary course of its business, for which provisions based on legal counselors' estimates have been set up. The principal information about these lawsuits is presented below:

	Company		Consolidated	
	3/31/09	12/31/08	3/31/09	12/31/08
Labor and social security	39.548	39.548	66.414	73.645
Tax	3.351	3.351	23.301	24.596
Civil	2.091	2.091	4.896	9.793
Other	-	-	1.420	441
	44.990	44.990	96.031	108.475

Contingent liabilities, which are not accounted for, according to prevailing legislation, are the following:

	Company		Consolidated	
	3/31/09	12/31/08	3/31/09	12/31/08
Labor and social security	14,007	14,007	14,638	14,638
Tax	63,765	63,765	68,009	68,009
Civil	2,984	2,984	4,509	4,509
Other	-	-		
	80,756	80,756	87,156	87,156

19. DEFERRED TAXES

	Company		Consolidated	
	3/31/09	12/31/08	3/31/09	12/31/08
Income tax	28.770	29.336	87.256	86.105
Social contribution tax	10.168	10.563	21.276	22.914
	38.938	39.899	108.532	109.019

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.

20. SHAREHOLDERS' EQUITY

a. Capital stock

Subscribed and paid-in capital stock as of March 31, 2009 is R$2,559,718 (the same amount as of December 31, 2008), represented by 267,943,954 common shares (the same number as of December 31, 2008), without par value. Less the expenses on the public and private issuance of shares, capital totals R$2,525,639 (the same amount as of December 31, 2008).

Based on CVM Decision No. 556/08, the Company recorded under shareholders' equity the costs incurred with raising funds through public and private issue of shares, made in 2007 and 2008, respectively.

b. Income reserves

Legal reserve

It is based on 5% (five per cent) of the Company's net income, as defined in its by-laws and current legislation. In 2008, and in the 1st quarter of 2009, there was no recognition of the mentioned reserve, in view of the losses incurred in the year and period, respectively.

Appropriation of net income

During the Annual Shareholders' Meeting held on April 28, 2009, it was approved an appropriation of net income corresponding to R$167,025, of which a portion of R$95,284 comes from retained earnings as of December 31, 2007 and R$71,741 refers to adjustments brought by the changes in accounting practices, according to Law no. 11,638/2007 and Executive Act no. 449/2008. Such appropriation is destined to finance part of the investments projected for 2009, whose amount was supplied in the Management Report - Item 16 - Business Projections of Results.

During the mentioned meeting, it was also approved the absorption of loss of the year 2008 through income reserves (appropriation of income), in the amount of R$2,215.

Treasury shares

In the year 2008, the Company acquired 695,600 shares for R$12,966, at an average cost per share of R$18.64. These shares are for the long-term share bonus and option program, as described in note 21. These shares will be entitled to dividends and earnings occasionally distributed by the Company.

c. Asset and liability valuation adjustments

Considering CVM Decision No. 534/08, the Company created the account subgroup “Asset and Liability Valuation Adjustments” to record exchange variations of corporate investments abroad. The controlled company is an entity independent from the head office in Brazil.

d. Accumulated translation adjustments

According to Circular Letter CVM/SNC/SEP No. 01, of January 30, 2009, and CVM Decision No. 534/08, the Company created a caption called "Accumulated Translation Adjustments” to record exchange variations resulting from the translation of the foreign subsidiaries’ financial statements where the investee’s functional currency is different from that of the controlling company.

e. Dividends

Under the provisions of the Brazilian Corporate Law and its by-laws, the Company’s obligatory dividend is of at least 25% of adjusted net income determined in the Company’s financial statements. The annual statement of dividends, including their payment, besides the obligatory minimum dividend, requires approval during an Annual Shareholders’ Meeting by the vote of the majority of shareholders' holding the shares of Marfrig and depends on several factors. Among those factors, we can mention operating income, financial status, cash needs, and future perspectives of the Company, among others that the Board of Directors and shareholders deem relevant.
The Annual Shareholders’ Meeting held on April 28, 2009 approved the proposal of not distributing dividends for 2008.

f. Minority interest

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

21. MANAGEMENT’S COMPENSATION

The added value of the compensation received by the Company’s management for their services, and by the Board of Directors’ members in 2008 and in 1Q09 is the following:

		Salary and compensation	Shares granting	Options granting	Total
Board of directors	2008	1,654	-	-	1,654
	2009	369	-	-	369
Management	2008	2,634	1,596	-	4,230
	2009	478		-	478

The Company has a long-term bonus program with restricted shares for its officers and share options for its counselors, as follows:

i. Approval of the plan

On May 7, 2007, a share purchase option plan was approved with the purpose of allowing management, employees, and service providers to acquire the shares issued by the Company. The basic assumptions of the plan are the dilution of up to five per cent of the Company's capital stock, and the price of exercise of options based on the weighted average price, and volume of transactions of the Company's shares in the last 20 trading sessions in BM&F BOVESPA (São Paulo Stock Exchange) immediately before the date the option is granted, with a discount of up to 15%. The options may be exercised as follows: 25% by the end of the first year; 25% by the end of the second year; 25% by the end of the third year; and 25% by the end of the fourth year; starting upon the signature of the corresponding option agreement.

Upon the exercise of an option acquired and payment of the exercise price, the participant receives a common share from capital stock. Except under certain circumstances, the options may not be exercised after the end of the relation of the participant with the Company.

On May 20, 2007, the Board of Directors decided to approve the granting through share purchase options to its members the amount of up to R$3,000, and to Management's members (appointed under the Company's by-laws and executive) the amount of up to R$20,000. The Board of Directors was in charge of distributing the options granted among its members and among Management's members, according to their individual contributions to the Company's results. All the options will comply with the grace periods and maturities established in our share purchase option plan.

The price of exercise of options will be the weighted average price in relation to volume of transactions of the Company's shares in the last 20 trading sessions in BM&F BOVESPA immediately before the date the option is granted, with a discount of up to 15%.

ii. Concession

On April 9, 2008, the Board of Directors authorized the acquisition of up to 699,489 shares of the Company, equivalent to 1% of outstanding shares, to be kept in treasury and further distributed to the participants of the long-term share bonus and option program, with limits previously approved at the Extraordinary Shareholders' Meeting held on May 20, 2007.

Such acquisition should observe the following limits and conditions, in accordance with the determinations of Instruction CVM no. 10/80:

1-	Purpose	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
2-	Characteristics of the program	A granting of shares in the restricted stock plan was made based on the average of the twenty trading sessions previous to March 04, 2008, without discount (R$15.097/share). 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 years, according to what was approved.
3-	Number of shares to be acquired:	Up to 699,489 shares.
4-	Maximum period for the execution of the authorized operations	Until December 31, 2008.
5-	Number of outstanding shares in the market:	69,948,954 shares.
6-	Acquisition place	BM&FBOVESPA
7-	Maximum price of the shares	The acquisition price of the shares cannot exceed their respective prices in the Stock Exchange.
	Intermediate institutions	Credit Suisse Hedging Griffo CTVM S.A., Bradesco BBI S.A. and ABN AMRO Real S.A.

iii. Shares acquisition

On May 7, 2008, the Company acquired 205,600 shares, as authorized by its Board of Directors, to be kept in treasury, and further release to directors taking part in the long-term share bonus and option program, with limits already approved at the Extraordinary Shareholders' 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.

In the third quarter of 2008, the Company acquired another 490,000 shares for R$9,080, totalizing 695,600 shares corresponding to R$12,966, at the average cost of R$18.64.

There will be no dilution of the participation of current shareholders when the restricted shares or options are exercised, given that the shares are kept in treasury for this purpose.

All dividends and profit sharing, or their equivalent (cash, shares, or other) over unexercised Restricted Actions, will be considered participant's rights and will be credited by the Company for further release in their accounts upon the maturity of the restrictions.

The Company will have the option to pay such credits through accumulated dividends or profit sharing, or the equivalent amount in cash, Company's shares, or other form. If the payment is made through shares, the conversion will be by the average amount of the 20 trading sessions of BM&F BOVESPA previous to payment date, adjusted to the net amount of income tax levied on the credit granted.

The rights will be lost if the participant quits, or no longer provides services to the Company for any reason except death, disability, retirement or termination without cause. In these cases, all the restricted shares will mature and those not in effect will have the amounts released and become totally effective.

Upon capital increase, participants will be entitled to exercise subscription rights with own resources on the total amount granted, and the subscribed shares will be immediately released to the participant.

v. Effects on the statement of operations if accounting was effective as of March 31, 2009

The table below shows the long-term restricted share bonus program for officers, and share option program for board members considering the effects in the Company's results if the amounts had been booked as of March 31, 2009:

				Share options			Restricted shares			
	Beneficiaries	Granting date	Performance period	Number of implied shares - not exercised options	Exercise price of the option	Option expiration date	Number of uninvested shares	Market value of uninvested shares as of Mar. 31, 2009	Invested and non distributed shares	Effects on results as of Mar. 31, 2009 in case of accounting
Board of directors	3	3/4/2008	3/4/2009	13.800	13,588	08/31/2009				(70)
	3	3/4/2008	3/4/2010	13.800	13,588	08/31/2010				(70)
	3	3/4/2008	3/4/2011	13.800	13,588	08/31/2011				(70)
	3	3/4/2008	3/4/2012	13.800	13,588	08/31/2012				(70)
Management	21	3/4/2008	3/4/2009				53.169		408	(408)
	21	3/4/2008	3/4/2010				53.169	408		(408)
	21	3/4/2008	3/4/2011				53.169	408		(408)
	21	3/4/2008	3/4/2012				53.169	408		(408)
TOTAL				55.200			212.676	1.224	408	(1.912)

22. 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.

Below is a summary of the amounts insured by the Company:

	Company		Consolidated	
Description	03/31/09	12/31/08	03/31/09	12/31/08
Meat packing buildings and facilities	896.300	896.300	4.064.644	3.991.019
Inventories and loss af profit	346.800	346.800	2.860.840	2.850.404
Vehicles	18.683	20.305	31.040	31.251
Merchandise transportation	540.436	540.436	2.118.231	1.625.975
Director´s guarantees	40.000	40.000	55.049	104.341
Civil liability	1.673	1.673	320.641	306.960
Others	284.700	208.482	419.230	683.138
	2.128.592	2.053.996	9.869.675	9.593.088

23. FINANCIAL INSTRUMENTS – DERIVATIVES AND RISK MANAGEMENT - CONSOLIDATED

a) Overall Prospects

The Company is exposed to market risks related to exchange, interest rate and commodities price fluctuations of a nature considered normal to its business. In order to minimize these risks, the Company has policies and procedures to minimize these exposures and may use hedging instruments, as long as previously approved by the Board of Directors.

The Company's policies consist mainly of the following: Monitoring levels of exposure to each market risk; measuring these risks; setting limits for making decisions and using hedging mechanisms, always aiming at minimizing the foreign exchange exposure of its debts, cash flows and interest rates.

Management is authorized to perform any and all acts related below up to the amount equivalent to ten percent (10%) of the Company's equity based on the last financial statements disclosed in the market, except that for amounts higher than five percent (5%) of Shareholder's Equity, an additional authorization from the Company's Finance Committee is necessary.

The Company's acts mentioned in the former paragraph are: (a) Offer guarantee for the obligations of the Company's controlled companies and/or wholly owned subsidiaries; (b) approve the acquisition of and/or disposal of permanent asset items; (c) Approve financial transactions, including leases; and (d) Approve single or group of transactions involving the Company and related parties, directly or indirectly.

The Company does not enter into leveraged transactions with derivatives or similar instruments that do not offer a minimum protection against its exposure to other currencies, and adopts a conservative policy of not entering into transactions that could affect its financial position.

The Company also has a sound financial policy, maintaining high level of cash balance and short-term financial investments. At the same time, the maturity of the Company's long-term indebtedness is such that it does not affect a single year.

b) Interest rate risk management

Interest rate risk refers to the Company's risk of incurring economic losses due to negative changes in interest rates. This exposure refers to changes in market interest rates that affect the Company's assets and liabilities indexed to the TJLP (long-term interest rate), LIBOR, or CDI (interbank deposit rate).

In order to reduce debt service costs, the Company continually monitors market interest rates to assess the need to enter into new derivative contracts to hedge its operations against the risk of fluctuations of these rates.

In the period ended March 31, 2009, the Company did not have derivatives for hedging against interest rate risk.

c) Commodity price risk management

During its activities, the Company purchases some commodities, such as: corn, soybean meal, live cattle and swine, which are the biggest individual components of the production cost and are subject to certain variables.

The price of cattle and swine acquired from third parties is directly related to market conditions, being influenced by domestic availability and foreign market demand.

Corn and soybean meal are subject to volatility resulting from weather conditions, crop yield, transport costs, warehousing costs, agricultural policy, exchange rates, international prices, among others.

To reduce the impact over commodities, the Company manages inventory levels, keeps cattle confined, and trades cattle at BM&F BOVESPA.

In the year ended March 31, 2009, the Company did not have derivatives for hedging against commodity price fluctuations.

d) Exchange risk management

Exchange rate risk consists of the risk of foreign exchange fluctuations leading the Company to incur losses and causing a reduction in the values of assets or an increase in the values of liabilities. The Company's main current exchange rate exposure relates to the US dollar fluctuation against the Brazilian real.

Given that approximately 76.20% of the Company's revenues are denominated in currencies other than the Brazilian real, the Company has a natural hedge against the maturities of future obligations in foreign currency.

The Company also has a sound financial policy, maintaining a high level of cash balance and short-term financial investments with solid financial institutions.

We believe that the Company's consistent financial policy, grounded in a well-distributed capital structure, allows it to consolidate synergies achieved through the acquisitions made.

e) Outstanding foreign currency and derivative position

Assets and liabilities in foreign currency are as follows:

			COMPANY
EXPOSURE			
Description	3/31/09	12/31/08	Effects of exchange variation on results
OPERATING			
Accounts receivable	181.633	168.488	(28.669)
Advance on export contracts - ACEs	(130.474)	(52.641)	979
Imports payable	(21.376)	(23.170)	(707)
Subtotal	29.783	92.677	(28.397)
FINANCIAL			
Receivables from controlled companies	1.404.365	1.376.694	(12.609)
Loans and financing	(2.639.021)	(2.419.287)	6.910
Notes payable	(35.330)	(38.729)	456
Advance on exchange contract (ACC)	(552.030)	(387.905)	1.050
Balance of banks and financial investments	41.860	94.545	(430)
Subtotal	(1.780.156)	(1.374.682)	(4.623)
TOTAL	(1.750.373)	(1.282.005)	(33.020)
Exchange variation gain			9.395
Exchange variation loss			(42.415)
Exchange variation, net			(33.020)

			CONSOLIDATED
EXPOSURE			
Description	3/31/09	12/31/08	Effects of exchange variation on results
OPERATING			
Accounts receivable	316.357	409.533	(27.582)
Advances on export contracts - ACEs	(131.918)	(93.656)	3.865
Imports payable	(22.054)	(45.923)	(746)
Other	-		310
Subtotal	162.385	269.954	(24.153)
FINANCIAL			
Receivables from controlled companies	1.404.365	1.397.086	(11.480)
Loans and financing	(3.099.678)	(2.938.164)	(2.406)
Notes payable	(35.330)	(134.343)	(134)
Advance on exchange contract - ACC	(742.931)	(580.985)	(862)
Balance of banks and financial investments	72.311	119.084	1.777
Other			(637)
Subtotal	(2.401.263)	(2.137.322)	(13.742)
TOTAL	(2.238.878)	(1.867.368)	(37.895)
Exchange variation gain			5.952
Exchange variation loss			(43.847)
Exchange variation, net			(37.895)

As of March 31, 2009, outstanding derivatives are as follows:

							3.31.09
Instrument	**Maturity**	**Receivable**	**Payable**	**Counterpart of the principal amount**	**Notional amount]**	**Fair value (*)**	**Amount payable**
Swap	6/22/2009	£ lower than 3,7376	£ higher than 3,7376	HSBC	40,000	132,184	(17,319)
						132,184	(17,319)

(*) The fair value informed on the balance sheet represents an estimated average market point, calculated according to models and quotations available in the market or owners, which consider present or future market conditions. They are gross amounts before the levy of taxes, and assume redemptions or settlements only at the original maturities of transactions.

Sensitivity Analysis Table – cash effect (for each derivative)

		Scenario		
In British pounds		Probable	Possible	Remote
Transaction	Risk	£ x R$ 3.50	£ x R$ 4.40	£ x R$ 5.50
Swap	Appreciation of £	(9.504)	26.496	70.496

Calculation - Swap £ / R$ on 3.31.09

Parity £/R$ as of 3.31.09		R$ 3,4151	Income (loss) as of 3/31/2009	Scenario		
				Probable	Possible	Remote
Amount in £	Agreed exchange rate	Maturity		£ x R$ 3,50	£ x R$ 4,40	£ x R$ 5,50
40.000	3,7376	6/22/09	(17.319)	(9.504)	26.496	70.496

The Company entered into non-speculative swap to minimize the effects of exchange rates fluctuations on the settlement of its loans and financing and trade accounts payable.

In the period ended March 31, 2009, the net financial income from derivatives totaled R$636. An amount of R$1,947 is related to expenses and R$2,583 refers to net revenues.

Assets and liabilities recorded as of March 31, 2009 for derivative transactions conducted for asset protection purposes are stated as follows:

	Company		Consolidated	
	3/31/09	12/31/08	3/31/09	12/31/08
NDF	-	(9.363)	-	(16.958)
Swap	(17.319)	(15.372)	(17.319)	(15.372)
	(17.319)	(24.735)	(17.319)	(32.330)

Management understands that the results obtained with derivative transactions are in line with the risk management strategy the Company adopted.

24. INCOME AND SOCIAL CONTRIBUTION TAXES

Income and social contribution taxes were calculated in accordance with prevailing legislation and the Temporary Tax Regime, provided for in Executive Act No. 449/2008.

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	3/31/09	3/31/08
Income (loss) before tax effects	(48.317)	(20.300)
Add-backs	18.909	12.905
(-) Deductions	(41.766)	(32.804)
Income and social contribution tax bases	(71.174)	401
Income tax (15%)	-	60
Surtax (10%)	-	34
(-) PAT (Workers' Meal Program)	-	(2)
Total income tax	-	92
Social contribution tax (9%)	-	36

Effect on statement of operations

Tax	Group	3/31/09	3/31/08
(-) Income tax - Current	Current liabilities	-	(92)
Deferred income tax - Revaluation (1)	Non-current liabilities	711	598
Deferred income tax - Other (2)	Non-current assets	8.244	
Net	Income (loss)	8.955	506
(-) Social contribution tax - Current	Current liabilities	-	(36)
Deferred social contribution tax - Revaluation (1)	Non-current liabilities	250	215
Deferred social contribution tax - Other (2)	Non-current assets	2.959	
Net	Income (loss)	3.209	179

(1) Refer to the reversal of deferred income and social contribution taxes stated in note 19, considering the add-back of depreciation of revalued assets to the taxable income and the social contribution tax bases.

(2) Refer to deferred income and social contribution taxes, calculated on: Taxes whose payment has been suspended (provisions), and which were added to the calculation of the taxable income and the social contribution tax basis; utilization for tax purposes of the goodwill paid on future profitability and income and social contribution tax losses, which are stated in note 9.

25. SUBSEQUENT EVENT

On April 3 and 4, 2009, payments amounting to US$10,000,000 and US$1,921,141, respectively, were made to Alonzo Holdings Group Inc, referring to the acquisition of the company DaGranja Agroindustrial Ltda. in 2008. The amount of US$10,000,000 was deposited in JP Morgan, on behalf of Alonzo Holdings Group, as a escrow deposit to cover possible liabilities.

On April 4, 2009 the slaughter of lambs at the plant of Promissão II (State of São Paulo) was started, complementing the activity of cattle slaughter already conducted in the unit. This operation is the beginning of sheepmeat production of Marfrig Group in Brazil.

The Group currently operates two plants in Uruguay and one in Chile, with the expansion of its total slaughter capacity to 1,000 sheep/day to 9,400 sheep/day. In Brazil, sheepmeat will be part of the product mix of Marfrig Group distributed in the main barbecue restaurants and regular restaurants of the country through food service, in large supermarket chains, and to customers of export markets.

On April 9, 2009, the Marfrig Group's Promissão plants were certified by ISO 22000, which covers the full scope of beef production, establishing Marfrig Group as one of the few groups in the world which is thus certified.

ISO 22000 certification specifies the requirements for the Food Safety Management System, showing the entity's skills to control perils, to ensure that the food is safe when it is consumed by human beings in the whole production chain. It emphasizes communication and a proactive system acting in a preventive manner to guarantee the consumer's safety.

On April 14, 2009 the Company entered into a swap contract for the LIBOR to hedge its debts indexed to that rate. The principal amount is US$ 221,800,000 and sundry maturities over six years, so as to guarantee a fixed interest rate on these transactions for the said period.

At the Annual / Extraordinary Shareholders' Meeting held on April 28 2009 at the Company's headquarters article 1 of the Company's by-laws was amended, whereby its corporate name was changed to **MARFRIG ALIMENTOS S.A.**

On May 7, 2009 the Annual Shareholders' Meeting of subsidiary Quickfood S.A. in Argentina approved the setup of a global scheme to issue simple negotiable obligations, not convertible into shares, up to the maximum limit of US$50,000,000 (fifty million US dollars) or the equivalent amount in other currencies, within five years at most from the date the scheme is authorized by the Securities and Exchange Commission of Argentina.

On May 7, 2009, Fitch Ratings – New York confirmed Marfrig's ratings of B+, at international level, and of BBB+, at local level, both with a stable prospect.

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