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

MARFRIG ALIMENTOS S.A.

INDIVIDUAL (COMPANY) AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE 9 (NINE) MONTH PERIODS ENDED 30 SEPTEMBER 30 2009 AND 2008 AND INDEPENDENT AUDITORS' SPECIAL REVIEW REPORT

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

MARFRIG ALIMENTOS S.A.

INDIVIDUAL (COMPANY) AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE 9 (NINE) MONTH PERIODS ENDED 30 SEPTEMBER 2009 AND 2008

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

INDEPENDENT AUDITORS' SPECIAL REVIEW REPORT

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

1. We have performed a special review of the accompanying quarterly information (Company and Consolidated) of Marfrig Alimentos S.A. (the "Company") and its controlled companies for the 9 (nine) month period ended 30 September 30 2009, consisting of the balance sheet and the related statements of income, changes in shareholders' equity and cash flows, as well as the notes and management report, 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 CFC (Federal Association of Accountants), 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 that 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 Commission applicable to the preparation of Quarterly Information, including CVM Instruction No. 469/2008.



INDEPENDENT AUDITORS' SPECIAL REVIEW REPORT

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

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 31 December 2008. The statements of income and cash flows for the quarter ended 30 September 2008, presented along with the current quarterly information, were not adjusted for comparative purposes pursuant to CVM/SNC/SEP Circular Letter No. 02/2009.

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

Ribeirão Preto, 23 October 2009.



José Luiz Sanches
Engagement Partner
BDO Trevisan Auditores Independentes

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

EXHIBIT 1

MARFRIG ALIMENTOS S.A.

BALANCE SHEETS AS OF 30 SEPTEMBER 2009 AND 30 JUNE 2009
(In thousands of Brazilian reais)

	Company		Consolidated	
	9/30/09	6/30/09	9/30/09	6/30/09
ASSETS				
Current				
Cash and cash equivalents (note 4)	918,494	796,238	1,277,089	1,284,370
Trade accounts receivable - domestic (note 5)	471,351	410,184	662,238	690,808
Trade accounts receivable - foreign (note 5)	165,473	132,987	304,266	296,563
Inventories of goods and merchandise (note 6)	971,689	944,026	1,672,708	1,679,832
Recoverable taxes (note 7)	584,837	520,665	888,311	796,143
Prepaid expenses	1,210	1,206	38,612	38,675
Other receivables	9,144	8,912	9,144	8,912
Total current assets	3,122,198	2,814,218	4,852,368	4,795,303
Noncurrent				
Long-term assets				
Financial investments	368	358	1,843	1,949
Compulsory deposits	15,308	16,020	24,041	24,277
Notes receivable (note 8)	1,734,716	1,639,625	1,546	1,540
Deferred taxes (note 9)	163,106	221,943	221,223	285,943
Recoverable taxes (note 7)	2,010	2,010	60,050	50,858
Other receivables	246	71	33,448	24,601
	1,915,754	1,880,027	342,151	389,168
Investments (note 10)	843,431	843,288	1,223	1,281
Property, plant and equipment (note 11)	966,915	898,318	2,282,783	2,175,559
Intangible assets (note 12)	527,156	525,408	1,890,530	1,962,368
Deferred charges (note 13)	-	-	12,038	12,648
	2,337,502	2,267,014	4,186,574	4,151,856
Total noncurrent assets	4,253,256	4,147,041	4,528,725	4,541,024
Total assets	7,375,454	6,961,259	9,381,093	9,336,327

	Company		Consolidated	
	9/30/09	6/30/09	9/30/09	6/30/09
LIABILITIES				
Current				
Trade accounts payable	122,800	115,096	748,206	804,410
Accrued payroll and related charges (note 14)	69,711	122,589	208,134	315,964
Taxes payable (note 15)	21,383	11,924	146,029	234,322
Loans and financing (note 16)	645,555	603,314	1,187,324	1,260,148
Notes payable	32,884	12,847	32,884	12,847
Lease payable (note 17)	44,703	44,785	58,877	61,721
Other payables	63,178	1,255	84,193	87,660
Total current liabilities	1,000,214	911,810	2,465,647	2,777,072
Noncurrent				
Loans and financing (note 16)	3,180,250	2,965,185	3,407,541	3,264,570
Taxes payable (note 15)	116,997	40,004	287,433	93,744
Deferred taxes (note 19)	37,122	37,835	95,133	103,313
Provisions (note 18)	6,782	44,990	48,127	93,236
Lease payable (note 17)	75,305	86,479	103,526	117,184
Other	137,138	82,025	136,833	79,815
Total noncurrent liabilities	3,553,594	3,256,518	4,078,593	3,751,862
Minority interest	-	-	15,207	14,462
Shareholders' equity (note 20)				
Capital stock	2,559,718	2,559,718	2,559,718	2,559,718
Share issue expenses	(34,079)	(34,079)	(34,079)	(34,079)
Income reserves	157,122	155,061	157,122	155,061
Asset and liability valuation adjustments	(462,953)	(286,878)	(462,953)	(286,878)
Accumulated translation adjustments	34,468	32,236	34,468	32,236
Retained earnings	567,370	366,873	567,370	366,873
	2,821,646	2,792,931	2,821,646	2,792,931
Total liabilities and shareholders' equity	7,375,454	6,961,259	9,381,093	9,336,327

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

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

EXHIBIT 2

MARFRIG ALIMENTOS S.A.

STATEMENT OF INCOME FOR THE HALF-YEAR PERIODS ENDED
30 SEPTEMBER 2009 AND 2008 AND FOR THE THIRD QUARTER OF 2009 AND 2008
(In thousands of Brazilian reais, except per share data)

	Company				Consolidated			
	3rd Quarter 2009	Accumulated 2009	3rd Quarter 2008	Accumulated 2008	3rd Quarter 2009	Accumulated 2009	3rd Quarter 2008	Accumulated 2008
GROSS SALES								
Domestic	460,624	1,258,012	438,076	1,164,581	1,617,598	4,759,240	869,131	2,183,180
Foreign	210,525	631,320	164,343	474,396	920,111	2,796,353	772,579	1,963,900
	671,149	1,889,332	602,419	1,638,977	2,537,709	7,555,593	1,641,710	4,147,080
DEDUCTIONS FROM GROSS SALES								
Sales taxes	(26,148)	(79,400)	(27,109)	(95,861)	(72,370)	(256,786)	(77,005)	(202,802)
Returns and discounts	(12,249)	(63,972)	(29,133)	(113,303)	(62,739)	(241,341)	(41,112)	(136,483)
NET SALES	632,752	1,745,960	546,177	1,429,813	2,402,600	7,057,466	1,523,593	3,807,795
Cost of goods sold	(461,633)	(1,286,748)	(434,428)	(1,094,530)	(2,034,771)	(6,052,044)	(1,238,625)	(3,061,107)
GROSS INCOME	171,119	459,212	111,749	335,283	367,829	1,005,422	284,968	746,688
OPERATING REVENUES (EXPENSES)								
Commercial expenses	(42,349)	(119,642)	(40,718)	(119,871)	(160,626)	(470,876)	(94,078)	(244,178)
Administrative and general expenses	(26,525)	(66,686)	(17,897)	(56,765)	(75,566)	(214,456)	(39,657)	(115,097)
Equity in earnings	66,728	96,347	88,522	146,255	-	-	-	-
Other operating revenues (expenses)	23,965	26,017	(8,899)	(26,911)	74,622	104,999	(8,353)	(27,742)
	21,819	(63,964)	21,008	(57,292)	(161,570)	(580,333)	(142,088)	(387,017)
OPERATING INCOME BEFORE INFLATION AND FINANCIAL ADJUSTMENTS	192,938	395,248	132,757	277,991	206,259	425,089	142,880	359,671
FINANCIAL INCOME (EXPENSES)								
Financial income	38,123	88,020	43,739	96,438	47,852	111,057	50,376	111,236
Financial expenses	(128,619)	(350,520)	(77,055)	(188,697)	(167,445)	(459,784)	(97,645)	(231,181)
Exchange gain	166,483	614,309	190,344	310,666	188,872	697,400	201,581	340,329
Exchange rate variation - translation	-	-	-	-	-	-	21,741	18,886
Exchange loss	(4,695)	(51,846)	(337,721)	(470,322)	(605)	(86,679)	(380,370)	(524,178)
	71,292	299,963	(180,693)	(251,915)	68,674	261,994	(204,317)	(284,908)
OPERATING INCOME	264,230	695,211	(47,936)	26,076	274,933	687,083	(61,437)	74,763
Non-operating income (loss)	-	-	(118)	11		-	57	(727)
INCOME BEFORE TAXES	264,230	695,211	(48,054)	26,087	274,933	687,083	(61,380)	74,036
Income tax	(46,834)	(88,857)	8,063	1,794	(54,413)	(84,827)	7,124	(27,397)
Social contribution tax	(16,899)	(38,984)	2,960	646	(18,239)	(27,635)	3,559	1,422
	(63,733)	(127,841)	11,023	2,440	(72,652)	(112,462)	10,683	(25,975)
INCOME BEFORE MINORITY INTEREST	200,497	567,370	(37,031)	28,527	202,281	574,621	(50,697)	48,061
Minority interest	-	-	-	-	(1,784)	(7,251)	(1,988)	(9,288)
NET INCOME (LOSS) FOR THE PERIOD	200,497	567,370	(37,031)	28,527	200,497	567,370	(52,685)	38,773
PER THOUSANDS SHARES - in Brazilian reais	749.92	2,122.13	(150.29)	115.78	749.92	2,122.13	(213.82)	157.36

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

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

EXHIBIT 3

MARFRIG ALIMENTOS S.A.

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

	Capital stock	Share issue expense	Income reserve	Asset and liability valuation adjustment	Accumulated translation adjustments	Retained earnings	Total
AS OF JUNE 30, 2009	2,559,718	(34,079)	155,061	(286,878)	32,236	366,873	2,792,931
Treasury shares	-	-	2,061	-	-	-	2,061
Exchange Variation on net investments	-	-	-	(176,075)	-	-	(176,075)
Exchange variation - balance sheet translation	-	-	-	-	2,232	-	2,232
Net income	-	-	-	-	-	200,497	200,497
AS OF SEPTEMBER 30, 2009	2,559,718	(34,079)	157,122	(462,953)	34,468	567,370	2,821,646

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

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

EXHIBIT 4

MARFRIG ALIMENTOS S.A.

STATEMENT OF CASH FLOWS FOR THE HALF-YEAR PERIODS ENDED 30 SEPTEMBER 2009 AND 2008
AND 3RD QUARTER OF 2009 AND 2008
(In thousands of Brazilian reais)

	COMPANY				CONSOLIDATED			
	3rd Quarter 2009	Accumulated 2009	3rd Quarter 2008	Accumulated 2008	3rd Quarter 2009	Accumulated 2009	3rd Quarter 2008	Accumulated 2008
Net income (loss) for the period	200,497	567,370	(37,031)	28,527	200,497	567,370	(52,685)	38,773
Non-cash items	(75,477)	(284,290)	146,747	(20,873)	46,245	(42,243)	355,576	286,965
Depreciation	14,724	43,547	8,753	23,087	57,539	169,210	19,086	49,537
Amortization	-	-	9,145	27,435	8,730	25,199	9,485	28,455
Minority interest	-	-	-	-	1,784	7,251	1,988	9,289
Provision for contingencies	-	-	-	-	7,497	20,773	(284)	39,544
Deferred taxes	58,124	109,714	(3,041)	(2,440)	58,905	73,274	(2,338)	30,603
Equity in earnings (loss)	(66,728)	(96,347)	(88,522)	(146,255)	-	-	-	-
Exchange variation on financing	(160,359)	(590,535)	265,846	122,734	(186,335)	(675,293)	357,419	185,217
Exchange variation on investments	-	-	(45,434)	(45,434)	-	-	(45,434)	(45,434)
Exchange variation on other asset and liability accounts	(1,429)	28,072	-	-	(1,933)	64,571	-	-
Interest expense on financing debts	74,823	207,270	-	-	92,319	257,453	-	-
Expense with interest on finance lease	5,238	15,057	-	-	6,616	16,983	-	-
Write-off of property, plant and equipment	130	(1,068)	-	-	1,123	(1,664)	-	-
Gains on investments	-	-	-	-	-	-	15,654	(10,246)
Changes in shareholders' equity	(239,496)	(834,432)	(796,342)	(1,264,325)	(216,903)	(524,972)	(1,010,145)	(1,128,641)
Trade accounts receivable	(93,653)	(177,835)	(245,103)	(137,292)	18,717	(2,366)	(316,556)	(298,406)
Inventories	(27,663)	(196,817)	(12,092)	(93,141)	2,182	(112,168)	(100,555)	(402,074)
Escrow deposits	712	587	(2,302)	(5,579)	232	(674)	(3,353)	(11,564)
Accrued payroll and related charges	(52,878)	(27,781)	10,526	45,683	(101,385)	(48,030)	25,320	147,147
Trade accounts payable	7,704	42,072	1,948	(69,353)	(57,575)	(2,470)	19,885	8,148
Taxes	(15,928)	(75,477)	(42,765)	(187,274)	(36,088)	(174,977)	(85,260)	(24,837)
Finance charges	-	-	49,204	135,125	-	-	57,832	151,268
Notes receivable and payable	(61,849)	(388,955)	(548,861)	(904,025)	(7,043)	(37,643)	(565,788)	(790,401)
Other asset and liability accounts	4,059	(10,226)	(6,897)	(48,469)	(35,943)	(146,644)	(41,670)	92,078
Net cash used in operating activities	(114,476)	(551,352)	(686,626)	(1,256,671)	29,839	155	(707,254)	(802,903)
Cash flows from investing activities								
Investments	(4,521)	(23,212)	(118,005)	(168,967)	(3,452)	(190,417)	(30,017)	(276,144)
Reduction of goodwill on investments	-	-	-	10,703	-	-	-	10,703
Consolidation of investments without cash effects	-	-	-	-	-	-	(48,787)	(423,044)
Investments in property, plant and equipment	(83,451)	(118,712)	(27,613)	(88,034)	(172,566)	(336,707)	(63,336)	(183,484)
Investment in intangible assets	(1,748)	(2,118)	-	-	(1,728)	(2,229)	-	-
Investments in deferred charges	-	-	-	-	(89)	(89)	(137)	(4,894)
Treasury shares	-	-	(9,043)	(12,929)	-	-	(9,043)	(12,929)
Net cash used in investing activities	(89,720)	(144,042)	(154,661)	(259,227)	(177,835)	(529,442)	(151,320)	(889,792)
Cash flows from financing activities								
Loans and financing	342,842	886,190	304,405	636,114	179,522	849,040	362,202	887,554
Loans taken out by the Company	777,028	2,025,546	443,921	1,561,971	1,173,254	2,994,884	673,823	2,296,533
Loans repaid by the Company	(434,186)	(1,139,356)	(139,516)	(925,857)	(993,732)	(2,145,844)	(311,621)	(1,408,979)
Issuance of shares	-	-	927,548	927,548	-	-	927,548	927,548
Lease payable	(16,494)	(46,566)	-	-	(18,798)	(50,703)	-	-
New leases	40	420	-	-	7,006	11,954	-	-
Paid leases	(16,534)	(46,986)	-	-	(25,804)	(62,657)	-	-
Treasury shares	104	104			104	104		
Net cash provided by financing activities	326,452	839,728	1,231,953	1,563,662	160,828	798,441	1,289,750	1,815,102
Exchange variation on cash and cash equivalents	-	-	-	-	(20,113)	(63,729)	-	-
Cash flows in the period	122,256	144,334	390,666	47,764	(7,281)	205,425	431,176	122,407
Cash, bank accounts and short-term investments								
Ending balance	918,494	918,494	915,516	915,516	1,277,089	1,277,089	1,172,213	1,172,213
Beginning balance	796,238	774,160	524,850	867,752	1,284,370	1,071,664	741,037	1,049,806
Variation in the period	122,256	144,334	390,666	47,764	(7,281)	205,425	431,176	122,407

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

MARFRIG ALIMENTOS S.A.

NOTES TO THE INDIVIDUAL (COMPANY) AND CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER AND 30 JUNE 2009.
(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 marketing of animal products and by-products, whether edible or not, at their own or third parties' facilities. Its activities also comprise import and export of animal products and by-products, as well as other activities described in the Company's by-laws.

Marfrig Alimentos S.A. was set up on 6 June 2000 and became a corporation on 26 March 2007. The Company was registered with the Brazilian Securities and Exchange Commission (CVM) under No. 20788 on 18 June 2007 and made its initial public offering (IPO) on 29 June 2007. Its shares were listed on the New Market of São Paulo Stock Exchange (Bovespa) under code No. MRFG3. On 28 April 2009, the Company's name was changed to Marfrig Alimentos S.A. As of 30 September 2009, the Company's subscribed and paid-in capital stock consisted of 267,943,954 common shares of which 135,162,784 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. made up of ten cattle slaughtering units, three beef processing units, one leather processing plant, one hygiene and cleaning product plant and two fattening facilities 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) – 99% and União Frederiquense Participações Ltda. (Brazil) – 99.99%, (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, and has the following percentages of ownership interest in the companies:
    - DaGranja Agroindustrial Ltda – 94%;
    - Braslo Produtos de Carnes Ltda – 100%;
    - Agrofrango Indústria e Comércio de Alimentos Ltda – 100%;
    - Penasul Alimentos Ltda – 100%;

    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) – 100%, company that is engaged in pig raising.

- Argentine 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 in the US market and several other export destinations – 99.99%;
  - Quickfood S.A (Argentina) is a publicly held company, holder of PATY brand, a leader in the Argentine, Uruguayan and Chilean hamburger markets, with two slaughtering plants and three units of beef processed products – 81.48%.

- Uruguay Division:
  - Frigorífico Tacuarembó S.A. (Uruguay), which operates a cattle slaughtering and beef processing unit – 93.45%;
  - Inaler S.A. (Uruguay), cattle and sheep slaughtering unit – 100%;
  - 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 – 99.47%;
  - Prestcott International S.A. (Uruguay), which holds 100% Cledinor S.A (Uruguay), beef and lamb packing plant in the city of Salto – 100%;
  - Establecimientos Colonia S.A. (Uruguay), beef packing plant in the city of the same name - 100%.

- Europe Division:

- Weston Importers Ltd. (United Kingdom), a trading company which operates in the European market and holds 100% of CDB Meats Ltd (United Kingdom), producer of processed meat – 100%

- Marfrig Holdings (Europe) – BV (The Netherlands) that holds 100% of Moy Park Holdings (Europe) Limited (company headquartered in Northern Ireland), holds 100% of Moy Park Group and Kitchen Range Foods Ltd (England), which operated three poultry slaughtering plants and eight processed product plants in England, Northern Ireland, France and The Netherlands – 100%

2. PREPARATION AND PRESENTATION OF 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 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 28 December 2007 Law No. 11,638 was enacted, which was changed by Executive Act No. 449 of 3 December 2008 and took effect beginning 1 January 2008. These regulations modified certain provisions of Law No. 6,404/76 (Brazilian Corporate Law). When preparing the 2008 individual and consolidated financial statements, the Company implemented for the first time the changes in corporate law introduced by Law No. 11,638/07 and Executive Act No. 449/08.

2.2 Initial adoption of Law no. 11.638/2007 and Executive Act no. 449/2008

The Company adopted 1 January 2008 as the transition date to apply the new accounting practices, according to CVM Resolution No. 565/2008. This resolution approved CPC No. 13 that 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.

Given this option, the financial statements for the year ended 30 September 2008 were prepared in accordance with Brazilian accounting practices in effect on that date. The Company opted to not restate them, based on Circular Letter/ CVM/ SNC/ SEP no. 02, dated 5 May 2009 and IBRACON's Technical Note no. 04, of 7 May 2009. Therefore, the mentioned statements are not comparable to the financial statements for the period ended 30 September 2009.

Due to the changes brought about by the new accounting legislation, equity adjustments were determined as of 30 September 2008, which we present below:

Effects in the period ended 30 September 2008

	Income for the period		Shareholders' equity	
	Company	Consolidated	Company	Consolidated
New legislation (1)	**110,325**	**120,571**	**2,242,950**	**2,242,950**
Exchange variation on foreign investments	(64,320)	(64,320)	-	-
Finance lease	(17,478)	(17,478)	(17,478)	(17,478)
According to previous legislation	**28,527**	**38,773**	**2,225,472**	**2,225,472**

(1) There was no tax effect arising from the adjustments to the new Temporary Tax Regime established by Executive Act no. 449/2008.

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 income 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, labour 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 income

  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 those not performed in functional currency, are translated into Brazilian reais at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into Brazilian reais at the exchange rate prevailing at the balance sheet date. Exchange gains and losses on monetary assets and liabilities are recognized in the income statement. Non-monetary assets or liabilities acquired or contracted in foreign currency are translated into functional currency at the exchange rate prevailing at the date of the transactions or the date of the valuation at fair value, when applicable.

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 under 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 1 January 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 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.

Adjustments to present value were based on the average value between the SELIC rate (Special System for Settlement and Custody) (rate established for return on equity capital) and the average fund raising rate in the financial market (rate established for the return on third party capital).

The periods used in the determination of the adjustment to present value vary according to operating activity involved, corresponding to the average expected period for settlement, such as, for example, average period to receive amounts from sales, average payment period, period for settlement of taxes paid in instalments and other necessary ones.

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

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 losses are rated 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 based on taxable income. Income and social contribution taxes are paid monthly, on an estimated basis, according to prevailing legislation.

Deferred assets recognized for income and social contribution tax losses and temporary differences are recognized pursuant to tax legislation and CVM Instruction No. 371 of 27 June 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, turned into Law 11.941/09 on 27 May 2009, the Company and its controlled companies, where applicable, opted 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 income and expenses as well as 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:

DIRECLTY CONTROLLED COMPANIES	Ownership interest 9/30/09	6/30/09
Argentine Breeders & Packers S.A	99.99%	99.99%
Frigoclass Alimentos S.A	100.00%	100.00%
Marfrig Chile Inversiones Ltda	99.47%	99.47%
Inaler S.A	100.00%	100.00%
Frigorífico Tacuarembó S.A	93.45%	93.45%
Weston Importers Ltd	100.00%	100.00%
Masplen Limited	100.00%	100.00%
Prestcott International S.A	100.00%	100.00%
Secculum Participações Ltda	99.00%	99.00%
União Frederiquense Partic. Ltda	99.99%	99.99%
QuickFood S.A	81.48%	80.31%
Establecimientos Colonia S.A	100.00%	100.00%
Marfrig Holdings (Europe) BV	100.00%	100.00%

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	
	09/30/09	06/30/09	09/30/09	06/30/09
Cash and banks	69,940	210,458	310,725	363,824
Certificates of deposit	848,554	585,780	966,364	920,546
	918,494	796,238	1,277,089	1,284,370

The cash and cash equivalents of foreign controlled companies are stated as follows:

	Brazil		Overseas	
	09/30/09	06/30/09	09/30/09	06/30/09
Cash and banks	23,820	16,563	216,965	136,802
Certificates of deposit	20,946	119,053	96,864	215,714
	44,766	135,616	313,829	352,516

The Company usually presents the following items in the composition of cash and cash equivalents:

- Balance of cash available in hand;
- Bank deposits;
- Valuables in transit;
- Immediate liquidity financial investments.

5. TRADE ACCOUNTS RECEIVABLE – LOCAL AND FOREIGN CUSTOMERS

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
Trade accounts receivable - domestic	471,351	410,184	662,238	690,808
Trade accounts receivable - foreign	178,276	193,621	317,069	370,357
(-) Advances on export contracts (ACEs)	(12,803)	(60,634)	(12,803)	(73,794)
	165,473	132,987	304,266	296,563
	636,824	543,171	966,504	987,371
Amounts coming due	623,904	528,931	863,403	831,997
Amounts overdue				
From 1 to 30 days	8,976	8,569	51,118	105,477
From 31 to 60 days	2,349	1,144	29,317	25,038
From 61 to 90 days	571	2,797	14,968	13,843
More than 90 days	1,024	1,730	29,843	42,770
(-) Allowance for doubtful accounts	-	-	(22,145)	(31,754)
	636,824	543,171	966,504	987,371

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

The Company usually recognizes a provision for notes overdue for than 90 days, whose expectation of receipt is unlikely in consideration of the history of problems identified in receivables, as well as through analysis of the current status of customers, which can be: in order, that is, he buys and pays within acceptable limits; a history of late payments; and status of debtor being reorganized or bankrupt.

The Company does not have a history of relevant problems with collection, and the accounts receivable department rates each customer during acceptance and credit granting.

For sales paid in instalments, the Company uses working capital financing lines available in the finance market.

The current economic situation presents a trend of improvement in relation to sales and volume of credit in the market, what reflects the purchasing power of customers and, consequently, trend of punctual payments.

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

6. INVENTORIES OF GOODS AND MERCHANDISE

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
Finished products and others	944,719	916,607	1,580,117	1,595,523
Packaging material and storeroom supplies	26,970	27,419	92,591	84,309
	971,689	944,026	1,672,708	1,679,832

In the periods ended 30 September and 30 June 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 foreign controlled companies are stated as follows:

	Brazil		Overseas	
	09/30/09	06/30/09	09/30/09	06/30/09
Finished products and others	249,900	239,471	385,498	439,444
Packaging material and storeroom supplies	43,379	31,829	22,242	25,062
	293,279	271,300	407,740	464,506

7. RECOVERABLE TAXES

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
ICMS (State VAT)	214,337	198,064	282,632	263,097
IPI (Federal VAT) deemed credit	60,864	60,836	67,174	67,051
PIS (tax on sale) credit	48,659	39,665	81,835	70,576
COFINS (tax on sale) credit	208,192	181,124	358,352	318,294
Income tax	22,629	25,837	55,191	55,729
Social contribution tax	4,322	4,276	8,336	7,950
Withholding Income Tax (IRRF)	27,844	12,873	28,400	13,128
IVA (value-added tax)	-	-	35,029	34,087
Export certificates	-	-	6,076	5,795
ONCCA credits	-	-	14,825	-
Other	-	-	10,511	11,294
Total	586,847	522,675	948,361	847,001
Current assets	584,837	520,665	888,311	796,143
Noncurrent assets	2,010	2,010	60,050	50,858
Total	586,847	522,675	948,361	847,001

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 non-cumulative credit of PIS and COFINS levied on the acquisition of raw material, 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 31 December 2008.

7.5 Withholding Income Tax (IRRF)

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

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

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
Related parties	1,711,346	1,616,255	-	-
Other notes receivable	23,370	23,370	1,546	1,540
Noncurrent assets	1,734,716	1,639,625	1,546	1,540

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

	09/30/09				3rd Quarter/09	
	Accounts receivable	Accounts payable	Notes receivable	Notes payable	Purchases	Sales
Argentine Breeders & Packers S.A.	390	1,448	29,377	-	749	842
Frigorífico Tacuarembó S.A.	-	1,031	6,650	-	1,415	-
Inaler S.A.	-	299	6,639	-	268	-
Marfrig Chile Inversiones Ltda	-	135	-	-	-	6,219
Quinto Cuarto S.A.	5,790	-	-	-	-	-
Weston Importers Ltd.	37,253	-	-	-	-	20,291
Frigoclass Alimentos S.A.	-	-	306	43,595	-	-
Pampeano Alimentos S.A.	9,209	15	50,323	-	2	12,887
Cledinor S.A.	-	613	-	-	1,085	-
Frigorifico Mabella Ltda	5,218	-	416,519	-	4,651	229
Masplen Limited	-	-	80	-	-	-
Dagranja Agroindustrial Ltda	3,872	421	114,695	-	836	1,288
Mirab USA	-	-	53,137	-	-	-
Establecimientos Colonia S.A.	-	593	-	-	1,467	-
Quickfood S.A.	-	1	-	-	1,692	-
Moy Park Limited	-	-	17,781	-	-	-
Moy Park Holdings Europe Limited	-	-	940,035	-	-	-
Braslo Produtos de Carne Ltda	5,811	1,209	21,656	-	3,271	18,760
MBL Alimentos Ltda	88	-	69	-	-	228
Mas Frangos Part. Ltda	-	-	2,935	-	-	-
Pena Branca Ltda	-	-	9	-	-	-
Penasul Alimentos Ltda	2,519	-	-	61,958	39	506
Agrofrango Ind. Com. Alim. Ltda	907	-	51,114	-	-	-
Maremar Adm. Bens S/C Ltda	-	-	21	-	-	-
Marcos Antonio Molina dos Santos	-	2,662	-	-	5,920	-
	71,057	8,427	1,711,346	105,553	21,395	61,250

COMPANY

	06/30/09				2nd Quarter/09	
	Accounts receivable	Accounts payable	Notes receivable	Notes payable	Purchases	Sales
Argentine Breeders & Packers S.A	-	1,604	32,799	-	593	139
Frigorífico Tacuarembó S.A.	-	418	9,582	-	571	-
Inaler S.A.	-	5	8,380	-	328	-
Marfrig Chile Inversiones Ltda	-	-	-	-	-	765
Quinto Cuarto S.A.	1,170	-	-	-	-	-
Weston Importers Ltd.	24,995	-	-	-	-	16,820
Frigoclass Alimentos S.A.	-	-	306	43,107	-	-
Pampeano Alimentos S.A.	9,744	7	12,715	-	4	15,083
Cledinor S.A.	-	302	-	-	222	-
Frigorifico Mabella Ltda	-	1,614	316,408	-	3,554	165
Masplen Limited	-	-	87	-	-	-
Dagranja Agroindustrial Ltda	1,587	-	107,672	-	1,236	2,328
Mirab USA	-	-	58,322	-	-	-
Establecimientos Colonia S.A.	-	409	-	-	560	-
Quickfood S.A.	-	739	-	-	1,039	-
Moy Park Limited	-	-	19,516	-	-	-
Moy Park Holdings Europe Limite	-	-	1,031,759	-	-	-
Braslo Produtos de Carne Ltda	8,956	2,514	15,478	-	4,176	23,201
MBL Alimentos Ltda	115	409	65	-	-	243
Mas Frangos Part. Ltda	-	-	2,935	-	-	-
Pena Branca Ltda	-	-	-	-	522	-
Penasul Alimentos Ltda	967	-	180	-	-	976
Agrofrango Ind. Com. Alim.Ltda	-	-	30	-	-	26
Maremar Adm. Bens S/C Ltda	-	-	21	-	-	-
Marcos Antonio Molina dos Santos	-	1,420	-	-	4,008	-
	47,534	9,441	1,616,255	43,107	16,813	59,746

	Consolidated			
	Accounts payable		Total purchases in the period	
	09/30/09	06/30/09	09/30/09	06/30/09
Marcos Antonio Molina dos Santos	2,662	1,420	13,991	8,071
	2,662	1,420	13,991	8,071

Mr. Marcos Antonio Molina dos Santos and his wife acquired a property in the State of São Paulo on 27 April 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.

All relations with affiliated and controlled companies of the Company are demonstrated in note 1 - OPERATIONS.

Intercompany relations of companies of Marfrig Group are represented by commercial transactions (purchases and sales) and sending of cash for payment of such transactions, as well as for working capital, always under conditions similar to the ones that would be applicable to non-related parties.

Intercompany loans are managed through contracts establishing rates and various conditions. Purchase or sale transactions are executed according to market values and there is no requirement of collateral or allowance for doubtful accounts.

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

9. DEFERRED TAXES

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
Income tax	119,931	163,193	165,020	213,850
Social contribution tax	43,175	58,750	56,203	72,093
	163,106	221,943	221,223	285,943

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 we demonstrate deferred taxes in the 3rd quarter of 2009:

	Company		Consolidated	
Description	Corporate Income Tax	Social Contribution Tax	Corporate Income Tax	Social Contribution Tax
Beginning balance on 30 June 2009	163,193	58,750	213,850	72,093
(-) Deferred taxes on goodwill used for tax purposes	(4,480)	(1,613)	(4,480)	(1,613)
(-) Use of new REFIS	(29,444)	(10,600)	(35,655)	(12,845)
(-) Realization of deferred taxes on tax loss	(9,338)	-	(9,338)	-
Deferred taxes on income tax losses	-	-	278	
Deferred taxes on social contribution tax losses				1,930
(-) Realization of deferred taxes on social contribution tax losses	-	(3,362)	-	(3,362)
Other	-	-	365	-
Ending balance as of 30 September 2009	119,931	43,175	165,020	56,203

The Company has presented the figures of expected f future generation of taxable income, discounted to present value, based on a feasibility technical study that allows the realization of “Deferred Tax Assets” over a maximum 10-year period.

The expectation of realization of "Deferred Tax Assets” is defined as follows:

Year	Realization
2009	30,000
2010	30,000
2011	30,000
2012	30,000
2013	30,000
2014 to 2016	90,000
2017 to 2018	35,597
Ending balance	275,597

In the 9-month period ended 30 September 2009, the Company realized an amount of R$58,837 corresponding to "Deferred Tax Assets" in the amount determined for the year 2009, taking into consideration the Company's future profitability, use of goodwill and offset of fine and interest of debts included in New Refills.

10. INVESTMENTS

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
Ownership interest in controlled companies	843,296	843,160	-	-
Other investments	135	128	1,223	1,281
	843,431	843,288	1,223	1,281

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	293,811	99.99	No	153,786	111,597	(24,743)
Frigoclass Alimentos S.A	78,573,743	100.00	No	78,574	56,110	122
Marfrig Chile Inversiones Ltda	13,358,426,280	99.47	No	44,233	26,747	8,254
Inaler S.A	66,247,320	100.00	No	2,609	29,734	9,197
Frigorífico Tacuarembó S.A	166,925,258	93.45	No	11,616	87,675	8,864
Weston Importers Ltd	1,338,278	100.00	No	23,025	21,555	4,782
Masplen Limited	100	100.00	No	-	25,714	(2,322)
Prestcott International S.A	79,638,916	100.00	No	5,196	38,364	12,174
Secculum Participações Ltda	9,200,000	99.00	No	9,200	10,231	(455)
União Frederiquense Partic. Ltda	98,449,805	99.99	No	98,450	201,223	(8,979)
QuickFood S.A	21,419,606	81.48	Yes	24,240	110,883	30,414
Establecimientos Colonia S.A	80,647,477	100.00	No	46,677	74,020	1,675
Marfrig Holdings(Europe) BV	900	100.00	No	44	78,379	61,981
Total				497,650	872,232	100,964

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

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

	Book balance as of 30 June 2009	Adjustment	Acquisition of units of interest	Increase in capital	Investment in the period	Equity in earnings (loss)	Exchange variation in the calculation of equity	Book balance as of 30 September 2009
Argentine Breeders & Packers S.A. (1)	133,507	1,624	-	825	825	(11,064)	(13,296)	111,596
Frigoclass Alimentos S.A. (2)	57,248	-	-	-	-	(1,138)	-	56,110
Marfrig Chile Inversiones Ltda. (1)	29,084	(112)	-	-	-	772	(3,137)	26,607
Inaler S.A. (1)	28,230	(690)	-	-	-	4,695	(2,510)	29,725
Frigorífico Tacuarembó S.A. (1)	86,155	(584)	-	-	-	3,944	(7,663)	81,852
Weston Importers Ltd. (1)	20,599	(263)	-	-	-	1,675	(2,657)	19,354
Masplen Limited (1)	27,628	-	-	-	-	(1,988)	74	25,714
Prestcott International S.A. (1)	36,278	(914)	-	-	-	6,225	(3,225)	38,364
Secculum Participações Ltda. (2)	10,750	-	-	-	-	1,075	(1,698)	10,127
União Frederiquense Partic. Ltda. (2)	176,370	-	-	-	-	21,125	3,683	201,178
QuickFood S.A (1)	88,750	(888)	1,211	-	1,211	5,982	(4,782)	90,273
Establecimientos Colonia S.A (1)	77,600	(570)	-	-	-	3,887	(6,899)	74,018
Marfrig Holdings(Europe) BV	70,961	4,629	-	-	-	31,538	(28,750)	78,378
Total	843,160	2,232	1,211	825	2,036	66,728	(70,860)	843,296

(1) Those companies had their financial statements as of September 30, 2009 reviewed by member firms of the BDO network in their countries or origin with the issuance of limited review reports.

These investments have been properly booked under the equity method, since they apply to controlled companies. The financial statements of those companies for the periods ended 30 September and 30 June 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	
				09/30/09	06/30/09
Description	Annual average depreciation rates	Cost	Accumulated depreciation	Net	Net
Plots of land	-	12,154	-	12,154	2,475
Buildings and equipment	4%	280,868	(33,360)	247,508	247,175
Machinery and equipment	10%	207,619	(54,797)	152,822	151,544
Furniture and fixtures	10%	5,180	(1,383)	3,797	3,709
Facilities	5%	168,302	(10,948)	157,354	147,079
Vehicles	20%	10,722	(10,608)	114	214
IT equipment	20%	5,340	(2,786)	2,554	2,051
Aircrafts	20%	382	(134)	248	267
Advance for acquisition of property, plant and equipment	-	15,396	-	15,396	15,057
Leasehold improvements	-	2,290	(17)	2,273	2,274
Lease - vehicles	20%	38,777	(15,805)	22,972	16,914
Lease - computer hardware	20%	9,310	(6,709)	2,601	11,145
Lease - machinery	10%	26,628	(4,079)	22,549	23,253
Lease - facilities	5%	79,465	(9,469)	69,996	70,903
Lease - buildings	4%	67,383	(7,932)	59,451	60,125
Construction in progress	-	177,829	-	177,829	140,259
Software	20%	20,262	(3,508)	16,754	3,332
Other	4%	543	-	543	542
		1,128,450	(161,535)	966,915	898,318

				Consolidated	
				09/30/09	06/30/09
Description	Annual average depreciation rates	Adjusted and revalued cost	Accumulated depreciation	Net	Net
Plots of land	-	78,701	-	78,701	56,080
Buildings and equipment	4%	794,056	(57,784)	736,272	743,489
Machinery and equipment	10%	728,143	(141,705)	586,438	575,846
Furniture and fixtures	10%	28,270	(5,345)	22,925	22,481
Facilities	5%	220,712	(13,446)	207,266	191,682
Vehicles	20%	18,557	(11,765)	6,792	7,772
IT equipment	20%	20,625	(8,263)	12,362	13,089
Aircrafts	20%	382	(134)	248	886
Advance for acquisition of property, plant and equipment	-	16,156	-	16,156	15,955
Leasehold improvements	-	23,763	(6,300)	17,463	18,448
Lease - vehicles	20%	38,799	(15,806)	22,993	16,936
Lease - computer hardware	20%	9,828	(6,802)	3,026	11,145
Lease - machinery	10%	37,877	(4,734)	33,143	34,870
Lease - facilities	5%	82,045	(9,480)	72,565	73,588
Lease - buildings	4%	67,383	(7,932)	59,451	60,125
Construction in progress	-	318,396	-	318,396	268,025
Software	20%	20,512	(3,534)	16,978	4,083
Other	4%	79,862	(8,254)	71,608	61,059
		2,584,067	(301,284)	2,282,783	2,175,559

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, 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.

The tests comprised projecting the profitability and future cash of the Company's plants, which were discounted to present value to identify the degree of recoverability of property, plant and equipment.

12. INTANGIBLE ASSETS

According to CVM Resolutions No. 553/08 and 565/08 an Intangible Assets subgroup was created in noncurrent assets, as follows:

	09/30/09	06/30/09
Intangible assets - Company	527,156	525,408
Intangible assets - controlled companies	1,363,374	1,436,960
	1,890,530	1,962,368

The changes in intangible assets in the Company and in the consolidated numbers in the quarter ended 30 September 2009 are the following:

12.1 – Changes in intangible assets (Company)

	Balance as of 30 June 2009	Acquistion/Write-off	Goodwill on acquisitionn	(-) Amortization of Goodwill	Balance as of 30 September 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	-	1,748	-	220,696
Establecimientos Colonia S.A - Goodwill	114,479	-	-	-	114,479
Trade marks and patents	16,533	-	-	-	16,533
Total	525,408	-	1,748	-	527,156

12.2 – Changes in intangible assets (controlled companies)

	Book balance on 30 June 2009	Goodwill/Negative Goodwill on acquisition	Acquisition of Trade mark/ others	Exchange variation on translation	Goodwill write-off	Book balance on 30 September 2009
Argentine Breeders & Packers S.A.	**162,739**	**-**	**1,472**	**(16,669)**	**(363)**	**147,179**
Estancias del Sur - Goodwill	52,117	-	-	(4,633)	-	47,484
Mirab(AR) - Goodwill	31,313	-	-	(2,784)	-	28,529
Best Beef - Goodwill	21,745	-	-	(1,933)	-	19,812
Trade marks, patents and others	57,564	-	1,472	(7,319)	(363)	51,354
Marfrig Chile Inversiones Ltda	**13,963**	**-**	**-**	**(1,243)**	**-**	**12,720**
QuintoCuarto - Goodwill	2,630	-	-	(234)	-	2,396
Frigorífico Patagonia - Goodwill	11,333	-	-	(1,009)	-	10,324
Weston Importers Ltd.	**11,947**	**-**	**-**	**(1,095)**	**(425)**	**10,427**
CDB Meats Ltd - Goodwill	11,947	-	-	(1,095)	(425)	10,427
Moy Park - Goodwill	-	-	-	-	-	-
Moy Park France - Goodwill	-	-	-	-	-	-
Dungannon Proteins - Goodwill	-	-	-	-	-	-
Kitchen Range - Goodwill	-	-	-	-	-	-
Marfrig BV	**729,334**	**-**	**-**	**(65,054)**	**-**	**664,280**
Moy Park - Goodwill	651,715	-	-	(58,154)	-	593,561
Moy Park France - Goodwill	68	-	-	(6)	-	62
Dungannon Proteins - Goodwill	3,713	-	-	(330)	-	3,383
Kitchen Range - Goodwill	73,838	-	-	(6,564)	-	67,274
Masplen Limited	**322**	**-**	**-**	**-**	**-**	**322**
Trade marks, patents and others	322	-	-	-	-	322
Prestcott International S.A	**8,580**	**-**	**-**	**(763)**	**-**	**7,817**
Cledinor - Goodwill	8,580	-	-	(763)	-	7,817
União Frederiquense Partic. Ltda.	**480,543**	**-**	**-**	**10,070**	**-**	**490,613**
Pena Paulo - Goodwill	4,606	-	-	-	-	4,606
MBL (Carroll's) - Goodwill	8,094	-	-	-	-	8,094
Dagranja - Goodwill	334,807	-	-	-	-	334,807
Agrofrango - Goodwill	26,702	-	-	-	-	26,702
Penasul - Goodwill	9,396	-	-	-	-	9,396
Braslo - Goodwill	12,386	-	-	-	-	12,386
Mas do Brasil - Goodwill	84,482	-	-	-	-	84,482
Trade marks, patents and others	70	-	-	10,070	-	10,140
Secculum Participações Ltda.	**29,532**	**-**	**-**	**484**	**-**	**30,016**
Pena Paulo - Goodwill	283	-	-	-	-	283
MBL (Carroll's) - Goodwill	497	-	-	-	-	497
Dagranja - Goodwill	20,577	-	-	-	-	20,577
Agrofrango - Goodwill	1,641	-	-	-	-	1,641
Penasul - Goodwill	577	-	-	-	-	577
Braslo - Goodwill	761	-	-	-	-	761
Mas do Brasil - Goodwill	5,192	-	-	-	-	5,192
Trade marks, patents and others	4	-	-	484	-	488
Total	1,436,960	-	1,472	(74,270)	(788)	1,363,374

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, 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.

The tests comprised valuation reports of subsidiaries, duly prepared by experts to check the degree of recoverability of the amounts recorded in intangible assets.

13. DEFERRED CHARGES

					Consolidated	
					09/30/09	06/30/09
Description	Annual average amortization rates	Cost	Reclassification	Accumulated amortization	Net	Net
Prepaid expenses	10%	21,507	(3,908)	(5,561)	12,038	12,648
		21,507	(3,908)	(5,561)	12,038	12,648

In the periods ended 30 September and 30 June 2009, the Company incurred no pre-operating expenses.

The balance of deferred charges (consolidated) will be maintained until it is fully amortized, pursuant to CVM Resolution no. 565/2008.

14. ACCRUED PAYROLL AND RELATED CHARGES

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
INSS (social security contribution) payable	40,414	95,044	64,354	175,864
Salaries and labor provisions	27,769	26,524	134,607	128,238
Other social charges and benefits payable	1,528	1,021	9,173	11,862
	69,711	122,589	208,134	315,964

On 21 November 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 2 February 2006.

15. TAXES PAYABLE

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
ICMS (State VAT) payable	815	1,092	41,282	40,983
Special tax debt installment payment program - PAES	-	1,855	-	1,855
Extraordinary tax debt installment payment program - PAEX	-	46,758	-	46,758
Installment payment - Law 11,941 PGFN/SRF	131,874	-	304,884	-
Income tax payable	-	-	34,563	27,953
PIS and COFINS (taxes on sale) payable	-	-	-	33,185
Installment payment of federal taxes	-	-	740	141,710
Other	5,691	2,223	51,993	35,622
	138,380	51,928	433,462	328,066
Current liabilities	21,383	11,924	146,029	234,322
Noncurrent liabilities	116,997	40,004	287,433	93,744

15.1. PAES – Special Tax Debt Instalment Payment Program - Law No. 10,684/03

On 31 July 2003, the Company adhered to PAES, established by Law No. 10,684 of 30 May 2003, which provides for the payment in instalments 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 instalments. On 30 September 2009, the Company adhered to Special Debt Instalment Payment Program (New REFIS) established in law 11,941 dated 27 May 2009. PAES debits were transferred to the new plan and will be settled in 180 months as referred to in note 15.3.

The balance is as follows:

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
Beginning balance	1,855	1,788	1,855	1,788
Monetary variation	51	49	51	49
Reversal of adjustment to present value	(149)	-	(149)	-
(-) payments made	(102)	(51)	(102)	(51)
(-) adjustment to present value	-	69	-	69
(-) adhesion to New REFIS	(1,655)	-	(1,655)	-
Ending balance	-	1,855	-	1,855
Current liabilities	-	654	-	654
Noncurrent liabilities	-	1,201	-	1,201

15.2 PAEX – Extraordinary Tax Debt Instalment Payment – Executive Act No. 303/06

On 11 September 2006, the Company adhered to the PAEX, established by Executive Act No. 303 of 29 June 2006, which provides for payment in instalments 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 instalment payment was agreed with SRF. On 30 September 2009, the Company adhered to Special Debt Instalment Payment Program (New REFIS) established in law 11,941 dated 27 May 2009. PAEX debits were transferred to the new plan and will be settled in 180 months as referred to in note 15.3.

The balance is as follows:

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
Beginning balance	46,758	45,611	46,758	45,611
Monetary variation	537	498	537	498
Reversal of adjustment to present value	9,264	-	9,264	-
(-) payments made	(2,350)	(4,629)	(2,350)	(4,629)
(-) adjustment to present value	-	5,278	-	5,278
(-) adhesion to New REFIS	(54,209)	-	(54,209)	-
Ending balance	-	46,758	-	46,758
Current liabilities	-	1,345	-	1,345
Noncurrent liabilities	-	45,413	-	45,413

15.3 Special Debt Instalment Payment Plan (New REFIS) – Law 11,941/2009

On 30 September 2009, the Company adhered to the Special Instalment Payment Plan (New REFIS), established by Law no. 11,941, of 27 May 2009. It provides on the payment in instalments of debts due to the SRF, the PGFN, and the INSS. The Company declared debts with those agencies and transferred to it debts included in other payment plans and mentioned in notes 15.1 and 15.2, to be settled in up to 180 months, as follows:

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
Beginning balance	172,589	-	387,667	-
(-) Offset of fine and interest on tax loss carryforwards	(40,044)	-	(81,712)	-
Debit balance	132,545	-	305,955	-
(-) payments made	(671)	-	(1,071)	-
Ending balance	131,874	-	304,884	-
Current liabilities	14,877	-	29,552	-
Noncurrent liabilities	116,997	-	275,332	-

16. LOANS AND FINANCING

				Company	
Credit line	Charges (% p.a.)	Weighted average interest rate (p.a.)	Weighted average maturity (years)	Balance 09/30/09	Balance 06/30/09
Local currency					
FINAME	Long-Term Interest Rate (TJLP) + Fixed rate	13.12	0.46	122	172
BNDES Exim	TJLP + Fixed rate	10.18	0.01	6,362	25,501
BNDES Finem	TJLP + 1,80%	8.05	3.39	11,758	12,565
FINEP	TJLP + 1%	7.25	4.06	33,380	30,094
NCE	Fixed rate+CDI	11.2	1.38	857,816	863,651
Working capital	Fixed rate+CDI	11.15	1.91	17,570	-
Prepayment (interest)	CDI	10.00	0.25	805	-
Total local currency		11.01		927,813	931,983
Foreign currency					
ACC (US$)	5.56	7.19	0.6	257,299	457,571
Financing of industrial complex (US$)	7,35 / 7,28 + Exchange variation	4.14	2.79	11,656	14,207
Prepayment (US$)	Libor+Fixed Rate +Exchange variation	6.79	4.58	1,546,171	994,171
BNDES Exim (US$)	Basket of currencies + Fixed rate	11.53	0.01	1,376	6,026
Bonds (US$)	9.625	9.63	7.19	673,475	722,300
BNDES Finem	Basket of currencies + 1.30%	8.90	3.39	2,416	2,730
NCE (US$)	CDI+Fixed rate+Exchange variation (US$)+Libor	8.52	2.26	398,054	439,511
Swap	Premium + Exchange variation + Libor			7,545	-
Total foreign currency		7.70		2,897,992	2,636,516
Total indebtedness		8.50		3,825,805	3,568,499
Current liabilities				645,555	603,314
Non-current liabilities				3,180,250	2,965,185

Consolidated

Credit line	Charges (% p.a.)	Weighted average interest rate (p.a.)	Weighted average maturity (years)	Balance as of 09/30/09	Balance as of 06/30/09
Local currency					
FINAME	TJLP + Fixed rate	6.99	2.01	6,487	7,700
BNDES Exim	TJLP + Fixed rate	10.18	0.01	6,362	25,501
BNDES Finem	TJLP + 1,80	8.05	3.39	11,758	12,565
FINEP	TJLP + 1%	7.25	4.06	33,380	30,094
NCE	Fixed rate+CDI	11.29	1.29	1,018,276	1,001,934
Working capital (R$)	Fixed rate+CDI	8.54	0.47	76,455	146,691
Rural credit note (R$)	Fixed rate	6.8	0.35	11,183	25,158
Prepayment (interest)	CDI	10	0.25	805	-
Other				-	2,227
Total local currency		10.89		1,164,706	1,251,870
Foreign currency					
ACC (US$)	Fixed rate + Exch. Var.	7.2	0.54	510,543	695,970
Financing of industrial complex (US$)	Libor+Fixed rate + Exchange variation	3.74	2.33	23,823	28,216
Prepayment (US$)	Libor+Fixed rate + Exchange variation	6.81	4.53	1,653,131	1,063,759
BNDES Exim (US$)	Basket of currencies + Fixed rate	11.53	0.01	1,376	6,026
Bonds (US$)	Fixed rate + Exch. Var.	9.63	7.19	673,475	722,300
BNDES Finem	Basket of currencies + 1.30	8.90	3.39	2,416	2,730
NCE (US$)	CDI+Fixed rate + Exch. Var. (US$) + Libor	8.52	2.25	406,618	450,636
Swap	Premium + Exch. Var.			7,545	-
Working capital (US$)	Fixed rate + Libor	5.15	2.98	19,509	43,751
Working capital (Pesos)	Stimulation unit	5.1	0.3	496	1,128
Bank loan (US$)	Fixed rate	3.5	2.03	45,888	48,079
PAE (US$)	Fixed rate	5.4	0.2	9,254	14,561
Financing (US$)	Fixed rate	8.06	0.6	2,798	87,131
Overdraft account (US$)	Libor + Fixed rate	2.27	0.2	25,343	108,560
Other	Fixed rate			-	1
Bonds (US$) - Controlled companies	Fixed rate	6.69	4.11	47,944	-
Total foreign currency		7.5		3,430,159	3,272,848
Total indebtedness		8.39		4,594,865	4,524,718
Current liabilities				1,187,324	1,260,148
Non-current liabilities				3,407,541	3,264,570

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 2014.

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 instalments 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 instalments 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 August 2010.

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 2010.

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 instalments 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 October 2015.

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	
	09/30/09	06/30/09	09/30/09	06/30/09
Local currency				
3Q09	-	70,209	-	215,167
4Q09	43,106	7,876	80,370	23,094
1Q10	122,927	1,559	139,353	7,708
2Q10	24,812	30,886	171,002	170,725
3Q10	103,966	-	135,246	-
2010	201,493	398,214	203,008	407,242
2011	404,726	397,925	407,864	401,212
2012	10,459	9,657	11,316	10,726
2013	7,932	7,264	8,156	7,603
2014	3,597	3,597	3,597	3,597
2015	3,597	3,597	3,597	3,597
2016	1,198	1,199	1,198	1,199
	927,813	931,983	1,164,706	1,251,870
Foreign currency				
3Q09	-	47,086	-	237,149
4Q09	47,350	64,814	203,563	158,416
1Q10	128,719	313,937	201,920	355,362
2Q10	57,022	66,947	89,051	92,527
3Q10	117,653	-	166,819	-
2010	111,129	149,129	123,007	187,592
2011	497,412	469,652	589,183	638,749
2012	506,236	347,121	556,771	392,244
2013	418,372	261,547	450,314	283,260
2014	288,168	118,648	312,651	124,266
2015	74,405	81,665	85,325	87,283
2016	651,526	715,970	651,555	716,000
	2,897,992	2,636,516	3,430,159	3,272,848
Total indebtedness	3,825,805	3,568,499	4,594,865	4,524,718

Following are the guarantees for loans and financing:

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
Financing balance	3,825,805	3,568,499	4,594,865	4,524,718
Guarantees:				
No guarantees	1,708,421	1,154,590	1,794,798	1,301,430
Promissory note	1,105,848	1,256,582	1,107,293	1,276,581
Trade bills	267,485	59,400	274,152	76,472
Bank guarantee	14,174	15,295	135,922	120,024
Supply contract	35,830	39,326	35,830	51,673
Endorsement	529,389	751,102	784,884	1,004,558
Financed asset	122	172	1,476	15,106
Export documents	45,036	44,302	64,477	63,153
Facilities	119,500	247,730	83,588	49,614
Mortgage	-	-	13,478	77,822
Financial investment	-	-	130,902	331,111
Export credit	-	-	168,065	157,174

Considering that the notes issued by the Company (Bonds Marfrig), maturing in 2016, account for 14.66% of consolidated indebtedness (15.96% as of 30 June, 2009), 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. and it is not considered a violation if they are solely the result of exchange rate variation.

17. LEASE PAYABLE

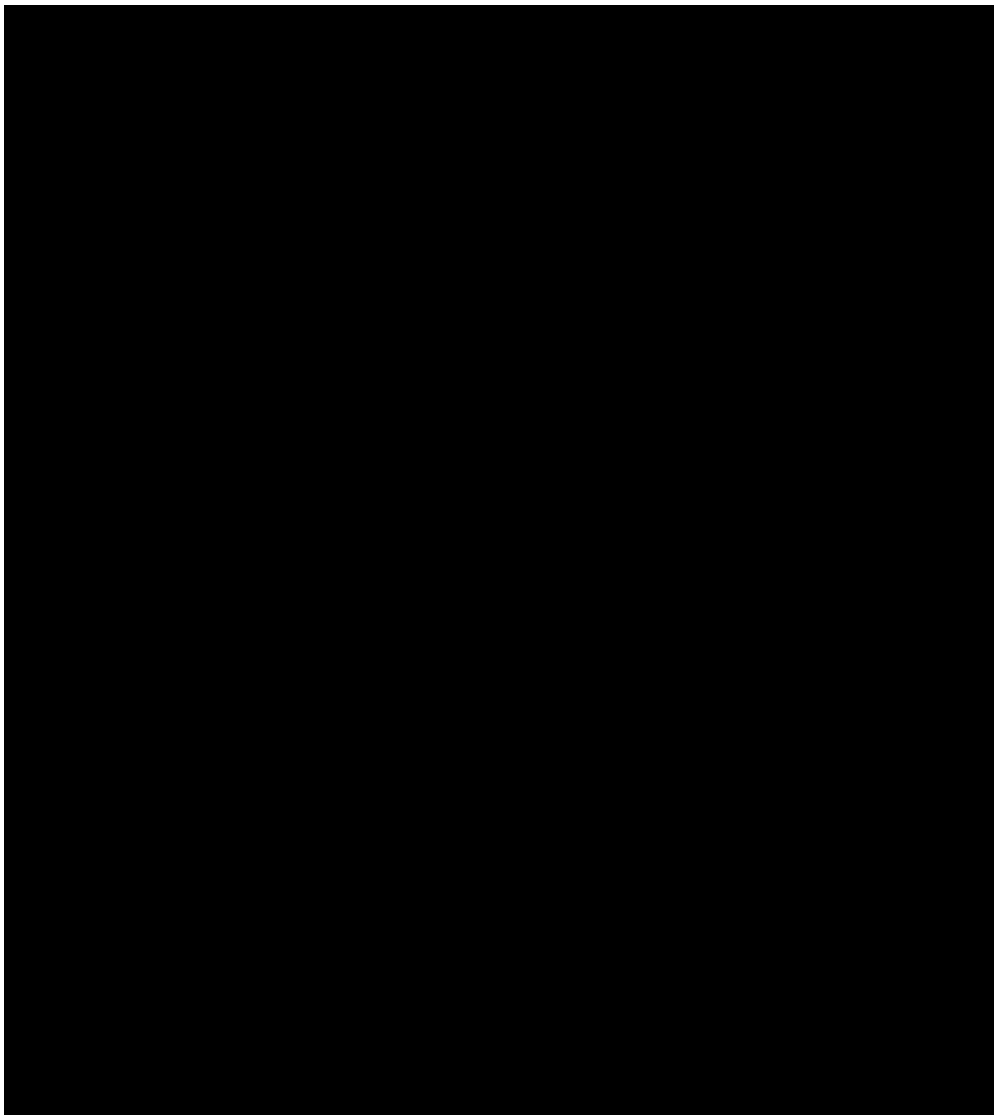
According to CVM Decision No. 554/08, finance lease operations are now recognized under the Company's current liabilities, instead of noncurrent liabilities, with an offsetting entry of the asset into property, plant and equipment, according to note 11.

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 09.30.09 (present value)**	**Future payments 09.30.09**	**Balance 06.30.09 (present value)**	**Future payments 06.30.09**
Local currency							
Finance lease - Vehicles	CDI + Taxa	11.1%	2.9	16,139	27,897	17,537	29,941
Finance lease - IT equipment	CDI + Taxa	8.4%	3.1	11,751	14,797	12,766	17,268
Finance lease - Machinery and equipment	CDI + Taxa	12.4%	3.5	19,469	29,424	21,418	32,136
Finance lease - Industrial facilities	CDI + Taxa	11.4%	2.7	39,388	64,454	43,003	70,245
Finance lease - Buildings	CDI + Taxa	11.6%	2.1	33,261	57,143	36,540	63,390
Total local currency				**120,008**	**193,715**	**131,264**	**212,980**
Total Company				**120,008**	**193,715**	**131,264**	**212,980**
Current liabilities				**44,703**		**44,785**	
Non-current liabilities				**75,305**		**86,479**	

						Consolidated	
Credit line	**Charges (% p.a.)**	**Weighted average interest rate (p.a.)**	**Weighted average maturity (years)**	**Balance as of 9/30/09 (at present value)**	**Future Payments 9/30/09**	**Balance as of 6/30/09 (at present value)**	**Future Payments 6/30/09**
Local currency							
Finance lease Vehicles	CDI + Rate	11.4%	2.9	16,272	28,052	17,693	30,124
Finance lease IT equipment	CDI + Rate	8.5%	3.1	11,751	14,797	12,766	17,268
Finance lease Machinery and equipment	CDI + Rate	12.5%	3.5	19,469	29,424	21,418	32,136
Finance lease Industrial facilities	CDI + Rate	11.7%	2.7	39,944	65,278	43,596	71,133
Finance lease Buildings	CDI + Rate	12.0%	2.1	33,261	57,143	36,541	63,390
Total local currency				**120,697**	**194,694**	**132,014**	**214,051**
Foreign currency							
Finance lease Vehicles	Rate	6.4%	2.2	1,607	1,870	1,927	2,210
Finance lease IT equipment	Rate	8.0%	4.0	4,721	6,458	5,441	7,496
Finance lease Machinery and equipment	Rate	7.8%	1.8	29,737	34,479	32,867	37,701
Finance lease Industrial facilities	Rate	12.0%	2.5	2,024	2,700	2,380	3,219
Finance lease buildings	Rate	3.6%	2.1	3,617	3,980	4,276	4,610
Total foreign currency				**41,706**	**49,487**	**46,891**	**55,236**
Total amount consolidated				**162,403**	**244,181**	**178,905**	**269,287**
Current liabilities				**58,877**		**61,721**	
Non-current liabilities				**103,526**		**117,184**	

Below is the lease maturity schedule:



The schedule of current and future minimum lease payments is the following:

	Company	
	9/30/09 (at present value)	6/30/09 (at present value)
Local currency		
Up to 1 year	44,703	44,786
More than 1 year to 5 years	75,305	86,478
More than 5 years	-	-
	120,008	131,264

	Consolidated	
	9/30/09 (at present value)	6/30/09 (at present value)
Local currency		
Up to 1 year	44,939	45,022
More than 1 year to 5 years	75,758	86,992
More than 5 years	-	-
	120,697	132,014
	9/30/2009	**6/30/2009**
Foreign currency		
Up to 1 year	13,938	16,699
More than 1 year to 5 years	27,345	30,192
More than 5 years	423	-
	41,706	46,891
	162,403	178,905

Following are the guarantees for the leases:

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
Local currency				
Guarantees:	-	-	-	-
Financed asset	120,008	131,264	120,697	132,014
Total local currency	**120,008**	**131,264**	**120,697**	**132,014**
Foreign currency				
Guarantees:	-	-	-	-
Financed asset	-	-	41,706	46,891
Total foreign currency	**-**	**-**	**41,706**	**46,891**
Total	**120,008**	**131,264**	**162,403**	**178,905**

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 30 September 2009 is as follows:

					Company	
Financial Institution	Leased asset	Beginning date	Weighted average interest rate (p.a.)	Weighted average maturity (years)	Total amount financed	Expense amount on 30 Sep. 2009
	Local currency					
CSI LATINA A. M. S.A	IT equipment	07/11/06	10.92%	2.9	2,270	682
CSI LATINA A. M. S.A	IT equipment	07/11/06	11.73%	2.9	1,344	409
CSI LATINA A. M. S.A	IT equipment	07/02/07	10.09%	2.9	1,173	348
CSI LATINA A. M. S.A	IT equipment	12/05/07	17.97%	4.4	1,046	217
CSI LATINA A. M. S.A	Machinery and equip.	12/21/05	6.93%	3.8	992	333
CSI LATINA A. M. S.A	Machinery and equip.	01/21/06	6.93%	3.7	1,332	544
CSI LATINA A. M. S.A	Machinery and equip.	02/15/06	8.45%	2.9	693	192
CSI LATINA A. M. S.A	Machinery and equip.	03/23/06	6.95%	2.9	2,278	423
CSI LATINA A. M. S.A	Machinery and equip.	03/28/07	17.35%	4.4	3,700	791
CSI LATINA A. M. S.A	Machinery and equip.	01/10/08	11.19%	2.9	10,009	3,144
	Total local currency				**24,837**	**7,083**

Operating leases mature as follows:

	09/30/09
Local currency	
Up to 1 year	4,225
From 1 to 5 years	4,168
Over 5 years	-
	8,393

The consolidated operating lease numbers are based on the same contracts mentioned above.

The operating leases the Company contracted do not present any restrictions or contingencies and there is a description of their tax bases. The agreements have been executed according to common market practices and there are no adjustment clauses established for the terms of the contracts.

The value of the leased assets is calculated at total definitive cost, what includes transportation costs, taxes and documentation. The value of consideration is calculated on the value of total definitive cost, by applying a predefined percentage for each contract. In the event of termination, the lessor will have the option of cumulatively: (i) unilaterally cancel all rights arising from the lease agreement; claim the return of the leased goods; and (iii) require an advanced expiration of the lease contract. In that case, the lessee undertakes to pay unsettled debts, including instalments overdue and coming due, besides possible pending expenses, taxes and charges, plus a fine of 10% on the debit balance. The lessee, without prejudice to the lessor, is entitled to claim damages and losses.

In relation to the renewal option, the lessee should previously manifest his wish, otherwise the renewal is automatic and the conditions should be adjusted between the parties. In the event there is no agreement between the parties, the lessee should opt for the purchase of the goods at market value or for returning them.

18. PROVISIONS

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

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
Labor and social security	1,340	39,548	16,898	64,233
Tax	3,351	3,351	26,894	23,549
Civil	2,091	2,091	4,007	5,060
Other	-	-	328	394
	6,782	44,990	48,127	93,236

Labour complaints

As of 30 September 2009, the Company was a party to 2,190 labour complaints, whose total estimated value corresponds to R$51,375. Based on the Company's payment history, and on payments over the last two years, a provision of R$1,339 was set up. According to the opinion of the management and legal counsellors, the provision is sufficient to face probable losses. Most of the labour claims filed against the Company refer to matters usually questioned in this industry, such as

dismissal for just cause, preparation time, break time for personnel who works in refrigerated environment, and *in itinere* hours among others.

ICMS (State VAT)

According to the management, all tax lawsuits of the Company are rated as a probable unfavourable outcome, seeing the historical value paid of R$3,351. They refer to ICMS in several states where the Company has activities. The Company is claiming the use of credits from the transfer of goods, at the historical value of R$1,144, and is challenging the collection imposed for the lack of supporting documentation to prove the entrance of goods through the Free-Trade Zone of Manaus, at the historical value of R$685. Besides, the Company is discussing an erroneous issuance of invoices, at the historical value of R$1,522.

Civil suits

As of 30 September 2009, the Company was involved in 48 civil actions, at the historical value of R$5,078. The management and legal advisors rate those actions as probable losses, corresponding to R$2,091 for which a provision at the same value was recognized. The civil suits involve controversies typically related to business agreements and indemnities.

Contingent liabilities, not subject to accounting, according to prevailing standards, are demonstrated below:

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
Labor and social security	14,007	14,007	14,691	14,677
Tax	63,765	63,765	68,073	68,009
Civil	2,984	2,984	4,175	4,172
	80,756	80,756	86,939	86,858

Besides what was described above in relation to labour and civil actions, we present below the tax matters discussed at court that in the opinion of the management and legal counsellors are rated as possible losses for the Company, at the historical value of R$138,173.

Federal Taxes and Contributions

As of 30 September 2009, the Company was a party to 17 administrative and court proceedings filed against the Federal Government and Federal Revenue Service, at

the historical value of R$33,449 claiming (i) the amounts related to Corporate Income Tax, and Social Contribution Tax on Net Income, Contributions for the Social Integration Program (PIS) and Contribution for Social Security Funding (COFINS), payable due to assumed omission of income, determined by comparison of amounts stated and booked with invoices presented by suppliers, (ii) differences in payments of PIS and COFINS debts, whose historical value involved is approximately R$2,371, for which a provision was not set up based on their rating by legal counsellors as possible losses and (iii) exclusion of ICMS from the tax bases of PIS and COFINS. This last action is the most significant one, addressing a refund request at the historical value of R$31,078 for which a provision was not set up based on their rating by legal counsellors as possible losses. The Company has filed administrative defences, stating its non-enforceability and that part of the debts is barred by the statute of limitations, as well as the incorrectness in their tax bases, and that inspectors deemed the amounts, what is forbidden in certain cases. The defences have not been analyzed yet.

PIS and COFINS on Import

In November 2004, the Company filed a lawsuit challenging the enforceability of PIS and COFINS on imports and claimed the non-payment of those contributions. A provisional remedy was granted and confirmed in a sentence that currently is in effect, against which the Federal Government has filed an appeal that will be judged at the 3rd Federal Court of Appeals. The mentioned action generates favourable effects to cash flows, as allows the payment of those taxes during the sale of the goods.

ICMS (State VAT)

The discussions related to ICMS involving the Company address the administrative proceedings filed by the Finance Departments of the States of São Paulo, Mato Grosso, Goiás, Minas Gerais, Paraná, and Rio Grande do Sul that question the credits from the transfer of goods, non-compliance of accessory obligations and erroneous issuance of invoices, which amount to the historical value of R$23,630. The most significant proceedings regarding ICMS were filed by the Finance Department of the State of São Paulo claiming amounts related to deemed credit taken on transference invoices of goods sent by the branch located in the State of Mato Grosso do Sul to the branches in the State of São Paulo, that is, a "Tax War." The entered values correspond to the difference between the amount separately identified in the goods receiving documents at the distribution centre and paid to the State of origin. The Company has filed administrative defences questioning the demand of those debts that have not been analyzed yet in a definitive manner. The historical value demanded in those administrative proceedings corresponds to R$81,094.

19. DEFERRED TAXES

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
Income tax	27,295	27,820	74,060	81,445
Social contribution tax	9,827	10,015	21,073	21,868
	37,122	37,835	95,133	103,313

These deferred taxes were recorded when property, plant and equipment items were re-valued. They will be settled as re-valued 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 30 September 2009 totals R$2,559,718 (the same value on 30 June 2009), and comprises 267,943,954 common shares without par value (the same number of shares on 30 June 2009). Capital, less the expenditure with the public and private issuance of shares, corresponds to R$2,525,639 (the same value on 30 June 2009).

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

Pursuant to the Company's by-laws, at discretion of the Board of Directors, capital stock can be increased through issuance of up to 500,000,000 (five hundred million) common shares and under the conditions the Board defines, independently of changes in the mentioned by-laws.

Also at discretion of the Board of Directors, the Company can issue shares without preferential rights or with the period reduction provided in paragraph 4 of article 171 of Law no. 6,404/76 for shares and debentures convertible into shares or subscription bonuses. Their placement should be made through sale at stock exchange or public subscription, or by means of exchange for shares in a public offer for acquisition of ownership interest, under the terms of the law and within the limit of authorized capital.

The Board of Directors defines issuance conditions (prices and periods).

The call option of shares, the conditions under which shareholders will have preferential rights to subscription, or the inexistence of such right in relation to

the management, employees, or individuals who render services to the Company or other companies under its control are presented in note 21.

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 General Shareholders' Meeting held on 28 April 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 31 December 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 is 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.

In the 3rd quarter of 2009, 110,600 shares were transferred to the management of the Company, in compliance with the option plan described in note 21.

As of 30 September 2009, the balance of treasury shares changed to 584,999, booked at the value of R$10,904.

The value of treasury shares, priced at R$16.85/share in the last trading session of the third quarter of 2009, corresponds to R$9,857.

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 30 January 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 Ordinary General 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 General Meeting of Shareholders, held on 28 April 2009, confirmed the proposal of not distributing dividends related to the year 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 the first, second, and third quarters of 2009 is the following:

		Salary and compensation	Shares granting	Total
Board of directors	1Q09	369	45	414
	2Q09	369	-	369
	3Q09	369	-	369
Management	1Q09	478	-	478
	2Q09	664	-	664
	3Q09	664	1,814	2,478

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

i. Approval of the plan

On 7 May 2007, the Company's shareholders approved a share purchase option plan (the "Plan"), changed and consolidated by the shareholders in the Extraordinary General Meeting held on 29 May 2009.

Chapter 4 of the Plan establishes that the Board of Directors can create other option plans related to shares issued by the Company under specific conditions to participants, number of granted options, performance targets or performance reached, exercise price and other conditions, which might not follow the general conditions established in the Plan ("Specific Programs").

Therefore, three Specific Programs were created, which were analyzed by the Compensation and Corporate Governance Committee on 29 June 2009 and submitted to the Board of Directors.

The law firm Tozzini & Freire prepared the specific plans and contract models, and analyzed the legal aspects of the matter to assure the conformity with the terms of the Brazilian law and provisions of the Brazilian Securities and Exchange Commission (CVM).

Beneficiaries should adhere to the Policies of Negotiable Securities issued by Marfrig Alimentos S/A that is available at the Company's website of Relations with investors in the Internet.

The total number of treasury shares (balance) corresponds to 695,599, what is enough to cover the exercise of options until 2011 of plans already implemented. For that purpose, new issuances are required only in 2012.

ii. Acquisition of shares through the repurchase program for the share options plan and their maintenance in Treasury

On 9 April 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 20 May 2007.

Such acquisition observed the provisions of CVM Instruction 10/80. The authorization will be valid until 31 December 2008 for the financial institutions Credit Suisse Hedging Griffo CTVM S.A., Bradesco BBI S.A. and ABN AMRO Real S.A.

Hedging Griffo CTVM S.A executed all transactions. As of 7 May 2008, the Company acquired 205,600 shares, totalling R$3,886.

In the third quarter of 2008, the Company acquired more 490,000 shares for R$9,080, totalizing 695,599 shares corresponding to R$12,966, at the average cost of R$18.64.

In those operations, the maximum daily average price was R$18.9355/share on 19 August 2008 and the minimum price R$16.8504/share on 27 August 2008. The above averages include usual brokerage expenses and taxes on the operations.

In the 3rd quarter of 2009, 110,600 shares were transferred to the management of the Company, in compliance with the option plan.

As of 30 September 2009, the balance of treasury shares changed to 584,999, booked at the value of R$10,904, as described in note 20b.

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.

iii. Concession

In 2008, 55,200 share options were granted to the Board of Directors, based on the average of twenty sales trading sessions previous to 4 March 2008, (R$15.097/ share), with a discount of 10% on the average mentioned above (R$13.588/share). In accordance with the rules, the exercise will be made at the ratio of 25% per year in 4 years, 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. There was also the granting of 212,676 restricted shares to 21 managers, which were submitted to a mutual rescission and replacement due to the restructuring of the Plan approved in the General Meeting of 29 May 2009 and implementation of Specific Plan I (2007/2008) approved in the meeting of Board of Directors as of 28 July 2009.

The concession of 165,800 (related to 2008) in 2009 to the Board of Directors was also reconfirmed in a contract, at the price per share of R$6.7783, based on the average of the 20 (twenty) trade sessions previous to 3 March 2009, date of

implementation of the Master Option Plan, to be exercised at the above mentioned amount between 2010 and 2013 at the ratio of 25% per year.

The Compensation and Governance Committee approved the implementation of the three Specific Programs on 29 June 2009 and the Board of Directors approved them on 28 July 2009, according to the authorization rendered during the Meeting of 29 May 2009, under the following conditions:

1- For the period 2007/2008, the option was established to be exercised in 4 instalments of 25% each per year, the first up to 30 November 2009 and the 3 remaining ones in the following manner: from 3 March 2010 to 2 September 2010; from 3 March 2011 to 2 September 2011 and from 3 March 2012 to 2 September 2012.
2- Referring to the period 2008/2009 (Short-Term) – the option should be exercised until 30 November 2009 (100%).
3- Concerning the period 2008/2009 (Long-Term) – the options should be exercised in 4 instalments of 25% each, as follows: from 3 March 2010 to 2 September 2010 (1st); from 3 March 2011 to 2 September 2011 (2nd), from 3 March 2012 to 2 September 2012 (3rd) and from 3 March 2013 to 2 September 2013) (4th).

The exercise prices will be:

1- R$0.75485 for shares referring the concession to the period 2007/2008;
2- R$1.03823 for shares referring the Short-Term concession related to the period 2008/2009;
3- R$0.67783 for shares referring the Long Term concession related to the period 2008/2009;

The following criteria were adopted for the concession of options to executives of Marfrig:

1- In 2008:
   - Weighted average of 20 trading sessions before 3 March 2008: R$15.097

2. In 2009:
   - Specific Plan I – Long-Term 2007/2008: Weighted average of 20 trading sessions before 3 March 2008: R$15.097
   - Specific Plan II – Short-Term 2008/2009: Weighted average of 20 trading sessions before 11 November 2009: R$10.3823
   - Specific Plan III – Long-Term 2008/2009: Weighted average of 20 trading sessions before 3 March 2009: R$6.7783

The total options granted by those 3 programs in 2009 corresponded to 704,330 shares, from which 113,800 with options maturing in 2009, 160,133 in 2010 and the remaining ones up to 2013.

The total number of shares granted by those three plans corresponds to 0.26% of capital stock, therefore, within the 0.5% limit the Board of Directors established for approval in the General Meeting of 29 May 2009.

As of 30 September 2009 the option plan of the Company had 78 participants.

In the 3rd quarter of 2009, 110,600 shares were transferred to the management of the Company, according to the criteria established in the option plan, representing a negative effect on income for the period ended 30 September 2009 of R$1,957.

iv. Participants' rights

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 credit 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. Changes in the Options Plan and effects on the statement of operations if accounting was effective as of 30 September 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 accounting was effective as of 30 September 2009:

Closing Date	9/30/2009
Price:	16.85

Option Plan

	Beneficiaries	Granting date	Performance period	Number of implied shares - not exercised options	Exercise price of the option	Option expiration date	Option value on Sep. 30, 2009 (lack Scholes) in R$	Market value of unvested shares as of 30 Sep. 2009 (in R$)	Market value of vested shares as of 30 Sep. 2009 (in R$)	Effects on results as of 30 Sep. 2009 in case of accounting
Outstanding options as of 31 Dec. 2007	**-**			**-**				**-**	**-**	**-**
Canceled options	-			-						
Granted options	24			267,876				2,909	941	(1,726)
Board of Directors	3	3/3/2008	3/4/2009	13,800	13.588	9/2/2009	3.262		45	(70)
	3	3/3/2008	3/4/2010	13,800	13.588	9/2/2010	3.962	55		(70)
	3	3/3/2008	3/4/2011	13,800	13.588	9/2/2011	5.451	75		(70)
	3	3/3/2008	3/4/2012	13,800	13.588	9/2/2012	6.588	91		(70)
Management	21	3/3/2008	3/4/2009	53,169	-	9/2/2009	16.850		896	(362)
	21	3/3/2008	3/4/2010	53,169	-	9/2/2010	16.850	896		(362)
	21	3/3/2008	3/4/2011	53,169	-	9/2/2011	16.850	896		(362)
	21	3/3/2008	3/4/2012	53,169	-	9/2/2012	16.850	896		(362)
Exercised options	-			-				-	-	-
Expired options	-			-				-	-	-
Options as of 12.31.2008	**24**			**267,876**				**2,909**	**941**	**(1,726)**
Canceled options	-			-				-	-	-
Granted options	-			-				-	-	-
Exercised options	-			-				-	-	-
Expired options	-			-				-	-	-
Options as of 06.30.2009	**24**			**267,876**				**2,909**	**941**	**(1,726)**
Canceled options	(21)			(212,676)				(2,688)	(896)	1,446
Granted options	76			814,930				10,795	1,814	(13,375)
Board of Directors	3	7/28/2009	3/4/2010	27,650	6.77830	3/3/2011	10.263	284		(328)
	3	7/28/2009	3/4/2011	27,650	6.77830	3/3/2012	10.714	296		(328)
	3	7/28/2009	3/4/2012	27,650	6.77830	3/3/2013	11.174	309		(328)
	3	7/28/2009	3/4/2013	27,650	6.77830	3/3/2014	11.612	321		(214)
Management	13	7/28/2009	7/28/2009	63,800	1.03823	11/30/2009	15.812		1,009	(1,348)
	20	7/28/2009	7/28/2009	50,000	0.75485	11/30/2009	16.095		805	(894)
	20	7/28/2009	3/4/2010	50,000	0.75485	9/2/2010	16.116	806		(894)
	20	7/28/2009	3/4/2011	50,000	0.75485	9/2/2011	16.164	808		(894)
	20	7/28/2009	3/4/2012	50,000	0.75485	9/2/2012	16.209	810		(894)
	73	7/28/2009	3/4/2010	110,133	0.67783	9/2/2010	16.191	1,783		(1,978)
	73	7/28/2009	3/4/2011	110,133	0.67783	9/2/2011	16.234	1,788		(1,978)
	73	7/28/2009	3/4/2012	110,132	0.67783	9/2/2012	16.275	1,792		(1,773)
	73	7/28/2009	3/4/2013	110,132	0.67783	9/2/2013	16.312	1,796		(1,522)
Exercised options	22			(110,600)	(0.94471)			-	(1,759)	1,957
Expired options	-			-				-	-	-
Outstanding options as of 9.30.2009	**80**			**759,530**				**11,016**	**100**	**(11,698)**

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	09/30/09	06/30/09	09/30/09	06/30/09
Meat packing buildings and facilities	891,300	891,300	3,848,667	4,171,211
Inventories and loss of profit	190,376	190,376	2,285,280	2,293,805
Third party storage	12,000	12,000	43,293	27,613
Vehicles	23,083	17,155	30,079	23,769
Merchandise transportation	333,333	333,333	2,063,266	1,837,526
Directors' guarantees	40,000	40,000	69,339	52,685
Civil liability	-	1,673	294,364	314,336
Other	306,140	301,121	327,823	321,321
	1,796,232	1,786,958	8,962,111	9,042,266

23. FINANCIAL INSTRUMENTS – DERIVATIVES AND RISK MANAGEMENT - CONSOLIDATED

a) Overall Perspective

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 basically 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.

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 period ended 30 September 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 72.19% 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	09/30/09	06/30/09	Effects of exchange variation on results
OPERATING			
Accounts receivable	178,276	193,621	(40,945)
Advance on export contracts - ACEs	(12,803)	(60,634)	36,944
Imports payable	(20,747)	(17,918)	1,595
Subtotal	144,726	115,069	(2,406)
FINANCIAL			
Receivables from controlled companies	1,099,699	1,160,358	-
Loans and financing	(2,640,693)	(2,178,945)	498,768
Notes payable	(8,189)	(8,479)	11,278
Advance on exchange contract (ACC)	(257,299)	(457,571)	65,724
Balance of banks and financial investments	53,399	55,451	(10,901)
Subtotal	(1,753,083)	(1,429,186)	564,869
TOTAL	(1,608,357)	(1,314,117)	562,463
Exchange variation gain			614,309
Exchange variation loss			(51,846)
Exchange variation, net			562,463

			CONSOLIDATED
EXPOSURE			
Description	09/30/09	06/30/09	Effects of exchange variation on results
OPERATING			
Accounts receivable	317,069	370,357	(76,816)
Advance on export contracts - ACEs	(12,803)	(73,794)	38,871
Imports payable	(75,752)	(106,294)	1,370
Others	40,235	61,264	(1,160)
Subtotal	268,749	251,533	(37,735)
FINANCIAL			
Receivables from controlled companies	1,099,699	1,117,809	-
Loans and financing	(2,919,616)	(2,576,878)	519,892
Notes payable	(8,189)	(4,285)	11,278
Advance on exchange contract (ACC)	(510,543)	(695,970)	125,990
Balance of banks and financial investments	132,102	148,066	(8,206)
Other	10,986	5,994	(498)
Subtotal	(2,195,561)	(2,005,264)	648,456
TOTAL	(1,926,812)	(1,753,731)	610,721
Exchange variation gain			697,400
Exchange variation loss			(86,679)
Exchange variation, net			610,721

As of 30 September 2009 outstanding derivatives are as follows:

Instrument	Maturity	Receivable	Payable	Counterpart of the principal	Notional amount	Fair value (R$)	09/30/09 Payable value R$(1)	06/30/09 Payable value
Swap Inter. Rates	08/02/12	Libor higher than 2.02%	Libor lower than 2.02%	BB London	16,800	29,872	(347)	(74)
Swap Inter. Rates	02/25/11	Libor higher than 1.83%	Libor lower than 1.83%	BB London	20,000	35,562	(493)	(74)
Swap Inter. Rates	02/22/12	Libor higher than 2.08%	Libor lower than 2.08%	BB London	30,000	53,343	(718)	(161)
Swap Inter. Rates	02/14/13	Libor higher than 2.4%	Libor lower than 2.4%	BB London	39,500	70,235	(749)	179
Swap Inter. Rates	03/20/13	Libor higher than 2.38%	Libor lower than 2.38%	BB London	10,500	18,670	(203)	48
Swap Inter. Rates	03/06/15	Libor higher than 2.18%	Libor lower than 2.18%	BB London	75,000	133,358	(116)	1,070
Swap Inter. Rates	12/24/12	Libor higher than 2.10%	Libor lower than 2.10%	BB London	30,000	53,343	(661)	(272)
					221,800	394,383	(3,286)	716

Instrument	Maturity	Receivable	Payable	Counterpart of the principal	Notional amount	Fair value	09/30/09 Payable value(1)	06/30/09 Payable value
Purchase option	01/04/10	US$ higher than 1.88	3.17% in the period	Bradesco	200,000	355,620	(1,372)	
Purchase option	01/04/10	US$ higher than 1.88	3.03% in the period	Bradesco	100,000	177,810	(608)	
Purchase option	01/04/10	US$ higher than 1.88	3.03% in the period	Bradesco	50,000	88,905	(304)	
Purchase option	01/04/10	US$ higher than 1.88	3.03% in the period	Bradesco	100,000	177,810	(608)	
Purchase option	01/04/10	US$ higher than 1.88	3.03% in the period	Bradesco	100,000	177,810	(608)	
Purchase option	01/04/10	US$ higher than 1.88	3.25% in the period	Bradesco	50,000	88,905	(253)	
Purchase option	01/04/10	US$ higher than 1.88	3.25% in the period	Bradesco	50,000	88,905	(253)	
Purchase option	01/04/10	US$ higher than 1.88	3.26% in the period	Bradesco	50,000	88,905	(253)	
					700,000	1,244,670	(4,259)	0

(1) The fair value informed is determined through the market-to-market method (MTM) that consists in determining the future value based on agreed conditions and discounting that to present value based on the market curves, extracted from Bloomberg's database and from BM&FBOVESPA.

Sensitivity Analysis Table - cash effect (for each derivative)

SCENARIO - SWAP

Value	Maturity	Probable		Possible		Remote	
US$ (thousands)		R$	Libor	R$	Libor	R$	Libor
16,800	8/2/2012	90	2.22%	289	2.67%	488	3.11%
20,000	2/25/2011	(114)	1.51%	(6)	1.81%	101	2.11%
30,000	2/22/2012	(239)	1.86%	157	2.23%	553	2.60%
39,500	2/14/2013	226	2.51%	1,282	3.01%	2,337	3.51%
10,500	3/20/2013	83	2.51%	410	3.01%	737	3.51%
75,000	3/6/2015	5,120	3.39%	7,993	4.06%	10,866	4.74%
30,000	12/24/2012	164	2.22%	765	2.67%	1,367	3.11%
221,800		**5,330**		**10,890**		**16,449**	

SCENARIO - PURCHASE OF OPTIONS

Value	Maturity	Probable		Possible		Remote	
US$ (thousands)		R$	US$	R$	US$	R$	US$
200,000	1/4/2010	68,525	2.2226	157,440	2.6672	246,340	3.1170
100,000	1/4/2010	34,263	2.2226	78,720	2.6672	123,170	3.1170
50,000	1/4/2010	17,131	2.2226	39,360	2.6672	61,585	3.1170
100,000	1/4/2010	34,263	2.2226	78,720	2.6672	123,170	3.1170
100,000	1/4/2010	34,263	2.2226	78,720	2.6672	123,170	3.1170
50,000	1/4/2010	17,131	2.2226	39,360	2.6672	61,585	3.1170
50,000	1/4/2010	17,131	2.2226	39,360	2.6672	61,585	3.1170
50,000	1/4/2010	17,131	2.2226	39,360	2.6672	61,585	3.1170
700,000		**239,838**		**551,040**		**862,190**	

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.

Purchase options in US$, corresponding to US$700,000, were also contracted at the rate of R$1.88/US$, as exchange hedge for the payment of the acquisition of the company SEARA Alimentos.

In the period ended 30 September 2009, the net financial income from derivatives totalled R$9,269. An amount of R$8,469 is related to expenses and R$17,738 refers to net revenues.

Assets and liabilities recorded as of 30 September 2009 for derivative transactions conducted for asset protection purposes are stated as follows:

	Company		Consolidated	
	09/30/09	06/30/09	09/30/09	06/30/09
Swap	(7,545)	368	(7,545)	368
	(7,545)	368	(7,545)	368

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	09/30/09	06/30/09
Income (loss) before tax effects	695,211	430,981
Add-backs	69,320	36,142
(-) Deductions	(606,799)	(333,407)
Income and social contribution tax bases	157,732	133,716
(-) Offset of tax loss carryforwards	(47,320)	(40,115)
Tax basis after offset	110,412	93,601
Income tax (15%)	16,562	14,040
Surtax (10%)	11,023	9,348
(-) PAT (Workers' Meal Program)	(662)	(562)
Total income tax	26,923	22,826
Social contribution tax (9%)	9,937	8,424

Effect on statement of operations

Tax	Group	09/30/09	06/30/09
(-) Income tax - Current	Current liabilities	(26,923)	(22,826)
Tax paid overseas		18,732	18,732
Deferred income tax - Revaluation (1)	Non-current liabilities	2,042	1,517
Deferred income tax - Other (2)	Non-current assets	(82,708)	(39,446)
Net	Income (loss)	(88,857)	(42,023)
(-) Social contribution tax - Current	Current liabilities	(9,937)	(8,424)
Deferred social contribution tax - Revaluation (1)	Non-current liabilities	737	548
Deferred social contribution tax - Other (2)	Non-current assets	(29,784)	(14,209)
Net	Income (loss)	(38,984)	(22,085)

(1) Refer to the reversal of deferred income and social contribution taxes stated in note 19, considering the add-back of depreciation of re-valued 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. SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

The Company has been fulfilling its social development role in all countries where it operates. In 2007 the Social Action Department was created to develop social projects.

The Company has been contributing annually, with an increasing amount of funds and human resources, for hospitals, charitable entities and social projects, destining part of its production for poor communities in various Brazilian regions.

To assure the sustainability of Marfrig's operations, the Company takes all the measures to preserve environmental conditions and generate a positive effect on the communities where the Company has activities.

Meetings are held with the presence of the Company's officers, where environmental projects are defined and goals established. Among the green house pollutant emission reduction projects in progress (carbon credits), we can highlight: (i) generation of electricity from biomass; (ii) use of tallow in the burners in the plants, instead of fossil fuels; and (iii) treatment of effluents in anaerobic reactors (biodigestors) with capture and burn of the methane gas. Besides, effluent treatment was implemented through biodigestors in the plants of Bataguassu, Porto Murtinho, Tangará da Serra, Promissão I and II. If determined feasible in the development researches, it will also be implemented in the plants in Mineiros, Chupinguaia, Paranatinga and São Gabriel.

In relation to the purchase of cattle, the Company follows the policy of not acquiring it from farms included in the list of areas embargoed by Administrative Act no. 19, of IBAMA (Brazilian Institute of Environment and Natural Resources) of 2 July 2008 and Decree 6,321 of 21 December 2007 and in respective amendments, as well as those included in the Black List of Slave-Like Work from the Labour Ministry (Administrative Act 540/2004 of 15 Oct. 2004). It proactively acts in relation to producers who violate current laws and prompt withdraw them from the list of suppliers of animals for slaughter.

The Company adopts adequate practices in relation to prevailing environmental and labour regulations, besides being one of the signers of the National Agreement for Eradication of Slave-Like Working Conditions and of the *Pacto Conexões Sustentáveis* (sustainability agreement) since October 2008, where the company undertakes to inspect and keep its business relations under ethic and human respect codes.

Starting 22 June 2009, the Company undertook to not acquire, slaughter or sell cattle from the Amazonian Biome area that has been deforested, starting on that date, demonstrating the commitment in searching for a sustainable development of livestock. In relation to that, beginning on the mentioned date, the Company requested BDO Auditores Independentes to audit 100% of cattle acquisitions, to confirm the commitment undertaken.

BDO has executed the audit work of cattle purchases starting 22 June 2009, and has not identified any purchases from the farms blacklisted by IBAMA (embargoed areas) and by the Labour Ministry (slave-like work listing).

The company is committed to work in partnership with state governments, in special with the government of the State of Mato Grosso, in the Program *MT Legal* and with the Brazilian society in the development of a program to guarantee the origin of the animals, including the adhesion of the suppliers that make the fattening of cattle with animals from other properties. That will:

- Assure that the cattle for slaughter is not from areas embargoed by IBAMA or included in the black list of slave-like work of the Brazilian Labour Ministry.

- Implant a plan of control of properties of suppliers, so that they do not acquire animals from farms in embargoed areas or black listed.

Marfrig also has the objective, as part of its sustainability policies of:

- Developing good social and environmental practices with cattle farmers.

- Implementing the *Impulso Pecuário* Program, that aims the training and recognition of worth of good practices to improve productivity in the field, as with what happens with the foodstuff companies in Argentina and Uruguay.

- Making available the results of the abovementioned programs for consultation.

- Implementing a social-environmental mapping of the properties that supply cattle, increasing adequacy standards and assuring the commitment with sustainability in the whole chain.

The Company confirms that follows the strict conduct of not acquiring cattle from farms included in the list of embargoed areas, proactively acting in relation to producers that violate current laws and immediately excluding them from the list of suppliers of animals for slaughter and that it already adopts appropriate practices in relation to environmental and labour laws in effect.

26. SUBSEQUENT EVENTS

During an Extraordinary General Meeting held on 8 October 2009, it was approved the increase in the Company's authorized capital limit to 500,000,000 (five hundred million) common shares, all nominative and without par value, including current capital stock. Therefore, at discretion of the Board of Directors, the Company is entitled to increase its capital stock, independently of changes in the by-laws, within the limit of authorized capital of 500,000,000 (five hundred million) common shares, all nominative and without par value, including the Company's capital stock.

* * *