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

MARFRIG FRIGORÍFICOS E COMÉRCIO DE ALIMENTOS S.A.

INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2008 AND YEAR ENDED DECEMBER 31, 2007
AND INDEPENDENT AUDITORS' REPORT

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

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To the Management and Shareholders of
Marfrig Frigoríficos e Comércio de Alimentos S.A
Santo André - SP

1. We have reviewed the individual (Company) and consolidated financial information included in the Quarterly Report - ITR of Marfrig Frigoríficos e Comércio de Alimentos S.A., regarding the quarter ended on March 31, 2008. Such review comprised the balance sheet and the statements of income and cash flows, prepared under the responsibility of the Company's management. The financial statements of the subsidiaries Argentine Breeders & Packers S.A., Frigorífico Tacuarembó S.A., Inaler S.A., Marfrig Chile Inversiones Limitada, Weston Importers Limited, Prestcott International S.A., Masplen Limited, Secculum Participações Limitada, União Frederiquense Participações Limitada, Zanzibar Capital, LLC and Blue Horizon Trading Co., LLC were examined by other independent auditors of member firms of the BDO network. Our opinion about the balances of investments in those companies and the corresponding equity in their earnings or loss is based on the work of those auditors.

2. Except for the matter described in paragraph 3, our review was conducted in accordance with specific standards established by the Brazilian Institute of Independent Auditors – IBRACON and by the Federal Accounting Board and comprised: a) inquire and discussion with the managers responsible for the accounting, financial and operating areas of the Company as to the main criteria used in the preparation of the Quarterly Information Report (ITR) and b) review of the information and subsequent events that have or may have material effects on the financial situation of the Company and its subsidiaries.

3. CVM, issued Instruction No. 469 on May 2, 2008, whose article 8 establishes that assets and liabilities arising from long-term transactions must be discounted to present value using rates that reflect the best current market valuations of the asset and liability according to their specific time and risks. However, as mentioned in note 3, the Company's management is analyzing and assessing the possible impacts of the discounts to present value required by the instruction and therefore we could not satisfy ourselves as to the computation of these adjustments in this quarterly information.

4. Based on our review and the report of other independent auditors, except for the possible effects, if any, of the matter described in paragraph 3, we are not aware of any significant changes required to the Quarterly Information Report (ITR) referred to above to assure compliance with accounting practices accepted in Brazil and with the standards provided by the Brazilian Securities Commission – CVM, specifically applicable to the preparation of Quarterly Information Reports, including the CVM's Official Report to the Market of January 14, 2008 and CVM Instruction No. 469/08.

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Santo André - SP

5. As mentioned in note 3, Law no. 11,638 was enacted on December 28, 2007 to be in effect as of January 1, 2008. Such law amended, abolished, and introduced some provisions to Law 6.404/76 (Brazilian Corporate Law), what brought changes to the accounting practices adopted in Brazil. Although the mentioned Law is already prevailing, the main changes it introduced depend on standardization on the part of the regulating agencies to be fully applied by the companies. Therefore, during the transition period, the Brazilian Securities and Exchange Commission (CVM), through its Official Report to the Market of January 14, 2008, allowed the non-application of the provisions of Law no. 11,638/07 for the preparation of the Quarterly Information Report. Thus, the financial information included in the ITR for the quarter ended as of March 31, 2008, have been prepared in accordance with specific instructions of CVM and do not contemplate the changes in the accounting practices introduced by Law 11,638/07.

6. We have examined the individual and consolidated Quarterly Information Report of Marfrig Frigoríficos e Comércio de Alimentos S.A. and of its controlled companies referring the year ended as of December 31, 2007, presented for comparison purposes. Our report dated February 06, 2008 (except for the notes 23(d) and (e), dated February 25, 2008) contained an emphasis regarding the individual and consolidated cash flows presented as complementary information to the financial statements, mentioning that they were not required by the accounting practices adopted in Brazil.

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

Ribeirão Preto, April 29, 2008.



Estefan George Haddad
Engagement Partner
BDO Trevisan Auditores Independentes

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

MARFRIG FRIGORÍFICOS E COMÉRCIO DE ALIMENTOS S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2008 AND YEAR ENDED DECEMBER 31, 2007. (In thousands of Brazilian reais)

1. OPERATIONS

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

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

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

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

Accounting estimates

The preparation of financial statements in accordance with Brazilian accounting practices requires management to make estimates and assumptions that, in its best judgment, affect the reported amounts of assets and liabilities. These estimates and assumptions include the definition of the useful lives of property, plant, and equipment, the recognition of an allowance for doubtful accounts, of deferred income tax assets and liabilities, of a provision for contingencies and the valuation of inventories and derivatives.

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

Recognition of the effects of monetary and exchange variation

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

Result of operations

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

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

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

Current and long-term assets and liabilities

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

As of March 31, 2008 and as of December 31, 2007, inventories are stated at the average purchase or production cost, which are lower than market or realizable values.

Permanent assets

- *Investments*

Investments in controlled companies are valued by the equity method.

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

- *Property, plant and equipment*

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

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

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

- *Deferred charges*

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

Other current and noncurrent assets

They are stated at realizable or cost value including, when applicable, the resulting earnings until the balance sheet dates.

Income and social contribution taxes

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

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

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

Consolidation of financial statements

In the consolidation of financial statements of Marfrig Frigoríficos e Comércio de Alimentos S.A. and controlled companies for the three-month period ended March 31, 2008 and year ending December 31, 2007, intercompany transactions, as well as balances of accounts receivable and payable and revenues and expenses were eliminated.

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, translated to 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.

The controlled companies included in the consolidation on March 31, 2008 are the following: Frigoclass Alimentos S.A. (Brazil), Argentine Breeders & Packers S.A. (Argentina), which holds 100% of the companies Best Beef S.A. (Argentina), Stays del Sur S.A. (Argentina) and Mirab S.A. (Argentina and USA), Frigorífico Tacuarembó S.A. (Uruguay) Inaler S.A. (Uruguay), Marfrig Chile Inversiones Ltda. (Chile), Weston Importers Ltd. (UK), which holds 100% interests in C.D.B. Meats Limited (UK), Prestcott International S.A. (Uruguay) and Masplen Limited (Island of Jersey), (company that holds 100% of Pampeano Alimentos S.A.), Secculum Participações Ltda. (Brazil) and União Frederiquense Participações Ltda. (Brazil), (companies that together hold 100% of the company Frigorífico Mabella Ltda. (Brazil)), Zanzibar Capital, LLC (USA) that holds 100% of the company Establecimientos Colônia S.A. (Uruguay) and Blue Horizon Trading Co., LLC (USA) that holds 70.51% of the company Quickfood S.A. (Argentina).

New Law

As of December 28, 2007, Law 11,638/07 was enacted. It came into effect on January 1, 2008, and amended certain provisions of Law no. 6404/76 (the Brazilian Corporate Law).

This new law established that the accounting standards determined by the Brazilian Securities and Exchange Commission (CVM) should be in consonance with international accounting standards.

Based on the CVM Instruction no. 469, of May 2, 2008, on Decision CVM no. 534, of Jan. 29, 2008 and on the Official Report to the Market issued by CVM on Jan. 14, 2008, the Company's management and its controlled companies considered the following mentioned matters as the ones that might have an effect on the financial statements for the year ended December 31, 2008:

- Permanent assets - a new subgroup of accounts will be created called "Intangible assets," where non-physical goods should be recorded, including the goodwill generated in acquisitions. Deferred assets will be restricted to pre-operating and restructuring expenses.

- Shareholder's Equity will have a new subgroup of accounts called "Adjustments to equity valuation", where the following items should be recorded: changes in the valuation of certain financial instruments; exchange variation of investments held overseas, whose controlling company is characterized as an independent entity in relation to the parent company in Brazil; exchange variation of hedging operations abroad; and the resulting exchange variation from the translation of the financial statements of subsidiaries overseas, where the functional currency of the investee is different from the one of the controlling company.

  In the period ended March 31, 2008, the exchange variation on investments overseas and the exchange variation from the translation of the financial statements to the functional currency in Brazil, if accounted for in the subgroup "Adjustments to the equity valuation" would generate the following effect on the net income of the Company:

Description	Amount
Exchange loss from investments	5,084
Exchange loss from translation of financial statements	438
Total	5,522

- Financial instruments will be classified as: "held for trading," "held to maturity" and "available for sale," being valuated at cost plus earnings, or at market value, depending on the classification.

- Assets and liabilities stemming from short or long-term operations, when material, should be adjusted to present value.

- Periodical analysis should be made to check the degree of recovery of the amounts recorded in property, plant and equipment, intangible assets and deferred assets.

- In merger, composition, or split operations, when executed between non-related parties, and contingent upon the actual transfer of control, all assets and liabilities should be valued and accounted for at market value.

- Tax incentives will no longer be classified as capital reserve and should now be considered in the result of operations. The portion of the net income that included a tax benefit can now be recorded in a "Tax incentive reserve" that will be created. Such reserve can be excluded from the tax basis of obligatory dividends.

- Goods arising from operations where there is transference of benefit, control, and risk should be included in property, plant and equipment, regardless of whether there is ownership transference.

The Company opted to keep the balances of the revaluation reserves recognized until the date the abovementioned law entered into force. Such amounts are demonstrated in note 10.

Although the Law has already come into effect, the main changes introduced by it depend on regulation by Brazilian regulatory agencies. Due to the complexity of calculations and the need to change the Company's and its subsidiaries' control processes and systems to comply with the law, the Company's management has not yet been able to complete its computation and assessment of the possible impacts on the Company's income and equity.

4. CASH AND CASH EQUIVALENTS

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

	Company		Consolidated	
	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
Cash and cash equivalents	281,209	172,564	342,420	211,551
Certificates of deposit - DI	711,368	695,188	842,168	838,255
	992,577	867,752	1,184,588	1,049,806

5. TRADE ACCOUNTS RECEIVABLE – DOMESTIC AND FOREIGN CUSTOMERS

	Company		Consolidated	
	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007
Receivables - domestic customers	327,172	321,455	389,219	387,169
Receivables - foreign customers	319,448	335,342	471,504	459,447
(-) Advance on exchange contracts (ACEs)	(103,009)	(97,535)	(117,646)	(109,242)
	216,439	237,807	353,858	350,205
	543,611	559,262	743,077	737,374

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

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

6. INVENTORIES OF PRODUCTS AND MERCHANDISE

	Company		Consolidated	
	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007
Finished products and others	428,755	398,118	612,394	515,283
Packaging material and storeroom supplies	31,551	48,245	45,382	79,288
	460,306	446,363	657,776	594,571

In the three-month period ended March 31, 2008 and in the year ended December 31, 2007, the inventories of finished products were valued at average purchase and/or production cost, lower than the realizable values, as commented in note 3.

7. RECOVERABLE TAXES

	Company		Consolidated	
	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007
State VAT (ICMS)	138,815	144,336	151,121	153,159
Deemed IPI (Federal VAT) credit	10,993	10,992	11,170	11,170
PIS (sales tax) credit	27,247	15,463	31,943	19,464
COFINS (sales tax) credit	90,115	45,880	110,682	63,551
Income tax	913		5,666	1,833
Social contribution tax	335		546	640
Withholding income tax (IRRF)	5,021	5,022	5,056	5,049
Value added tax (IVA)			22,461	22,903
Export certificates			20,572	12,213
Others			4,813	7,885
	273,439	221,693	364,030	297,867

7.1 ICMS

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

7.2 PIS e COFINS

Refer to the non-cumulative PIS and COFINS credits, which were levied on the purchase of raw, packaging, and other materials, used on the goods sold in the foreign market.

8. DEFERRED TAXES

	Company		Consolidated	
	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007
Income tax	8.959	8.959	16.360	16.030
Social contribution tax	3.226	3.226	4.272	4.284
	12.185	12.185	20.632	20.314

Refer to deferred income and social contribution, calculated on taxes whose payment has been suspended (provisions), which were added to the computation of taxable income and the social contribution calculation base in 2006 and 2007, as well as on tax losses from controlled companies in Brazil, and will be realized in 2008 and 2009.

9. INVESTMENTS

	Company		Consolidated	
	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
Interest in controlled companies	1,014,267	943,915	598,556	646,888
Other investments	128	128	128	128
	1,014,395	944,043	598,684	647,016

9.1 - Changes in investments

	Number of shares	Percentage of voting interest	Listed on stock exchange	Capital Stock	Shareholders' Equity	Net income (loss) for the year
Argentine Breeders & Packers S.A. (1)	230.267	99,99	No	133.367	142.186	(12)
Frigoclass Alimentos S.A. (2)	78.573.743	100,00	No	78.573	57.642	(627)
Marfrig Chile Inversiones Ltda. (1)	7.786.221.763	99,00	No	43.851	38.534	(280)
Inaler S.A. (1)	66.247.320	100,00	No	2.566	9.653	4.423
Frigorífico Tacuarembó S.A. (1)	80.000.000	93,22	No	11.427	54.864	11.067
Weston Importers Ltd. (1)	1.338.278	99,98	No	28.163	28.112	1.357
Masplen Limited (1)	100	100,00	No	0	27.060	170
Prestcott International S.A. (1)	79.638.916	97,99	No	5.111	11.750	6.569
Secculum Participações Ltda. (2)	5.834.000	99,00	No	9.200	8.011	(124)
União Frederiquense Partic. Ltda. (2)	4.166.000	99,00	No	22.770	33.102	(516)
Blue Horizon Trading Co. LLC (5)	10.000.000	100,00	No	11.053	49.349	7.124
Zanzibar Capital LLC (1)	60.020.000	100,00	No	321.952	41.305	11.393
Total				668.033	501.568	40.544

	Book balance on Dec. 31, 2007	Purchased shares	Premium/Discount on purchase (3)	Capital increase	Investment in the period	Equity in earnings (4)	(-) Amortization of goodwill (3)	Saldo Contábil em 31 de Março 2008
Argentine Breeders & Packers S.A. (1)	156.669	-	-	13.195	13.195	(2.112)	(478)	167.274
Frigoclass Alimentos S.A. (2)	45.679	-	-	-	-	(513)	-	45.166
Marfrig Chile Inversiones Ltda. (1)	38.304	-	-	-	-	(155)	-	38.149
Inaler S.A. (1)	53.617	-	-	-	-	4.305	(885)	57.037
Frigorífico Tacuarembó S.A. (1)	103.494	-	-	-	-	9.633	(1.149)	111.978
Weston Importers Ltd. (1)	2.904	-	-	22.768	22.768	1.528	-	27.200
Masplen Limited (1)	45.958	-	-	-	-	420	(515)	45.863
Prestcott International S.A. (1)	34.100	-	(4.270)	-	(4.270)	6.423	(454)	35.799
Secculum Participações Ltda. (2)	32.844	-	-	-	-	(7.613)	(271)	24.960
União Frederiquense Partic. Ltda. (2)	23.457	-	-	15.000	15.000	6.542	(196)	44.803
Blue Horizon Trading Co. LLC (5)	254.622	-	-	-	-	3.714	(3.282)	255.054
Zamzibar Capital LLC (1)	152.267	-	-	-	-	10.633	(1.916)	160.984
Total	943.915	-	(4.270)	50.963	46.693	32.805	(9.146)	1.014.267

(1) Those companies had their financial statements as of March 31, 2008 and December 31, 2007 reviewed by member firms of the BDO network in their countries, with the issuance of limited review reports.

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

(3) The goodwill recorded for acquisitions is based on the generation of future income by controlled companies and will be amortized over 10 (ten) years, starting in January 2007. Future results for the next ten (10) years were projected at an average annual growth rate of 10% p.a., which were discounted based on the Long-Term Interest Rate (TJLP) of the last quarter of 2006 and 2007, respectively at 6.85% p.a. and 6.25% p.a. In the period ended March 31, 2008, an amount corresponding to R$ 4,270 of the goodwill generated in the acquisition of Prestcott International S.A. was written-off. Such sum refers to the escrow provided in the contract.

(4) Refers to equity in earnings (loss) recorded in the year and in shareholders' equity under the caption "income reserve."

(5) That company had its financial statements as of March 31, 2008 and December 31, 2007 reviewed by other independent auditors.

Such investments have been properly accounted for under the equity method, as they refer to controlled companies. The financial statements of those companies for the period ended March 31, 2008 and year ended as of December 31, 2007 have been prepared according to prevailing law in each country where the companies are located, reviewed by independent auditors and converted into the International Financial Reporting Standards - IFRS and expressed in US dollars. Then, they were translated into Brazilian accounting practices and into Brazil's local currency.

On March 06, 2008, the Company prepared a memorandum of intent aiming the control of the company DaGranja Agroindustrial Ltda ("DaGranja"). The stated acquisition price is US$58,000,000 (fifty eight million American dollars), what may be adjusted when the due diligence, to be approved in a future general meeting of shareholders. At the same date, the Company entered into an acquisition and sale agreement referring the operations in the poultry industry of Moinhos Cruzeiro do Sul S.A., what includes, among others, 100% of the shares of Penapaulo Alimentos Ltda ("Penapaulo"), the trademark "Pena Branca" and all activities and products related to that trademark. The acquisition value corresponds to US$ 53,000,000 (fifty three million American dollars), pending adjustment after the end of the due diligence process, to be approved during a future general meeting of shareholders.

DaGranja has as main activity the slaughtering, industrialization, and sale of poultry and swine products. It has 3 poultry slaughterhouses, 2 in the State of Minas Gerais (Passos and Uberaba) and 1 in the State of Paraná (Lapa) with slaughtering capacity of 480 thousand chickens a day. It also has 2 plants with production capacity of 4,500 tons/month, 3 animal food factories (130 tons/hour), 3 incubators (10 million chicks/month), 1 farm of chicken breeder hen in Uberaba/MG, 1 grandparent stock farm (poultry) in Uberaba/MG 2 farms of chicken breeder hens in Lapa/PR and 2 swine farms in Ponta Grossa/PR.

Penapaulo (Pena Branca), the largest poultry industry of the State of São Paulo, has as main activity the raising, production, slaughtering and sale of birds, and the industrialization, production, and export of their products and by-products. It has 2 slaughterhouses (in the State of São Paulo) with capacity of 300 thousand chickens a day. It also has 3 animal food factories (90 tons/hour), 1 grandparent stock farm (poultry), 2 farms of chicken breeder hens and 3 incubators.

Through those two acquisitions, Marfrig starts its activities in the poultry industry, with slaughtering capacity of 780 thousand chickens/day, continuing its strategy of consolidating its image as a company of food-related products based on animal protein.

When the conclusion of the aforementioned operations is confirmed, the Company will inform the shareholders and the market in general whether such events are qualified or not in articles 247 and 256 of Law 6,404/76. The Company will take all the legal steps required, in special the calling of a general meeting and will make available the necessary documents to support the transactions.

10. PROPERTY, PLANT AND EQUIPMENT

		Company			
				Mar. 31, 2008	Dec 31,2007
Description	Annual average depreciations rates (%)	Adjusted and revalued cost	Accumulated depreciation	Net	Net
Plots of land		1.998	-	1.998	1.998
Buldings	4%	189.642	(17.507)	172.135	175.622
Machinery and equipment	10%	170.571	(28.422)	142.149	132.690
Furniture and fixtures	10%	3.283	(895)	2.388	2.404
Facilities	5%	36.228	(1.985)	34.243	34.517
Vahicles	20%	10.303	(9.892)	411	220
IT equipment	20%	4.106	(3.296)	810	1.831
Aircrafts	20%	382	-	382	382
Advance for adquisition of property, plant and equipment	-	19.943	-	19.943	12.065
Leasehold improvements	-	2.266	(9)	2.257	2.258
Lease (VRG)	-	3.595	-	3.595	3.387
Contructions in progress	-	276.728	-	276.728	259.823
Software	20%	13.081	(2.080)	11.001	8.910
Trademarks and patents	-	15.196	-	15.196	15.015
Other property, plant and equipment	4%	542	-	542	544
		747.864	(64.086)	683.778	651.666

				Consolidated	
				Mar. 31, 2008	Dec. 31,2007
Description	Annual average depreciations rates (%)	Adjusted and revalued cost	Accumulated depreciation	Net	Net
Plots of land		30.187	-	30.187	15.688
Buldings	4%	428.298	(113.197)	315.101	301.419
Machinery and equipment	10%	276.655	(48.931)	227.724	218.447
Furniture and fixtures	10%	9.238	(2.911)	6.327	6.244
Facilities	5%	94.972	(21.464)	73.508	64.879
Vahicles	20%	15.759	(12.328)	3.431	3.561
IT equipment	20%	9.854	(9.507)	346	4.039
Aircrafts	20%	382	-	382	382
Advance for adquisition of property, plant and equipment		20.708	-	20.708	12.453
Leasehold improvements		2.266	(9)	2.257	2.258
Lease (VRG)		14.706	(458)	14.248	14.407
Contructions in progress		300.915	-	300.915	274.361
Software	20%	17.170	(6.126)	11.044	10.033
Trademarks and patents		15.196	-	15.196	15.218
Other property, plant and equipment	4%	11.057	(47)	11.010	4.453
		1.247.363	(214.978)	1.032.384	947.842

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

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

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

11. DEFERRED CHARGES

				Consolidated	
				Mar 31, 2008	Dec 31, 2007
Description	Annual average depreciation rates	Adjusted and revalued cost	Accumulated depreciation	Net	Net
Pre-operating expenses	10%	13,609	(2,835)	10,774	11,114
		13,609	(2,835)	10,774	11,114

In the period ended March 31, 2008, there were no pre-operating expenses at the controlling company.

12. TAXES PAYABLE

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

12.1. Accrued Payroll and Related Charges

	Company		Consolidated	
	Mar 31, 2007	Dec 31, 2007	Mar 31, 2007	Dec 31, 2007
INSS (Social Security Contribution) payable	44,197	34,601	44,916	34,880
Accrued salaries and labor provisions	10,942	14,541	26,974	28,169
Other charges and benefits payable	1,410	1,389	6,879	8,430
	56,549	50,531	78,769	71,479

On November 21, 2005, Law 11.196 set forth the authorization for offsetting INSS debts against federal tax credits. This procedure was regulated by Interministry Ordinance No. 23 dated February 2, 2006.

12.2. Taxes, Fees, and Contributions

	Company		Consolidated	
	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
ICMS payable	1,723	788	1,723	788
IRRF on interest on equity capital	-	5,488	-	5,488
Tax Debt Refinancing Program - PAES	2,133	2,282	2,133	2,282
Extraordinary Tax Debt Refinancing - PAEX	65,102	66,978	65,103	66,978
Income tax payable	-	-	14,791	13,187
Other taxes, fees and contributions	660	2,171	19,765	13,536
	69,618	77,707	103,515	102,259
Current liabilities	11,571	17,500	44,738	40,465
Long-term liabilities	58,047	60,207	58,777	61,794

13. PAES – TAX DEBT REFINANCING PROGRAM – LAW 10,684/03

On July 31, 2003, the Company joined PAES, established by Law No. 10.684 of May 30, 2003, which provides for the payment in installments of debts to the SRF - Federal Revenue Service, the PGFN - National Treasury Attorney General, and the INSS - National Social Security Institute. The company declared debts to the INSS, including Funrural corresponding to R$ 23,562, and those with the SRF at the amount of R$ 4,063, which are payable in 180 monthly installments. INSS debts were migrated to PAEX, as referred to in note 14, therefore only the debts to SRF remain at PAES.

The debt breakdown is as follows:

	Company		Consolidated	
	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
Initial balance	2,282	2,663	2,282	2,663
Monetary restatement	42	150	42	150
(-) payments made	(191)	(531)	(191)	(531)
Final balance	2,133	2,282	2,133	2,282
Current liabilities	573	614	573	614
Long-term liabilities	1,560	1,668	1,560	1,668

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

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

The balance is as follows:

	Company		Consolidated	
	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
Initial balance	66,978	74,444	66,978	74,444
Monetary restatement	264	645	264	645
(-) payments made	(2,140)	(8,111)	(2,140)	(8,111)
Final balance	65,102	66,978	65,102	66,978
Current liabilities	8,615	8,438	8,615	8,438
Long-term liabilities	56,487	58,540	56,487	58,540

15. LOANS AND FINANCING

	Company		Consolidated	
Type and charges	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
Advances on exchange contracts (ACC) - Restated based on exchange variation (US dollar) plus interest ranging from 5.50% p.a. to 6% p.a., with principal maturing in Feb/2009 with no guarantees	112,039	111,366	112,039	111,366
Finame – Restated based on the Long-Term Interest Rate (TJLP), plus interest at 7% p.a., maturing in Apr/2010, collateralized by the financed asset	414	464	414	464
Vehicle financing – Restated at 5% p.a., plus TJLP and maturing in Jun/2008, collateralized by the financed asset	115	231	115	231
Industrial complex financing – Interest at Libor rate, plus 3.5% p.a. denominated in US dollars, with principal maturing in Jul/2012 and collateralized by equipment	19,483	21,099	19,483	21,099
Prepayment - Interest at Libor rate, plus 4.2% p.a. denominated in US dollars, with principal maturing in Sep/2011 and collateralized by trade bills and supply agreements	32,805	41,965	32,805	41,965
ABN Prepayment - Incurs interest at 7.3% p.a. It is denominated in US dollars, with principal maturing in Oct/2015 with no guarantees	349,079	359,145	349,079	359,145
ING Bank prepayment - Libor, plus 2.% p.a. It is in US dollars, with export documents as guarantee	53,499	53,251	53,499	53,251
BNDES Exim Bradesco - 4% p.a. plus TJLP, with principal maturing in 10/2009 and collateralized by trade bills	51,827	51,831	51,827	51,831
BNDES Exim Bradesco - 4% p.a. plus currency basket, with principal maturing in Oct/2009 and collateralized by trade bills	10,676	10,814	10,676	10,814
BNDES Exim Safra - 4% p.a. plus TJLP, with principal maturing in Mar/2009 and collateralized by trade bills	17,248	17,249	17,248	17,249
BNDES Exim Safra - 4% p.a. plus currency basket with principal maturing in Mar/2009 and collateralized by trade bills	3,521	3,564	3,521	3,564
BNDES Exim Banco do Brasil - 3,8% a.a., acrescido de cesta moedas, com vencimento do principal em 10/2009, sem garantia de duplicatas BNDES Exim Banco do Brasil - 3.8% p.a. plus currency basket, with principal maturing in Oct/2009 and collateralized by trade bills	5,389	5,459	5,389	5,459
BNDES Exim Banco do Brasil - 3.8% p.a. plus TJLP, with principal maturing in Oct/2009 and collateralized by trade bills	25,602	25,607	25,602	25,607

Types and charges	Company		Consolidated	
	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
BNDES Exim J. Safra - 5.04% p.a. plus TJLP, with principal maturing in Jul/2008 and collateralized by trade bills	13,864	3,609	13,864	3,609
BNDES Exim J. Safra - 5.04% p.a. plus currency basket, with principal maturing in Oct/2008 and collateralized by trade bills	2,813	17,483	2,813	17,483
BNDES Exim Votorantim - 4% p.a. plus TJLP, with principal maturing in Oct/2009 not collateralized	25,611	25,617	25,611	25,617
BNDES Exim Votorantim - 4% p.a. plus currency basket, with principal maturing in Oct/2009 not collateralized	5,398	5,467	5,398	5,467
Marfrig Bonds – Incurring interest at 9.625% p.a. It is denominated in US dollars, with principal maturing in Nov/2016 with no guarantees	656,707	647,109	656,707	647,109
Finep Financing – Restated based on TJLP, plus interest at 1% p.a. maturing in Oct/2013 and collateralized by the project itself	8,750	8,747	8,750	8,747
BNDES 07.2.0464-1 - Restated based on TJLP, plus interest at 1.80% p.a. with principal maturing in Apr/2013 and collateralized by letter of guarantee issued by a bank	9,490	7,664	9,490	7,664
BNDES 07.2.0463-1 - Restated based on the currency basket / TJLP, plus interest at 1.3% p.a. with principal maturing in Apr/2013 and collateralized by letter of guarantee issued by a bank	3,316	3,316	3,316	3,316
Votorantim – Export Credit Note, incurring interest at 9.5% p.a. and exchange variation (US dollar). Principal matures in Mar/2012 and is collateralized by a supply agreement	35,236	35,684	35,236	35,684
ABN NCE – Export Credit Note, incurring interest at 2% p.a. plus Libor and exchange variation (US dollar). Principal matures in Jun/2012 and is collateralized by trade bills	29,583	30,498	29,583	30,498
Citibank NCE – Export Credit Note, incurring interest at 7.35% p.a. and exchange variation (US dollar). Principal matures in Sep/2012 with no guarantees	52,762	54,419	52,762	54,419
Note, incurring interest at 7.28% p.a. and exchange variation (US dollar). Principal matures in Oct/2012 with no guarantees	81,368	80,934	81,368	80,934
Banco do Brasil NCE – Export Credit Note, incurring interest at 11.46% p.a. Principal matures in Oct/2010, with no guarantees	83,574	81,257	83,574	81,257

Types and charges	Company		Consolidated	
	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
Societe Generali Brasil NCE – Export Credit Note, incurring interest at 7.9% p.a. and exchange variation (US dollar). Principal matures in Oct/2010 with no guarantees	52,715	53,384	52,715	53,384
Finame - Restated based on TJLP plus interest ranging from 5.65% to 7% p.a. maturing in Aug/2012 with mortgage on the financed asset	-	-	120	84
Compror – Incurs interest of 8% p.a., with commercial pledge as guarantee	-	-	-	242
Working capital – Incurring interest of 8.85% p.a. plus exchange variation, with guarantee and collateral signature of directors	-	-	-	16,971
Advances on exchange contracts (ACC) - Restated based on exchange variation (US dollar) plus interest at 7% to 9% p.a., with principal maturing in 2008 and collateralized mortgage, CDB and collateral signature of directors	-	-	49,293	38,932
Meat Packing Plant Lease – Restated based on daily U.F., plus 19% of value-added tax. It matures in August 2009 and is collateralized by the property	-	-	-	1,006
Credit Letter for payment of Import of Merchandise – Restated based on interest of 5.5% p.a., in US dollars, due after 60 days	-	-	6,652	8,492
Working capital – Interest at 7.2% p.a. It is denominated in Chilean pesos, matures as of Apr/2007 and is guaranteed by shareholders' collateral signatures	-	-	-	7,227
Working Capital – Rural credit bonds – plus interest of 6.75% to 8.75% p.a., maturing in 11/2008, with collateral signatures of directors and inventories	-	-	-	16,855
Finame – Restated based on the TJLP, plus interest of 5.65% to 7% p.a., and maturing from Jun/2006 to Aug/2012, collateralized by the financed asset	-	-	-	5,385
Finame – fixed interest rate of 13.95% p.a., maturing from Feb/2006 to Apr/2012, collateralized by the financed asset	-	-	-	1,020
Pre-financing of Exports – Interest of 5% p.a., in US dollars, with no guarantees	-	-	5,190	2,983
Foreign loan – DEG – Restated at interest ranging from L6m + 1.85% p.a. It is denominated in US dollars and matures as of September 2007	-	-	5,247	6,200
Merchandise – Interest at 6.7% to 6.9% p.a., in US dollars, maturing in 60 days, with collateral signatures of shareholders as guarantee	-	-	-	3,373

	Company		Consolidated	
Types and charges	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
Bank vouchers - Restated by interest of 5.30% to 5.70% p.a. Denominated in US dollars, mature in Apr/2007 and are collateralized by bank vouchers	-	-	2,973	15,954
Bank vouchers – 1456 BCU circular financing – 270 days	-	-	81,251	95,833
Bank loans – Restated with interest of 6% p.a. and CER peso adjustment, with mortgage and machines as guarantees	-	-	6,014	2,675
Equipment leasing – Restated with interest ranging from 18% to 20%, in pesos, collateralized by the financed asset	-	-	8,602	7,702
Loan - B.R.O.U – Restated at annual interest of L6m +1.5%. It is denominated in US dollars and matures in Oct/2015, collateralized by bank voucher	-	-	26,237	35,428
ABN Amro – Loan in foreign currency, restated at a rate of 7.05% p.a., in US dollars	-	-		3,837
NBC – in foreign currency, restated by interest of L30d, plus interest of 0.6% to 1.5% p.a., in US dollars	-	-	8,973	4,783
Rabo Bank – loan in foreign currency, restated by interest of 6.5% p.a. in US dollars, with mortgage and machines as collateral	-	-	8,540	9,034
Itaú Bank - in foreign currency, restated at L6m + 1.25% p.a. They are denominated in US dollars and mature in Dec/2009 with no guarantees	-	-	10,145	8,857
Citibank – Incurring interest at 5.38% p.a. Denominated in US dollars, with principal maturing in Jan/2008 with no guarantees	-	-	6,997	7,085
B.R.O.U. Loan – incurring interest at 6.5% p.a., in US dollars, with principal maturing beginning in Feb/2012	-	-	3,367	1,884
Vehicle financing – Restated at 5% p.a., and maturing in Jun/2008, collateralized by the financed asset	-	-	-	396
Export Support Program (PAE) for payment of export of lamb (Patagonia) – Restated based on interest of 4.8% p.a., in US dollars, due after 180 days	-	-	13,999	7,242
Others – Exchange variation plus interest ranging from 2% to 8% p.a. with mortgage and collateral signature of directors	-	-	14,154	7,248

Types and charges	Company		Consolidated	
	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
Bradesco NCE – Export Credit Note, adjusted according to CDI plus interest of 1.35% p.a. Principal matures in Nov/2011 and has collateral signature of directors	153.470	-	153.470	-
ABN Prepayment III – Libor plus interest of 3% p.a. It is denominated in US dollars, with principal maturing in 10/2011 with no guarantees.	157.065	-	157.065	-
Credit Suisse Prepayment – Libor, plus 3% p.a. It is denominated in dollar and maturing in Apr/2014, with collateral signature of directors	174.910	-	174.910	-
Machinery and equipment financing – adjusted according to CDI, plus 4% p.a, maturing in Dec/2012, collateralized by the equipment	3.304	-	3.304	-
BBVA BANK, loan in foreign currency, adjusted by interest of 3.67% p.a., in US dollars and maturing on July 28, 2008	-	-	875	-
Working Capital - adjusted according to CDI, plus interest of 3.75% p.a. Principal matures in Oct/2010, and collateralized by trade bills	-	-	2.367	-
Working Capital - BNDES - adjusted based on the TJLP, plus interest of 3.50% p.a., maturing in Jul/2007, and collateralized by letter of guarantee issued by a bank	-	-	12.793	-
PRE-PAYMENT ABN - adjusted by interest of 7.3% p.a., in US dollar. The principal matures in Oct/2015, with no guarantees	-	-	5.156	-
ING BANK N.V - Libor, plus 2% p.a., in US dollar. Principal matures in Jul/2012, with export documents as guarantee	-	-	969	-
VOTORANTIM - Export Credit Note, incurring interest of 9.35% p.a., plus exchange variation (US dollar). Principal matures in Mar/2012, and is collateralized by a supply agreement	-	-	9.747	-
Contado' financing for payment of imports of Merchandize – incurs interest of 6.1% p.a., in Us dollar and maturing after 60 days.	-	-	1.444	-
Working Capital - Various, incurs interest ranging from 6.75% to 8.75% p.a. Principal matures in 2008, with collateral signatures of directors and inventories	-	-	7.716	-
Foreign Loan - Codorus	-	-	193	-
	2.231.633	1.757.233	2.530.647	2.073.961
Current liabilities	297.727	246.463	510.271	428.105
Long-term liabilities	1.933.906	1.510.770	2.020.376	1.645.856

(1) Considering that the notes issued by the Company (Bonds Marfrig) account for 25.95% of indebtedness, requirements related to the maintenance of certain financial indexes agreed upon their issue are valid for all the other loans and financing outstanding on the balance sheet dates. These requirements, regarding indebtedness, correspond to: The Interest Coverage Rate (EBITDA / net financial result ratio) may not be lower than 1.5; and the Net Debt/EBITDA ratio may not be higher than 4.0.

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

The long-term portions mature as follows:

	Company		Consolidated	
	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
2009	54,162	104,176	84,755	151,156
2010	214,721	204,523	230,841	226,893
2011	408,487	161,933	421,514	181,579
2012	289,432	196,030	300,252	212,188
2013	190,879	68,969	196,647	78,967
2014	79,068	67,478	84,764	77,445
2015	65,600	67,478	70,046	77,445
2016	631,557	640,183	631,557	640,183
TOTAL	1,933,906	1,510,770	2,020,376	1,645,856

Loans and financing are guaranteed by liens on financed property, plant and equipment items, promissory notes, and the directors' sureties.

16. PROVISIONS

The Company and its subsidiaries are involved in several lawsuits filed in the normal course of business, for which provisions have been recognized based on legal counselors' estimates. The main information about the lawsuits in progress is presented below:

	Company		Consolidated	
	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
Labor	3,161	3,161	6,306	5,148
Tax and social security	40,145	40,145	41,680	41,680
Civil	670	670	980	700
Others	-	-	310	626
	43,976	43,976	49,276	48,154

17. DEFERRED TAXES

	Company		Consolidated	
	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
Income tax	31,129	31,727	41,703	44,969
Social contribution tax	11,209	11,424	12,680	12,308
	42,338	43,151	54,383	57,277

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

18. SHAREHOLDERS' EQUITY

Capital stock

Subscribed and paid-in capital stock as of March 31, 2008 amounts to R$ 1,183,826 (the same value on December 31, 2007), represented by 203,948,954 ordinary shares without par value (the same number of share on December 31, 2007).

Legal reserve

It is based on 5% of the Company's net income, as defined in its by-laws and prevailing law.

Dividends

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

Minority interest

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

19. MANAGEMENT COMPENSATION

The added value of the compensation received by the Company's managers for services in their respective areas for 3-month period ended on March 31, 2008 was R$ 691 (R$ 3,853 on December 31, 2007).

20. INSURANCE COVERAGE

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

	Company		Consolidated	
Description	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
Buildings and meat packing facilities	1,133,915	1,080,215	1,384,954	1,296,043
Inventories and loss of profits	124,252	124,252	239,770	305,471
Third parties' warehouses	115,000	115,000	128,077	154,595
Vehicles	3,395	6,622	11,371	8,894
Merchandize transportation	188,670	81,347	365,955	179,659
Management's sureties	40,000	40,000	51,369	51,513
Civil liability	2,500	300	7,708	7,679
Others	84,544	600	99,686	85,543
	1,692,276	1,448,336	2,288,890	2,089,397

21. FINANCIAL INSTRUMENTS - DERIVATIVES

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

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

Maturity	Mar 31, 2008	Dec 31, 2007
In up to 90 days	15.768	-
91 to 180 days	-	15.768
181 to 360 days	15.768	15.768
Over 360 days	252.295	252.295
Total	283.831	283.831

The criteria and assumptions adopted for recording the amounts mentioned above are based on the US dollar exchange rate of R$ 1.7475 agreed upon contractually. Considering the US dollar rate of R$ 1.7491 at the balance sheet date, the market value of swap contracts is R$284,091.

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

In the period ended in March 31, 2008 the Company adapted R$ 42,245 of loss with hedge operation, concerning the contracted financial instruments in the year of 2007.

22. INCOME AND SOCIAL CONTRIBUTION TAXES

Income tax and social contribution are calculated as legally stipulated.

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

The reconciliation of income tax and social contribution account records to the Taxable Income Computation Book is as follows:

Tax	Group	Mar 31, 2008	Dec 31, 2007
Income before taxes		20,300	46,592
Add-backs		12,905	56,635
(-) Deductions		(32,804)	(9,365)
Income and social contribution tax basis		401	93,862
Income tax (15%)		60	14,079
Surtax (10%)		34	9,362
(-) Workers' Meal Program (PAT)		(2)	(563)
Total income tax		92	22,878
Social contribution tax (9%)		36	8,448
Statement of income			
(-) Income tax - Current	Current liabilities	(92)	(22,878)
Deferred income tax - Revaluation (1)	Long-term liabilities	598	2,391
Deferred income tax - Others (2)	Long-term assets		3,363
Net	Result	506	(17,124)
(-) Social contribution - Current	Current liabilities	(36)	(8,448)
Deferred social contribution - Revaluation (1)	Long-term liabilities	215	868
Deferred social contribution - Others (2)	Long-term assets		1,211
Net	Result	179	(6,369)

(1) Refer to the reversal of deferred income and social contribution demonstrated in note 17, considering the addition of depreciation of revalued assets to taxable income and the social contribution calculation base.

(2) Refer to deferred income and social contribution, calculated on taxes whose payment has been suspended (provisions), and which were added to the computation of taxable income and the social contribution base in 2006 as demonstrated in note 8.

23. SUBSEQUENT EVENTS

On April 09, 2008, the Company communicated that the management board authorized the repurchase of 699,489 shares issued by the Company. That corresponds to 1% of the outstanding shares in the market, to be held at treasury and subsequently given to the officers who take part in long-term bonus program of shares and options, within the limits already approved in the general meeting held on May 20, 2007.

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

I. The Company's objective in the operation: maximize the generation of value to the shareholder through an efficient management of the capital structure and align the interest of the executives of Marfrig with the one of the investors in the Market.

II. Characteristics of the program: the granting of shares in the restricted stock plan was made based on the average of the twenty biddings previous to March 04, 2008, without discount. For directors of Board, there was a discount of 10% on abovementioned average, which will be the basis for the option. The granting to the executives and directors will be made at the ratio of 25% per year in 4 (four) years, according to what was approved.

III. Number of shares to be acquired: up to 699,489 shares.

IV. Maximum period for the execution of the authorized operations: until December 31, 2008.

V. Number of outstanding shares in the market: 69,948,954 shares.

VI. Acquisition place: São Paulo Stock Exchange - BOVESPA

VII. Maximum price of the shares: the acquisition price of the shares cannot exceed their respective prices in the Stock Exchange.

VIII. Intermediate institutions: Credit Suisse Hedging Griffo CTVM S.A., Bradesco BBI S.A. and ABN AMRO Real S.A.

* * *

STATEMENT OF CASH FLOWS

(In thousands of Brazilin reais)

	COMPANY Mar 31, 2008	CONSOLIDATED Mar 31, 2008
Operations		
Net income for the year	20.985	25.059
Non-cash items	(42.518)	(4.271)
Depreciation	7.440	13.329
Amortization	9.145	9.485
Minority interest		3.995
Provision for contingencies		1.122
Deferred taxes	(813)	(3.212)
Equity in loss	(32.805)	
Exchange variation on financing	(25.485)	(24.916)
Gains on investments		(4.074)
Changes in shareholders equity	(224.386)	(263.185)
Trade accounts receivables	15.651	(5.703)
Inventories	(13.943)	(63.205)
Escrow deposits	(680)	(881)
Personnel, charges, and benefits	6.018	7.290
Accounts payable and expenses accrued for	(108.774)	(126.756)
Taxes	(59.835)	(65.615)
Financial charges	42.898	45.739
Trade accounts receivables and payable	(98.523)	(44.158)
Other assets and liabilities	(7.198)	(9.896)
Cash flows from operating activities	(245.919)	(242.397)
Investment operations		
Investments	(50.962)	(11.648)
Reduction of goodwill on investments	4.270	4.270
Consolidation of investments by controlled companies		46.565
Investment in assets	(39.552)	(97.871)
Cash flows from investment activities	(86.244)	(58.684)
Financing activities		
Dividends/Interest on equity capital paid in the year		
Loans and financing	456.988	435.863
Loans obtained	768.509	880.752
Loans settled	(311.521)	(444.889)
Issuance of shares		
Cash flows from financing activities	456.988	435.863
Cash flows of the year	124.825	134.782
Cash, bank accounts, and short-term investments		
Final balance	992.577	1.184.588
Initial balance	867.752	1.049.806
Change in the year	124.825	134.782

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

EXHIBIT 1

MARFRIG FRIGORÍFICOS E COMÉRCIO DE ALIMENTOS S.A.

BALANCE SHEETS AS OF MARCH 31 2008 AND DECEMBER 31, 2007
(In thousands of Brazilian reais)

	Company		Consolidated	
	2.008	2.007	2.008	2.007
ASSETS				
Current				
Cash and cash equivalents (note 4)	281.209	172.564	342.420	211.551
Financial investments (note 4)	711.368	695.188	842.168	838.255
Trade accounts receivable - domestic (note 5)	327.172	321.455	389.219	387.169
Trade accounts receivable - foreign (note 5)	216.439	237.807	353.858	350.205
Inventories of products and merchandise (note 6)	460.306	446.363	657.776	594.571
Recoverable taxes (note 7)	273.439	221.693	364.030	297.867
Prepaid expenses	1.608	904	2.515	1.799
Other receivables	4.421	-	4.421	-
Total current assets	2.275.962	2.095.974	2.956.407	2.681.417
Noncurrent				
Long-term assets				
Financial investments	250	238	3.765	3.274
Compulsory deposits	6.178	5.498	6.405	5.524
Notes receivable	90.688	56.515	3.283	2.629
Deferred taxes (note 8)	12.185	12.185	20.632	20.314
Recoverable taxes	2.009	2.009	3.460	2.752
Other receivables	87	89	10.298	8.784
	111.397	76.534	47.843	43.277
Permanent assets				
Investment (note 9)	1.014.395	944.043	598.684	647.016
Property, plant and equipment (note 10)	683.778	651.666	1.032.384	947.842
Deferred charges (note 11)			10.774	11.114
	1.698.173	1.595.709	1.641.842	1.605.972
Total noncurrent assets	1.809.570	1.672.243	1.689.685	1.649.249
Total assets	4.085.532	3.768.217	4.646.092	4.330.666

	Company		Consolidated	
	2.008	2.007	2.008	2.007
LIABILITIES				
Current				
Trade accounts payable	59.496	168.270	208.640	335.396
Accrued payroll and related charges (note 12)	56.549	50.531	78.769	71.479
Taxes payable (note 12)	11.571	17.500	44.738	40.465
Loans and financing (note 15)	297.727	246.463	510.271	428.105
Trade notes payable	192.289	269.753	216.257	269.753
Interest on equity capital	32.111	32.111	32.111	32.111
Other payables	81	2.143	28.466	30.016
Total current liabilities	649.824	786.771	1.119.252	1.207.325
Noncurrent				
Loans and financing (note 15)	1.933.906	1.510.770	2.020.376	1.645.856
Taxes payable (note 12)	58.047	60.207	58.777	61.794
Deferred taxes (note 17)	42.338	43.151	54.383	57.277
Provisions (note 16)	43.976	43.976	49.276	48.154
Others	54.129	41.015	14.555	4.563
Total noncurrent liabilities	2.132.396	1.699.119	2.197.367	1.817.644
Minority interest			26.161	23.370
Shareholders' Equity (note 18)				
Capital stock	1.183.826	1.183.826	1.183.826	1.183.826
Legal reserve	3.217	3.217	3.217	3.217
Income reserve	116.269	95.284	116.269	95.284
	1.303.312	1.282.327	1.303.312	1.282.327
Total liabilities and shareholders' equity	4.085.532	3.768.217	4.646.092	4.330.666

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

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

EXHIBIT 2

MARFRIG FRIGORÍFICOS E COMÉRCIO DE ALIMENTOS S.A.

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

	Company		Consolidated	
	2008	2007	2008	2007
GROSS SALES				
Domestic market	385.591	299.419	615.544	379.886
Foreign market	176.019	270.842	565.466	354.845
	561.610	570.261	1.181.010	734.731
DEDUCTIONS FROM GROSS SALES				
Sales taxes	(32.229)	(28.476)	(61.931)	(30.994)
Returns and discounts	(51.650)	(40.251)	(52.007)	(40.574)
NET SALES	477.731	501.534	1.067.072	663.163
Cost of goods sold	(358.871)	(381.867)	(851.866)	(521.924)
GROSS INCOME	118.860	119.667	215.206	141.239
OPERATING REVENUE (EXPENSES)				
Commercial expenses	(40.535)	(43.006)	(67.331)	(48.380)
Administrative and general expenses	(19.180)	(18.788)	(36.085)	(26.614)
Equity in earnings (loss)	32.805	(790)		
Other operating expenses	(8.908)	(2.216)	(7.272)	(2.163)
	(35.818)	(64.800)	(110.688)	(77.157)
OPERATING INCOME BEFORE INFLATION AND FINANCIAL ADJUSTMENTS	83.042	54.867	104.518	64.082
FINANCIAL INCOME (EXPENSES)				
Financial income	18.789	1.687	23.490	2.783
Financial expenses	(43.657)	(41.475)	(51.624)	(43.272)
Interest on equity capital	-	(3.647)	-	(3.647)
IPO expenses	-	-	-	-
Exchange gain	63.411	24.940	72.606	25.403
Exchange variation effect - translation			(438)	(192)
Exchange loss	(101.393)	(17.554)	(105.128)	(17.763)
	(62.850)	(36.049)	(61.094)	(36.688)
OPERATING INCOME	20.192	18.818	43.424	27.394
Non-operating income (loss)	108	(160)	(1.126)	(163)
INCOME BEFORE TAXES	20.300	18.658	42.298	27.231
Income tax	506	(6.683)	(13.189)	(8.942)
Social contribution tax	179	(2.473)	(55)	(2.473)
	685	(9.156)	(13.244)	(11.415)
INCOME BEFORE REVERSAL OF INTEREST ON EQUITY CAPITAL	20.985	9.502	29.054	15.816
Reversal of interest on equity capital	-	3.647	-	3.647
INCOME BEFORE MINORITY INTEREST	20.985	13.149	29.054	19.463
Minority interest	-	-	(3.995)	(45)
NET INCOME FOR THE PERIOD	20.985	13.149	25.059	19.418
PER THOUSAND SHARES - in Brazilian reais	102,89	93,92	122,87	138,70

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 FRIGORÍFICOS E COMÉRCIO DE ALIMENTOS S.A.

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

	Capital stock	Legal reserve	Income reserve	Total
AS OF DECEMBER 31, 2006	140.000	-	83.181	223.181
Net income	-	-	13.149	13.149
Legal reserve	-	657	(657)	-
Dividends	-	-	(7.778)	(7.778)
Interest on equity capital	-	-	(3.647)	(3.647)
AS OF MARCH 31, 2007	140.000	657	84.248	224.905
Net income	-	-	51.196	51.196
Legal reserve	-	2.560	(2.560)	-
Dividends	-	-		-
Interest on equity capital	-	-	(37.600)	(37.600)
Capital increase	1.043.826	-	-	1.043.826
AS OF DECEMBER 31, 2007	1.183.826	3.217	95.284	1.282.327
Net income	-	-	20.985	20.985
AS OF MARCH 31, 2008	1.183.826	3.217	116.269	1.303.312

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 FRIGORÍFICOS E COMÉRCIO DE ALIMENTOS S.A.

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE THREE-MONTH PERIOD ENDED MARCH 31

(In thousands of Brazilian reais)

	Company	
	2008	2007
SOURCE OF FUNDS		
From operations:		
Net income	20.985	13.149
Non-cash items:		
Depreciation and amortization	16.585	7.218
Monetary variation and charges on long-term liabilities	(13.790)	(17.164)
Deferred federal taxes	(813)	(813)
Equity in earnings (loss)	(32.805)	790
Funds from operations	(9.838)	3.180
From third parties:		
Increase in long-term liabilities	480.738	487.800
Decrease in investments	4.270	
Decrease in long-term assets	1.083	5.129
TOTAL SOURCES OF FUNDS	476.253	496.109
APPLICATION OF FUNDS		
In long-term assets	37.004	432
In investments	50.962	122.230
Property, plant and equipment	39.552	90.987
Decrease in noncurrent liabilities	4	
Transfer from noncurrent to current liabilities	31.796	15.257
Interest on equity capital		3.647
Dividends		7.778
TOTAL APPLICATION OF FUNDS	159.318	240.331
INCREASE (DECREASE) IN WORKING CAPITAL	316.935	255.778
STATEMENT OF CHANGES IN WORKING CAPITAL		
Current assets		
At beginning of year	2.095.974	1.042.292
At end of year	2.275.962	1.345.354
	179.988	303.062
Current liabilities		
At beginning of year	786.771	297.301
At end of year	649.824	344.585
	(136.947)	47.284
INCREASE (DECREASE) IN WORKING CAPITAL	316.935	255.778
	-	-

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