















1Q10 Results Presentation

May 14th, 2010

MRFG3 NOVO MERCADO BM&FBOVESPA
IBrX ÍNDICE BRASIL
INDX
Índice Valor Bovespa IVBX 2
BM&FBOVESPA MidLarge Cap Index MLCX
Índice de Consumo ICON
Índice de Ações com Tag Along Diferenciado ITAG
Índice de Ações com Governança Corporativa Diferenciada IGC

1Q10 Highlights

- **Gross Revenue of R$ 3.4 billion**, up 40.0% from 1Q09 (R$ 2.4 billion) and 26.0% growth compared to 4Q09 (R$ 2.7 billion);

- **Net Revenue of R$ 3.2 billion**, up 43.2% from 1Q09 (R$ 2.2 billion) and 26% increase compared to 4Q09 (R$ 2.6 billion);

- **EBITDA of R$ 406.9 million**, up 148.8% from 1Q09 (R$ 163.6 million), and 103.4% growth compared to 4Q09 (R$ 200.0 million);

- **EBITDA Margin of 12.6%,** up 7.3% from 1Q09 and 7.8% compared to 4Q09;

- **Net Income of R$ 41.7 million**, reversing the net loss of R$ 38.2 million in 1Q09 and down R$ 111.7 million from 4Q09;

- **Consolidation of the operations of SEARA**, with synergy gains estimated on R$ 200 million for 2010;

- **Repositioning of the Seara** brand through investments in sports marketing and higher exposure in Brazil and abroad;

    - Santos Football Club, Brazilian Soccer Team of 2010 to 2014 and 2010 to 2014 FIFA World Cups™ (including brand as Paty, Moy Park and Pemmican)



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Actual Results vs. Guidance

	Guidance 2010[3]	Actual Results	Results vs. Lower Limit of Guidance
Net Revenue	R$ 16.5 billion R$ 18.0 billion	R$ 3.2 billion	19.4%
EBITDA[1]	R$ 1.4 billion R$ 1.8 billion	R$ 406.9 million	29.1%
EBITDA Margin	8.5% 10.5%	12.6%	+410 bps
Net Debt / EBITDA **LTM[2]**	< 3.0x	3.98x	
CAPEX[4]	R$ 400.0 million	R$ 148.9 million	37.2%

1. Earnings before, interest, tax, depreciation and amortization
2. LTM = Last 12 Months (target at the of 2010)
3. Exchange rate. R$ 1.80/USD and USD 1.70/Sterling pound
4. Guidance Capex. Does not includes breeding stocks.

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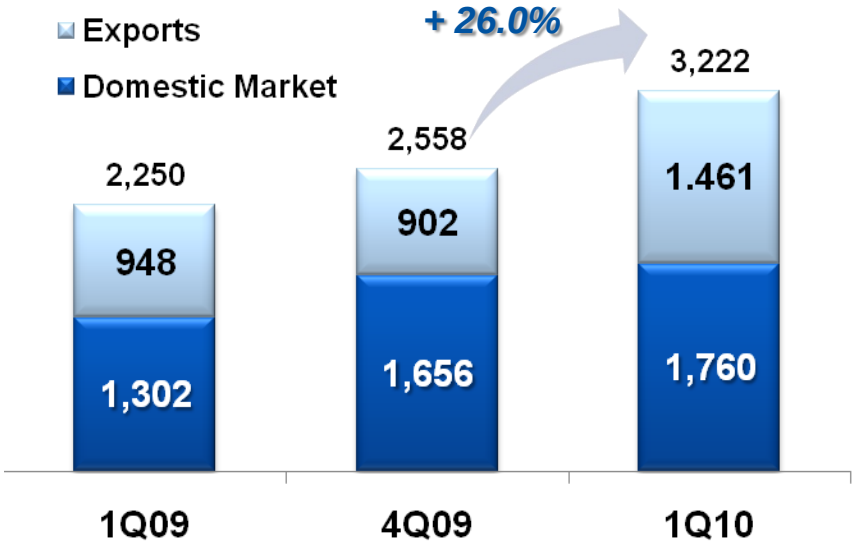
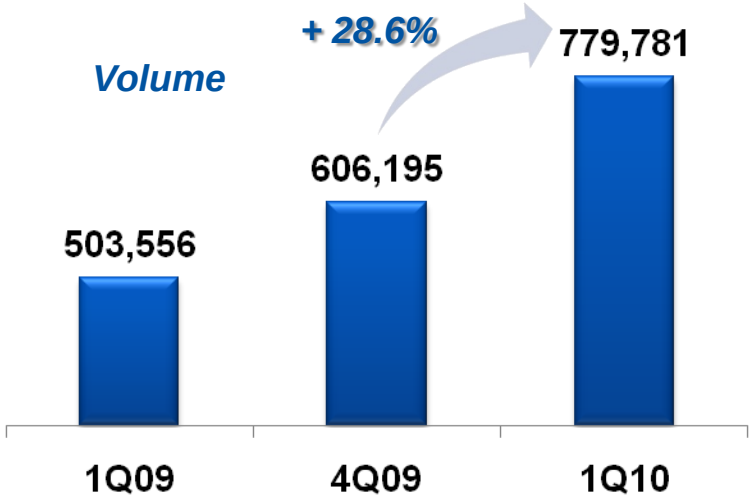
Operating and Financial Performance

Consolidated (R$ million)	1Q09	4Q09	1Q10	1Q10 x 1Q09	1Q10 x 4Q09
Gross Revenue	2,445.5	2,723.6	3,431.9	40.3%	26.0%
Domestic market	1,483.2	1,812.3	1,954.7	31.8%	7.9%
Exports	962.3	911.3	1,477.2	53.5%	62.1%
Net Revenue	2,250.9	2,558.3	3,222.5	43.2%	26.0%
Gross Income	313.4	376.0	640.5	104.4%	70.4%
Gross Margin (%)	*13.9%*	*14.7%*	*19.9%*	*600 bps*	*520 bps*
EBITDA	163.6	200.0	406.9	148.8%	103.4%
EBITDA Margin (%)	*7.3%*	*7.8%*	*12.6%*	*530 bps*	*480 bps*
Net Income	(38.2)	111.7	41.7	209.2%	-62.7%
Net Margin (%)	*-1.7%*	*4.4%*	*1.3%*	*300 bps*	*-310 bps*

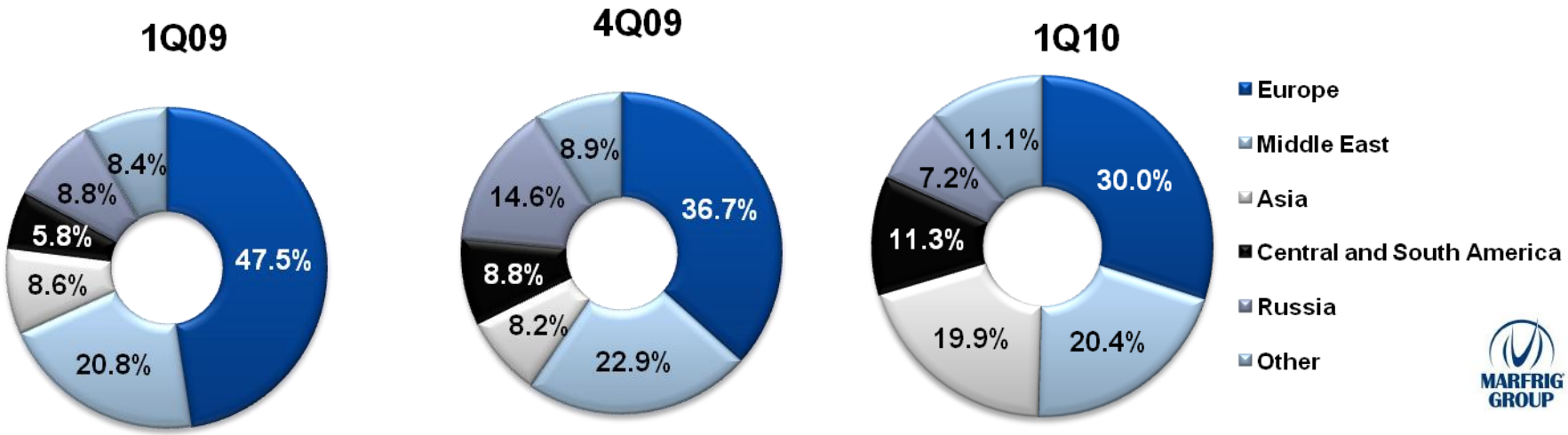
Exports x Domestic Markets

Net Revenue (R$ million) by market and volume



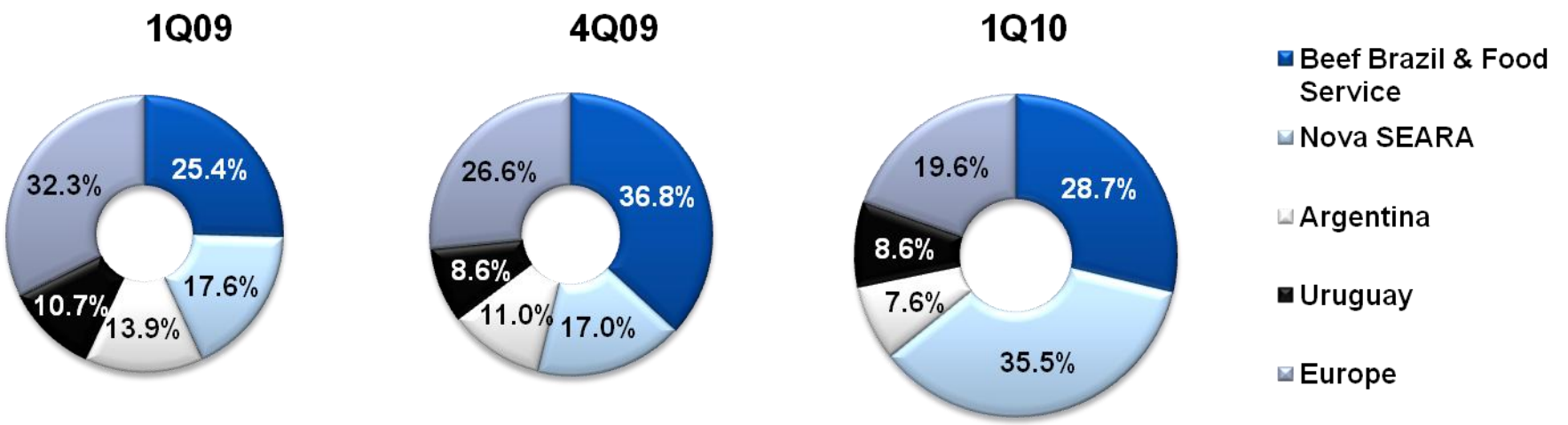


Exports by Destination

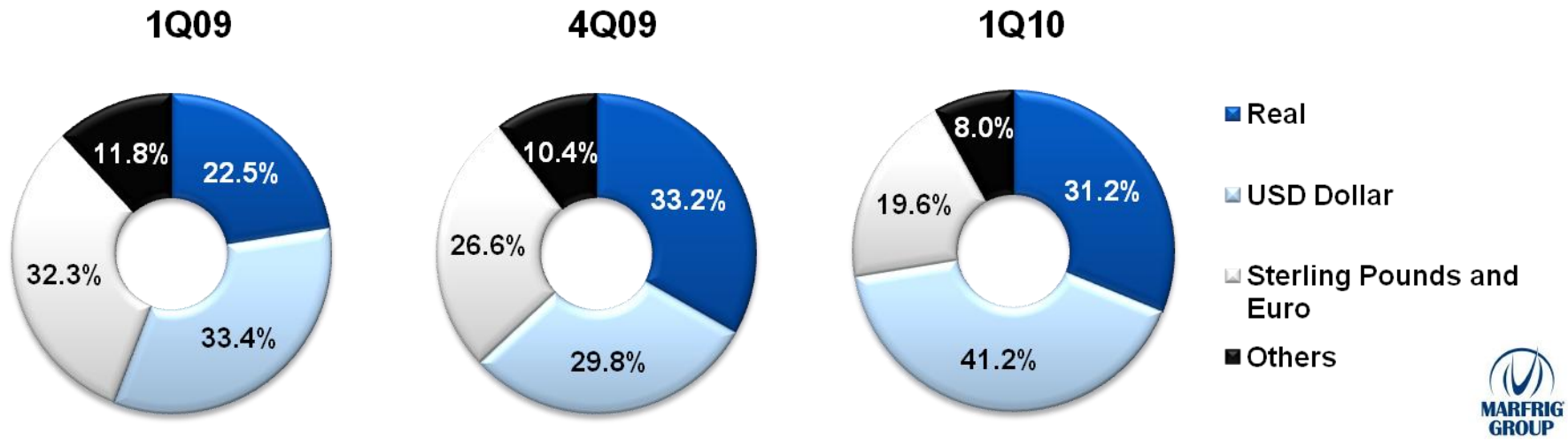


Sales by Business Unit and by Currency

Sales by Business Unit



Sales by Currency



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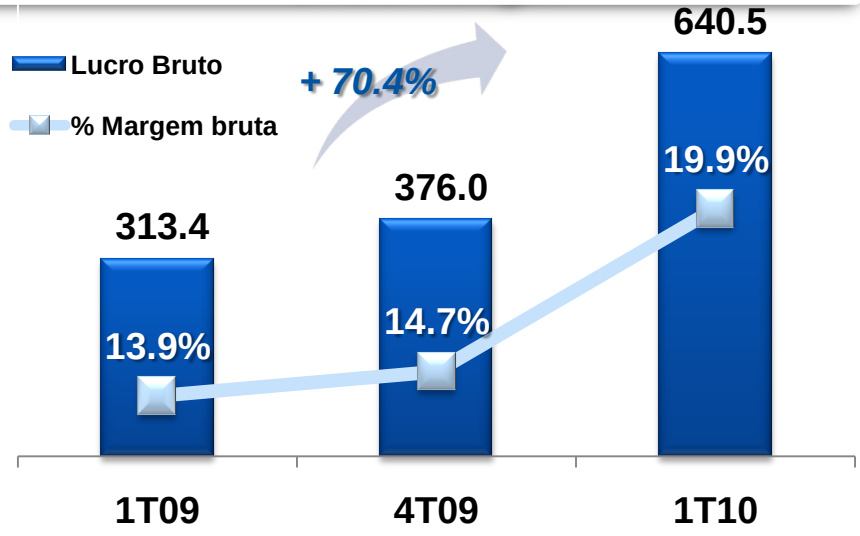
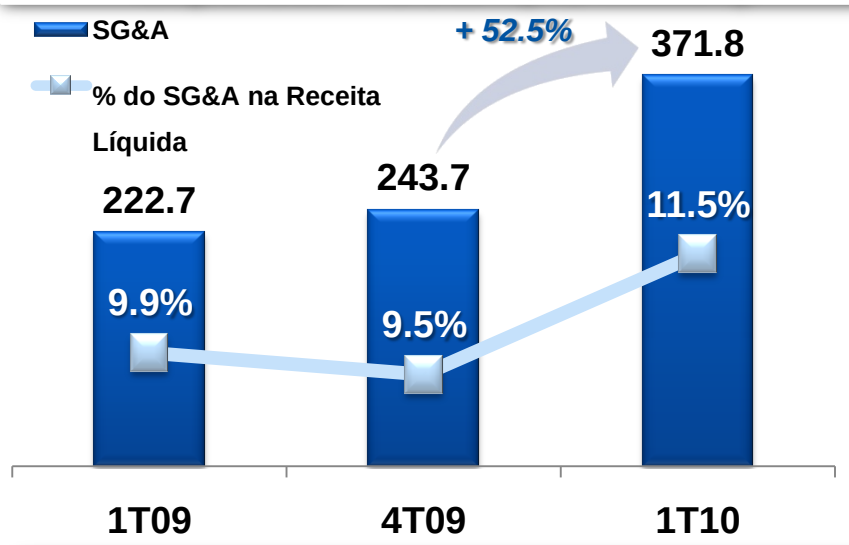
Gross Income, Gross Margin and SG&A

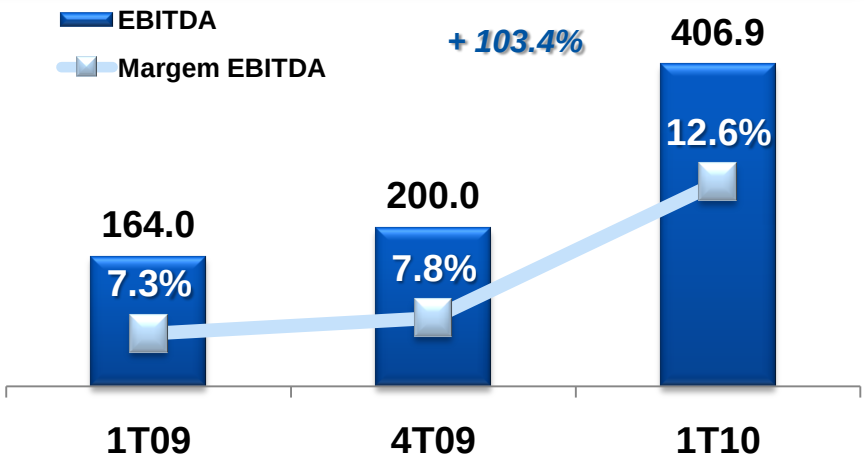
Gross Income (R$ million) and Gross Margin



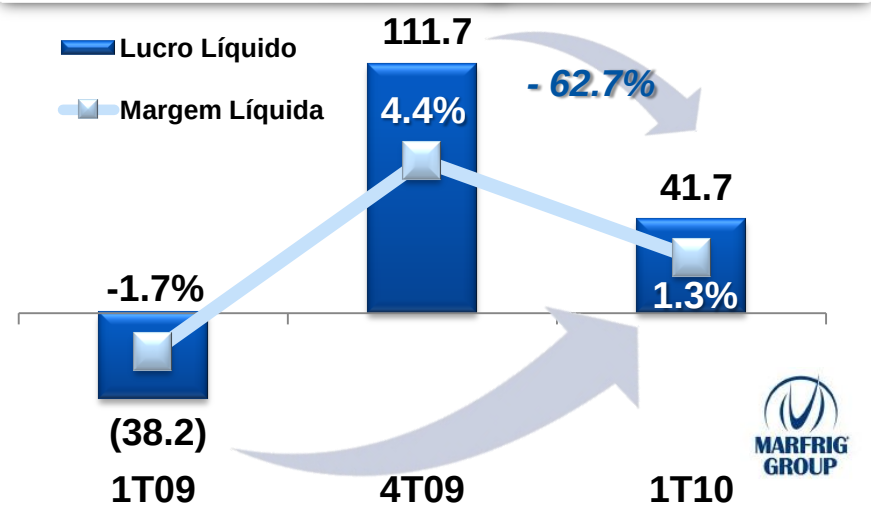
Selling, General and Administrative Expenses – SG&A (R$ million)



EBITDA (R$ million) and EBITDA Margin



Net Income (R$ million) and Net Margin



Operating and Financial Highlights by protein

Beef: Beef Brazil &Food Service + Argentine + Uruguay

TOTAL BEEF (R$ million)	1Q09	4Q09	1Q10	1Q10 x 1Q09	1Q10 x 4Q09
Net Revenue	1,061.9	1,360.1	1.383,1	30.2%	1.7%
COGS	(853.4)	(1,135.5)	(1.128,9)	32.3%	-0.6%
Gross Revenue	208.5	224.6	254,2	21.9%	13.2%
Gross Margin (%)	*19.6%*	*16.5%*	*18,4%*	*-120 p.b.*	*190 p.b.*
EBITDA	125.4	127.8	140,4	11.9%	9.8%
EBITDA Margin (%)	*11.8%*	*9.4%*	*10.1%*	*-170 bps*	*70 bps*

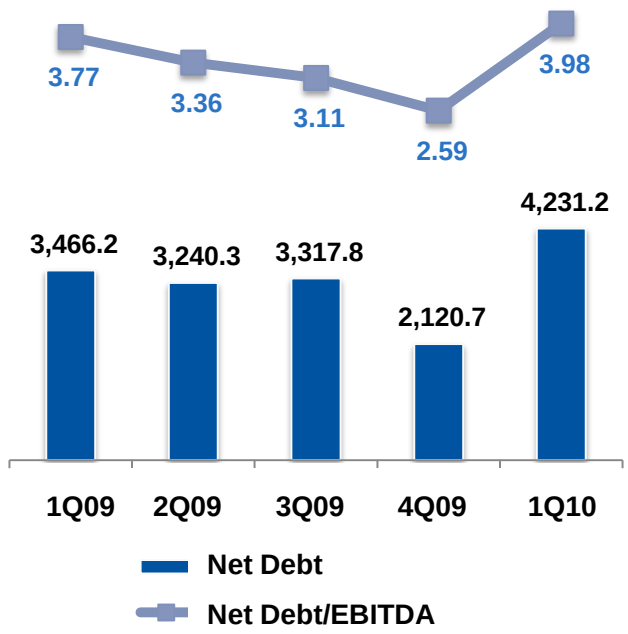
Operating and Financial Highlights by protein

Poultry, Pork and Industrialized: Nova SEARA and Europe

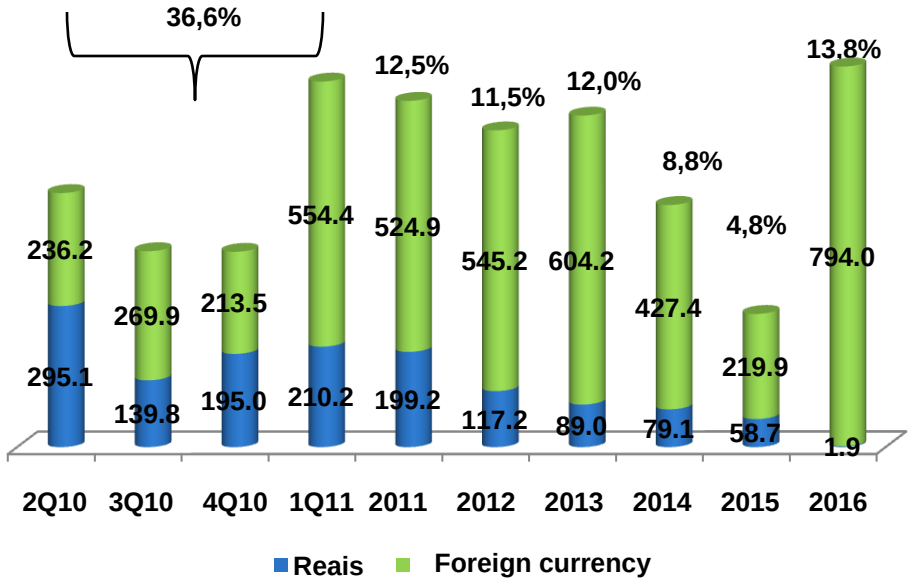
Poultry, Pork and Industrialized (R$ million)	1Q09	4Q09	1Q10	1Q10 x 1Q09	1Q10 x 4Q09
Net Revenue	1,188.9	1,198.2	1,839.4	54.7%	53.5%
COGS	(1,084.1)	(1,115.5)	(1,453.1)	34.0%	30.3%
Gross Revenue	104.9	82.7	386.4	268.4%	367.4%
Gross Margin (%)	*8.8%*	*6.9%*	*21.0%*	*1220 bps*	*1410 bps*
EBITDA	38.1	72.4	266.6	598.9%	268.2%
EBITDA Margin (%)	*3.2%*	*6.0%*	*14.5%*	*1130 bps*	*850 bps*
EBITDA (without tax credit)	38.1	72.4	115.0	201.8%	58.5%
EBITDA Margin (%) (without tax credit)	*3.2%*	*6.0%*	*6.3%*	*310 bps*	*30 bps*

Debt

Net Debt / EBITDA



Debt Profile



- ✓ Short term debt increased due to assunção of Seara's debt, that was concentraded on short term
- ✓ Debt average cost: 8.37% per year
- ✓ Average Term of Gross Debt: 35.7 months
- ✓ US$ 500 million in bonds raised (April 2010) which come due on 2020 and annual coupon of 9.50%, to improve the debt profile and for other Company needs

Consolidated Debt - R$ million

Short Term	4Q09	Part. %	1Q10	Part. %	Var. 1Q10 x 4Q09
- Domestic Currency	713.0	13.8%	840.2	14.5%	17.8%
- Foreign Currency	760.6	14.8%	1,274.0	22.1%	67.5%
Total Short Term	**1,473.6**	**28.6%**	**2,114.2**	**36.6%**	**43.5%**
Long Term	**4Q09**	**Part. %**	**1Q10**	**Part. %**	**Var. 1Q10 x 4Q09**
- Domestic Currency	569.1	11.0%	545.2	9.4%	-4.2%
- Foreign Currency	3,111.5	60.4%	3,115.7	54.0%	0.1%
Total Long Term	**3,680.5**	**71.4%**	**3,660.9**	**63.4%**	**-0.5%**
Total Indebtedness	**5,154.1**	**100.0%**	**5,775.1**	**100.0%**	**12.0%**
Cash	3,033.4		1,543.8		-49.1%
Net Debt	**2,120.7**		**4,231.2**		**99.5%**
EBITDA	**819.5**		**1,062.9**		**29.7%**
Net Debt / EBITDA	**2.59 x**		**3.98 x**		

Average Cost of Debt	4Q09	1Q10
Domestic Currency	10.75%	10.19%
Foreign Currency	7.58%	7.58%
Total	**8.37%**	**8.37%**

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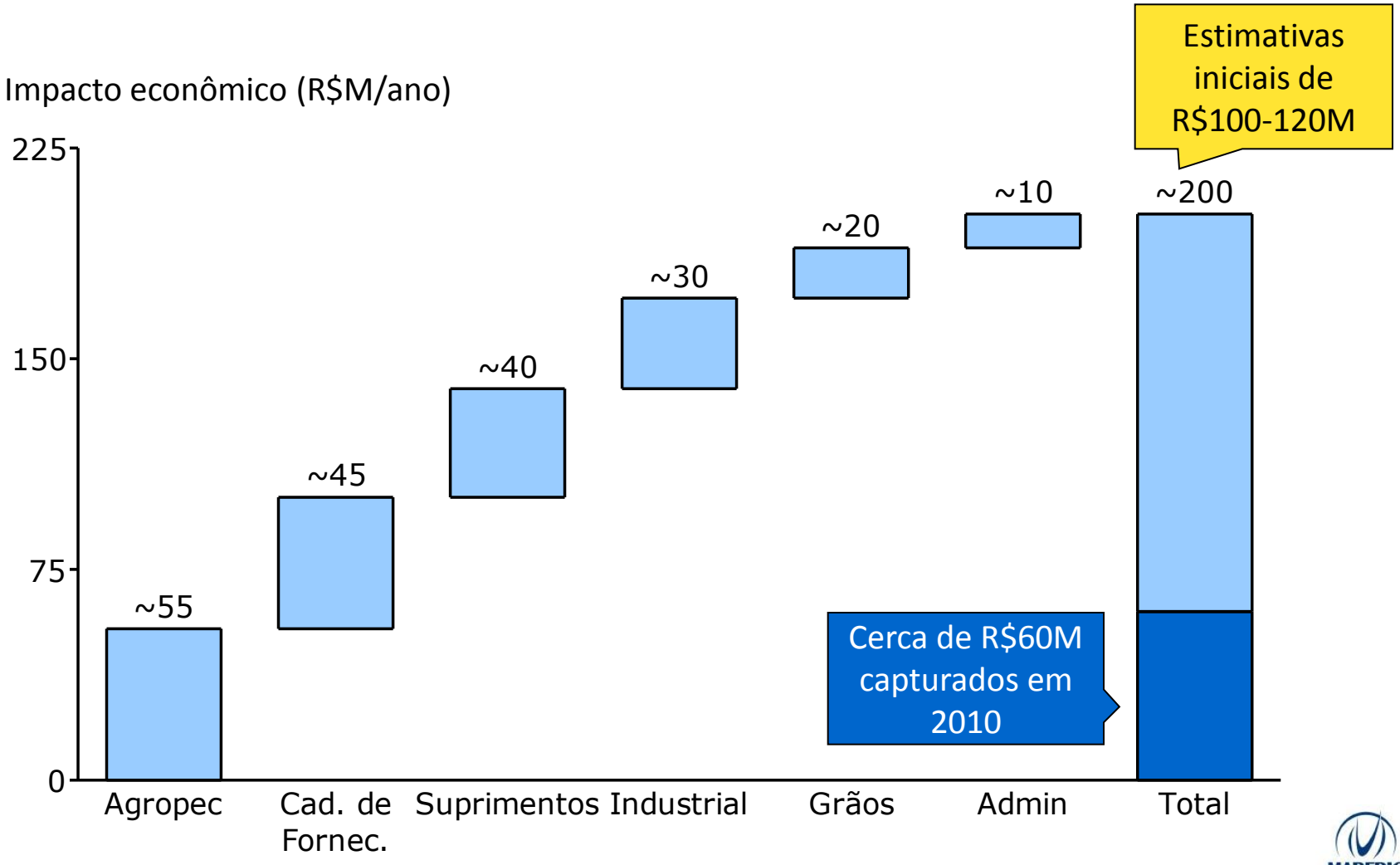
Investments - CAPEX

Investing Activities	1Q10
CAPEX – Invested in fixed assets	(109,958)
CAPEX – Invested in breeding stocks	(38.975)
CAPEX – SUBTOTAL	(148,933)
Investments (payment of prior acquisition)	(612,064)
Intangible assets/Goodwill/Deferred	(704,270)
TOTAL CAPEX	(1,465,267)

- In 1Q10, Marfrig Alimentos S.A. disbursed a total of R$ 1,307.3 million, related to the payment of the acquisitions of SEARA and Zenda.

SEARA Synergies

The Seara integration has identified and quantified annual synergies of some R$200M*



*Não inclui impacto econômico de eventual conquista de participação de mercado ou melhoria no portfólio de produtos

Breakdown of Synergies

Agriculture

	R$M
•Dissemination of agricultural best practices	29
•Internalization of breeding stocks (poultry and swine)	16
•Internalization of swine semen purchasing	5

Grain Purchasing

	R$M
•Joint negotiation of fixed contracts for soybean meal	12
•Unification of feed formulations	5

Industrial

	R$M
•Reallocation of mix between production units	16
•Automation projects with quick returns	12

Supplies

	R$M
•Negotiations on large scale for primary packagings	9
•Consolidation of suppliers for secondary packagings	9
•Rationalization of maintenance items	6
•Unification of electricity purchasing model	5

Supply Chain

	R$M
•Adoption of best practices for agricultural logistics	11
•Expansion of plant in Xanxerê, with reduction in feed transfers	6
•Unification of distribution logistics	3

Administrative Areas

	R$M
•Organizational restructuring of central corporate functions	9
•Reorganization of administrative structures of production units	3

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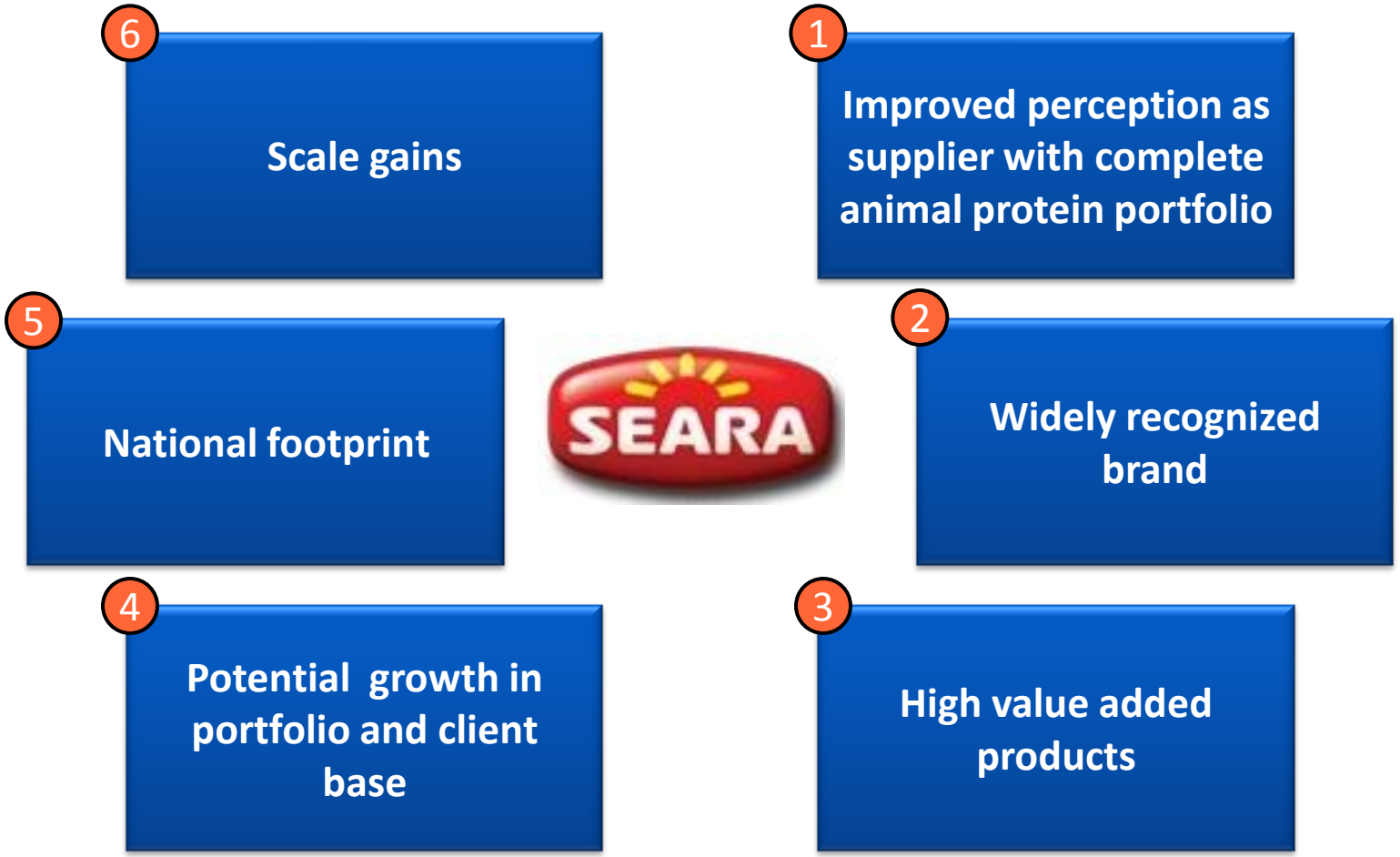
SEARA Synergies

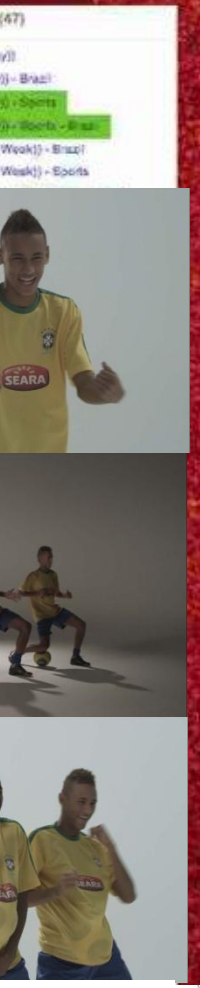
- **The Seara integration will also have strategic impacts for the Marfrig Group in a variety of aspects**



SEARA - Marketing

O COMERCIAL DA SEARA COM ROBINHO, GANSO E NEYMAR SE TORNOU O SEGUNDO VÍDEO MAIS VISTO NO MUNDO NO YOUTUBE. EM APENAS 48 HORAS FORAM MAIS DE 1 MILHÃO DE VIEWS FOI TAMBÉM O ÚNICO FILME PUBLICITÁRIO ENTRE OS TOP 10. NÓS DA AFRICA TEMOS MUITO ORGULHO DE NOSSO CLIENTE SEARA TER APROVADO ESSE FILME. MOSTROU QUE ENTENDE TUDO DE CHURRASCO, FUTEBOL E PROPAGANDA.





MORE THAN 5 MILLION VIEWS AS OF MAY 13 – 96 HS AFTER LAUNCH

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