

Company Profile



The most diversified food company in different meats



Marfrig Alimentos S.A. is a food Company operating in the processing and distribution of fresh and industrialized beef, pork, lamb and poultry, to clients in Brazil and abroad. In addition to other food products, such as, pre-cooked and frozen potato, frozen vegetables, canned meat, fish, ready meals and pasta. With a diversified and flexible operating base, with 151 production, commercial and distribution units located in 22 countries in the 5 continents. Marfrig is one of the most global Companies and one of the most diversified in the Brazilian food based in animal protein sector. The Group made, in the past 4 years, 40 acquisitions, more than half of which were abroad. The Company's products are exported to more than 100 destinations. The Marfrig group counts with approximately 90,000 employees and the following structure: 33 cattle slaughter plants (24 in Brazil, 5 in Argentina and 4 in Uruguay), 21 chicken slaughter units (14 in Brazil, 4 in Europe and 3 in USA), 48 industrialized and processed product units (16 in Brazil, 5 in Argentina, 3 in Uruguay, 8 in USA, 1 in China, 1 in Thailand, 1 in Malaysia, 1 in South Korea, 1 in Australia and 11 in Europe), 4 pork slaughter units in Brazil, 2 turkey plants (1 in Brazil and 1 in Europe), 5 lamb slaughter plants (1 in Brazil, 3 in Uruguay and 1 in Chile), 27 own chicken and pork feed plants (21 in Brazil, 3 in Europe and 3 in USA) and 2 tradings (Chile and United Kingdom), 14 industries and leather offi ces (1 in Brazil, 4 in Uruguay, 1 in China, 1 in Germany, 2 in USA, 1 in Argentina, 1 in Mexico and 3 in South Africa). The Company was operating with a daily slaughter capacity of 31,200 head of cattle, 10,400 pork, 10,400 lamb, 35,000 turkey and 3.7 million chicken; in addition to the 126,000 tonnes of prepared food products and processes over 178,500 leather piece each month. In June, we announced the acquisition of Keystone Foods, which was certainly one of the Group's most important acquisitions. Keystone is one of the world's major suppliers of processed meat products to the restaurant chain McDonald's and to other global companies.



STRATEGY

Marfrig Group's strategy is to promote sustainable profitability based on:

- Invest in organic growth;
- Continue to target investment and acquisition opportunities;
- Expand our focus on high value-added products;
- Leverage and develop our brands;
- Maximize our global platform and our commercial relationships;
- Expand our food service activities;
- Add value in semi-finished, finished and cut leather.

FINANCIAL HIGHLIGHTS

Financial Highlights (R\$ million)	3Q09	2Q10	3Q10	Var. % 3Q10 x 2Q10	Var. % 3Q10 x 3Q09
Gross Operating Revenue	2,537.7	3,770.3	4,160.4	10.3	63.9
Domestic Market	1,617.6	2,140.9	2,534.1	18.4	56.7
Exports	920.1	1,629.5	1,626.3	(0.2)	76.8
Net Revenue	2,402.6	3,558.7	3,855.1	8.3	60.5
EBITDA	272.5	286.3	271.5	(5.1)	(0.4)
EBITDA Margin	11.3%	8.0%	7.0%	(100) b.p	(430) b.p.
Net Income	200.5	127.4	(30.9)	(124.3)	(115.4)

PS: Financial Highlights are not updated with pro-forma figures

RATINGS

Fitch Ratings

Domestic BBB+
International B+

Moody's Investors Services

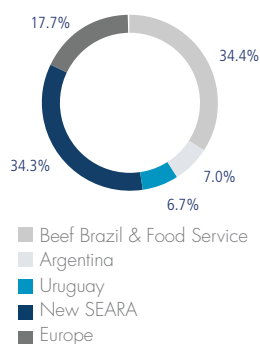
International B1

Standard & Poor's

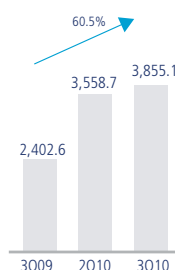
International B+

FINANCIAL HIGHLIGHTS

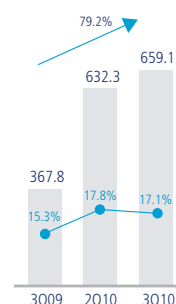
Sales By Business Unit



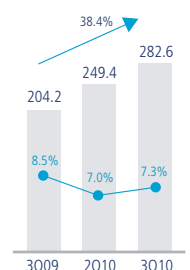
Net Income (R\$ million)



Gross Income (R\$ million) and Gross Margin (%)



Adjusted EBITDA (R\$ million) and Adjusted EBITDA Margin (%)





SUSTAINABILITY

- Diamantino Project (Mato Grosso state): largest system to treat effluents from pig operations in Latin America, which reduces the emissions of methane into the atmosphere by around 73,000 tonnes of CO₂ per year.
- Setting up of a social environmental responsibility committee in all the group's units;
- Member of the executive management committee of the Sustainable Cattle Raising Working Group (WG), an IFC / World Bank initiative aimed at promoting the sustainability of the beef chain;
- Sustainability pact signed with Wal Mart, which establishes targets for the reduction of packaging, emissions and energy consumption with deadlines until 2013, in addition to greater engagement in the entire meat production chain;
- Effluent treatment systems in the units through biodigesters: methane generation and capture via a system eligible to obtain carbon credits through the clean development mechanism of the Kyoto protocol;
- Inventory of greenhouse gas emissions: planting of trees in partnership with SOS Mata Atlântica;
- Implementation of an environmental indicator methodology and preparation to obtain ISO 14000, 9001, SA 9000 and OSHAS 18000 certifications;
- ISO 22000 certification at the 4 plants in the Argentina Division - Quickfood; and
- Ongoing program to reduce water consumption and increase water reutilization in our units.



CORPORATE GOVERNANCE

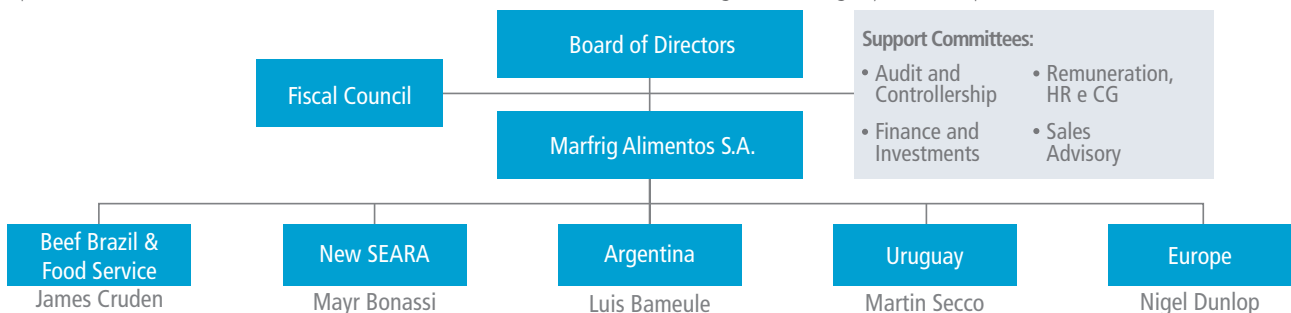
In addition to meeting the requirements of the BM&FBovespa's Novo Mercado segment, Marfrig Group's corporate governance principles are based on best practices of transparency, accountability and equity addressed to the relationship the Company maintains with its shareholders.

The Company had created 3 committees to support the Board of Directors. These will meet once a month and each will be headed by an independent member.

- (1st) Mr. Marcelo Maia de Azevedo Correa will be responsible for the Audit and Controllershship Committee;
- (2nd) Mr. Carlos Geraldo Langoni for the Finance and Investments Committee;
- (3rd) Mr. Antônio Maciel Neto for the Remuneration, Human Resources and Corporate Governance Committee.

OPERATING STRUCTURE

The Group is divided in business units: Beef Brazil & Food Service; New SEARA; Argentina; Uruguay and Europe



151 PRODUCTION, COMMERCIAL AND DISTRIBUTION UNITS IN 22 COUNTRIES AND THE 5 CONTINENTS

Geographical Diversification and by Protein

Brazil

23,450 cattle/day
2,000 lamb/day
2,443,000 chicken/day
30,000 turkey/day
10,400 pork/day
50,611 tonnes/month*

Argentina

3,900 cattle/day
5,418 tonnes/month*

Uruguay

3,900 cattle/day
5,400 lamb/day
1,838 tonnes/month*

United States

530,000 chicken/day
37,665 tonnes/month* (Keystone Foods)
2 units (Comercial Office e DC)



Leather

Brazil: 31,500 hides/month
Argentina: 42,000 hides/month
Uruguay: 84,000 hides/month
South Africa: 21,000 hides/month
Germany: 1 unit (Leather and DC)
Mexico: 1 unit (Leather)

China

4,517 tonnes/month (Keystone Foods)
1 unit (Comercial Office)

Thailand

1,250 tonnes/month* (Keystone Foods)

South Korea

1,250 tonnes/month* (Keystone Foods)

Australia

1,702 tonnes/month* (Keystone Foods)

Malaysia

1,583 tonnes/month* (Keystone Foods)

SOME OF OUR BRANDS



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(*) Processed and Industrialized Products