



BRF REPORTS FIRST QUARTER SALES OF R\$ 5.8 BILLION

*Ebitda of R\$ 447 million, 148% higher
confirming a recovery in performance*

BRF Brasil Foods closed the first quarter 2010 with gross sales of R\$ 5.8 billion and recorded an important recovery in operating performance. EBITDA reached R\$ 447.3 million, 148% higher than the pro-forma figure for 2009.

The Company reported net income of approximately R\$ 53 million against a negative result of R\$ 465.2 million for the same period last year using the same comparative basis.

First quarter figures reflect a good domestic market performance and a gradual recovery in exports. To these two factors can be added a reduction in costs and expenses, in 2009 strongly impacted by currency volatility and falling volume.

During the quarter, BRF completed its integration plan and the identification of synergies between Perdigão and Sadia, for implementation once a decision has been made by the anti-trust regulator CADE (Administrative Council for Economic Defense).

The operations of both companies have been closely examined in all areas to ensure that the best practices are selected. The entire analysis is ready and plans for executing these practices nearing conclusion such that they can be adopted on the first effective day of working together as one company.

NUMBERS FOR THE 1ST QUARTER 2010 (PRO-FORMA) (*)

	R\$ million		
	1Q10	1Q09	Change %
Gross Sales	5,815	5,847	(1%)
Domestic Market	3,686	3,538	4%
Exports	2,128	2,308	(8%)
Net Sales	5,047	5,061	0%
Gross Profits	1,279	988	29%
Gross Margin	25.3%	19.5%	580 bps
EBIT	271	(61)	-
Net Income	53	(465)	-
Net Margin	1.0%	(9.2%)	-
EBITDA	447	180	148%
EBITDA Margin	8.9%	3.6%	530 bps

() Results have been consolidated as if the merger of Sadia's shares had taken place on January 1 2009*



DOMESTIC MARKET

In the first quarter 2010, the Brazilian market showed promising signs set against a positive macroeconomic environment, favoring the growth in sales of processed products and the improvement in returns.

Domestic sales amounted to R\$ 3.7 billion, driven principally by the processed meats business, which reported growth of 4.8% in volume. Dairy product revenues rose 6.3% and corresponding to a 2.7% increase in volume despite the elevation in average milk catchment costs, which put some pressure on margins.

Other processed products – among them, pastas, pizzas and margarines – also turned in good performances with sales revenues up 14.9% and volumes by 10.6%.

It is worth mentioning in particular the contribution of the food service business to domestic sales. This segment posted a continual improvement in profitability, sustained by sales of specialty products with higher added value.

EXPORTS

The international scenario favored an improvement in some key markets such as Asia and Eurasia with the partial recovery enabling the Company to claw back margins on exports in the first quarter and reverse the negative margins reported last year.

Exports totaled R\$ 2 billion, representing a fall of 7.8% in revenues and 1.1% in volume compared with the same period last year on the basis of the pro-forma figures.

The meats business recorded an average decline in prices of 6.5%, while dairy products registered a 12% rise in average prices in Reais.

São Paulo, May 12 2010

BRF (BRFS) is one of the largest food companies in Latin America and one of the largest food processing companies in the world. The Company exports its products for more than 140 countries.