Report of Independent auditors of JBS S.A
ITR - Three months period

As of March 31, 2008 and 2007

SPECIAL REVIEW REPORT

To the Board of Directors and Shareholders of JBS S.A.

1. We have performed a special review of the accompanying Quarterly Information (Company and Consolidated) of JBS S.A. (the "Company") consisting of the balance sheet as of March 31, 2008, and the related statement of income, cash flows and the performance report for the quarter then ended, prepared under the responsibility of the Company's management. The financial statements of JBS Holding International S.A., its directly-controlled company, were reviewed by us, and the financial statements of Swift Armour Sociedad Anónima Argentina, its indirectly-controlled company, were reviewed by other independent auditors, member firms of BDO network. The financial statements of JBS USA, Inc, Inalca JBS S.p.A., its directly- controlled companies, were reviewed by other independent auditors. Our opinion on the carrying values of the investments in these companies and the equity in their earnings is based on the work of those auditors.

2. Our review was performed in accordance with specific standards established by IBRACON (Brazilian Institute of Independent Auditors) together with the Federal Accounting Council, 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 special review and on the other independent auditors' reports, we are not aware of any material changes which should be made to the Quarterly Information referred to above for it to be in conformity with the standards issued by CVM - Brazilian Securities and Exchange Commission applicable to the preparation of Quarterly Information, including its Announcement to the Market of January 14, 2008 and CVM Instruction No. 469/08.

4. As mentioned in note 3.m, on December 28, 2007 Law No. 11.638 was enacted to come into effect from January 1, 2008. This law has modified and revoked provisions and introduced new ones into Law No. 6.404/76 (Stock Corporation Act), causing changes in Brazilian accounting practices. Although the Law has already come into effect, some of the changes introduced by it depend on regulation by regulatory agencies to be fully applied by companies. Therefore, CVM set forth on Instruction No. 469/08 that during the transition companies are not obliged to apply all provisions of Law No. 11.638/07 to prepare the Quarterly Information. Therefore, the accounting information included in the Quarterly Information – ITR of the quarter ended March 31, 2008 has been prepared in accordance with CVM's specific instructions, and do not include all changes in accounting practices introduced by Law No. 11.638/07.

5. The balances of assets and liabilities (Company and consolidated) of JBS S.A. and its controlled companies for the year ended December 31, 2007, presented for comparative purposes, were audited by other independent auditors, whose report thereon, dated March 10, 2008, was unqualified and had an emphasis-of-a-matter paragraph on the presentation of the statements of cash flows as supplemental information and another emphasis-of-a-matter paragraph on the early application of procedures for recognizing exchange variations of investments held abroad. The balances of revenue and expense accounts for the quarter ended March 31, 2007, also presented for comparative purposes, were reviewed by other independent auditors, who issued a special review report on April 24, 2007 emphasizing the completion of the primary and secondary public offering of shares.

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

Ribeirão Preto, May 9, 2008

BDO Trevisan
BDO Trevisan Auditores Independentes
CRC 2SP013439/O-5

Estefan George Haddad
Engagement Partner
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JBS S.A.

Balance sheets
(In thousands of Reais)

	Company		Consolidated	
	March, 2008	December, 2007	March, 2008	December, 2007
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Note 5)	**1.818.412**	109.221	**1.999.129**	323.709
Short-term investments (Note 6)	**589.452**	760.563	**685.093**	1.057.994
Trade accounts receivable, net (Note 7)	**537.890**	444.218	**1.412.286**	1.236.148
Inventories (Note 8)	**652.904**	604.225	**1.922.830**	1.511.595
Recoverable taxes (Note 9)	**363.198**	351.677	**513.188**	482.918
Prepaid expenses	**1.973**	4.388	**48.342**	44.468
Other current assets	**14.822**	30.612	**101.810**	102.910
TOTAL CURRENT ASSETS	**3.978.651**	**2.304.904**	**6.682.678**	**4.759.742**
NON-CURRENT ASSETS				
Long-term assets				
Credits with related parties (Note 10)	**18.396**	60.306	**19.272**	17.461
Judicial deposits and others	**8.405**	8.249	**51.073**	41.443
Deferred income taxes (Note 18)	**16.529**	16.251	**35.171**	23.758
Recoverable taxes (Note 9)	**30.521**	31.442	**44.221**	44.205
Total long-term assets	**73.851**	**116.248**	**149.737**	**126.867**
Permanent assets				
Investments in subsidiaries (Note 11)	**3.514.823**	2.149.919	**1.081.822**	829.975
Other investments	**10**	10	**5.370**	10
Property, plant and equipment, net (Note 12)	**1.427.685**	1.328.015	**3.202.305**	2.536.098
Intangible assets, net	**9.615**	9.615	**223.619**	193.917
Deferred charges	**1.400**	-	**3.172**	1.596
Total Permanent assets	**4.953.533**	**3.487.559**	**4.516.288**	**3.561.596**
TOTAL NON-CURRENT ASSETS	**5.027.384**	**3.603.807**	**4.666.025**	**3.688.463**
TOTAL ASSETS	**9.006.035**	**5.908.711**	**11.348.703**	**8.448.205**

	Company		Consolidated	
	March, 2008	December, 2007	March, 2008	December, 2007
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Trade accounts payable (Note 13)	**216.434**	355.510	**995.446**	1.099.385
Loans and financings (Note 14)	**1.414.759**	858.975	**2.396.607**	2.384.836
Payroll, social charges and tax obligation (Note 15)	**69.022**	93.158	**197.530**	203.613
Declared dividends (Note 19)	**17.465**	17.465	**17.465**	17.465
Other current liabilities	**119.160**	50.294	**155.931**	70.536
TOTAL CURRENT LIABILITIES	**1.836.840**	**1.375.402**	**3.762.979**	**3.775.835**
NON-CURRENT LIABILITIES				
Loans and financings (Note 14)	**2.186.048**	1.341.313	**2.370.172**	1.364.800
Deferred income taxes (Note 18)	**58.848**	59.642	**146.063**	99.755
Provision for contingencies (Note 16)	**45.979**	45.979	**57.246**	55.681
Debit with third parties for investment (Note 17)	**179.439**	-	**179.439**	-
Other non-current liabilities	**22.612**	31.787	**157.784**	101.702
TOTAL NON-CURRENT LIABILITIES	**2.492.926**	**1.478.721**	**2.910.704**	**1.621.938**
MINORITY INTEREST	**-**	**-**	**(1.249)**	**(4.156)**
SHAREHOLDERS' EQUITY (Note 19)				
Capital stock	**3.676.132**	1.945.581	**3.676.132**	1.945.581
Capital reserve	**883.410**	985.664	**883.410**	985.664
Revaluation reserve	**123.113**	123.343	**123.113**	123.343
Retained earnings	**(6.386)**	-	**(6.386)**	-
TOTAL SHAREHOLDERS' EQUITY	**4.676.269**	**3.054.588**	**4.676.269**	**3.054.588**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**9.006.035**	**5.908.711**	**11.348.703**	**8.448.205**
		-		-

The accompanying notes are an integral part of the financial statements

Statements of income for the period of three months ended March 31, 2008 and 2007
(In thousands of Reais)

	Company		Consolidated	
	2008	2007	2008	2007
GROSS OPERATING REVENUE				
Sales of products:				
Domestic Sales	**523.540**	494.980	**3.949.104**	550.766
Foreign Sales	**581.131**	522.879	**2.056.417**	651.607
	1.104.671	**1.017.859**	**6.005.521**	**1.202.373**
SALES DEDUCTIONS				
Returns and discounts	**(33.450)**	(37.973)	**(72.100)**	(46.267)
Sales taxes	**(62.184)**	(62.196)	**(74.356)**	(69.968)
	(95.634)	**(100.169)**	**(146.456)**	**(116.235)**
NET SALE REVENUE	**1.009.037**	**917.690**	**5.859.065**	**1.086.138**
Cost of goods sold	**(764.336)**	(670.046)	**(5.348.839)**	(828.495)
GROSS INCOME	**244.701**	**247.644**	**510.226**	**257.643**
OPERATING INCOME (EXPENSE)				
General and administrative expenses	**(20.602)**	(14.853)	**(79.822)**	(20.567)
Selling expenses	**(100.159)**	(89.073)	**(305.146)**	(99.894)
Financial income (expense), net (Note 20)	**(4.600)**	(39.857)	**(76.802)**	(56.983)
Equity in subsidiaries (Note 11)	**(78.218)**	(21.711)	**-**	-
Goodwill amortization	**(44.313)**	-	**(44.313)**	-
Initial Public Offering expenses	**-**	(50.564)	**-**	(50.564)
	(247.892)	**(216.058)**	**(506.083)**	**(228.008)**
OPERATING INCOME (LOSS)	**(3.191)**	**31.586**	**4.143**	**29.635**
NON-OPERATING INCOME (EXPENSE), NET	**438**	68	**(524)**	60
INCOME (LOSS) BEFORE TAXES	**(2.753)**	**31.654**	**3.619**	**29.695**
Current income taxes	**(4.141)**	(21.814)	**(15.590)**	(22.074)
Deferred income taxes	**278**	803	**4.949**	2.489
	(3.863)	**(21.011)**	**(10.641)**	**(19.585)**
INCOME (LOSS) BEFORE MINORITY INTEREST	**(6.616)**	**10.643**	**(7.022)**	**10.110**
Minority interest (expense) income	**-**	-	**406**	533
NET INCOME (LOSS)	**(6.616)**	**10.643**	**(6.616)**	**10.643**
NET INCOME (LOSS) PER SHARE	**(5,07)**	**12,52**		

Statement of EBITDA (Earnings before income taxes, interest, depreciation and amortization and non-operating income (expense), net

	Company 2008	Company 2007	Consolidated 2008	Consolidated 2007
Income (loss) before taxes	**(2.753)**	31.654	**3.619**	29.695
Financial income (expense), net (Note 20)	**4.600**	39.857	**76.802**	56.983
Depreciation and amortization	**15.391**	13.873	**51.007**	19.047
Non-operating income (expense), net	**(438)**	(68)	**524**	(60)
Equity in subsidiaries (Note 11)	**78.218**	21.711	**-**	-
Initial Public Offering expenses	**-**	50.564	**-**	50.564
Goodwill Amortization	**44.313**	-	**44.313**	-
AMOUNT OF EBITDA	**139.331**	**157.591**	**176.265**	**156.229**

The accompanying notes are an integral part of the financial statements

1 Operating activities

JBS S.A (Company) is a listed company in the level " New Market " of corporate governance and its shares are negotiated in BOVESPA - Stock Exchange of São Paulo.

The operations of the Company and its subsidiaries consists of:

a) Activities in Brazil

The Company operates slaughterhouses, cold storage and food processing operations for the production of beef, canned goods, fat, animal rations and beef by-products, which are produced in the manufacturing units located in the States of São Paulo, Goiás, Mato Grosso, Mato Grosso do Sul, Rondônia, Minas Gerais, Acre and Rio de Janeiro. The Company distributes its products through centers of distribution located in the State of São Paulo, and a container terminal for export in the city of Santos.

In order to minimize transportation costs, the Company is responsible for the transportation of cattle to its slaughterhouses and the transportation of its export products.

Mouran Alimentos Ltda.. (Mouran) is a subsidiary, organized in July 2006, and conducts slaughterhouse and cold storage business operations for the production of beef, canned goods, fat, animal rations and beef by-products in its facilities located in the State of São Paulo.

JBS Embalagens Metálicas Ltda. (JBS Embalagens) produces metallic cans in its plant located in the State of São Paulo, which are primarily purchased by the Company.

Beef Snacks do Brasil Indústria e Comércio de Alimentos Ltda (Beef Snacks), an indirect wholly-owned subsidiary of the Company, located in Santo Antônio da Posse, State of São Paulo, in operation since August, 2007 produces Beef Jerky. Beef Snacks purchases meat in the local market and exports the Beef Jerky to the United States of America.

b) Foreign activities

The Company has indirect subsidiaries located in England and Egypt, which are responsible for the sales and distribution of the Company's products in Europe, Asia, and Africa.

Swift-Armour Sociedad Anónima Argentina (Swift Armour), an indirect wholly-owned subsidiary of the Company, operates slaughterhouses and cold storage facilities for the production of beef, canned goods, fat, animal food and by-products, with industrial units located in the province of Buenos Aires, Entre Rios and Santa Fé.

Swift Armour have two subsidiaries acquired in 2007 being a meat-packing slaughterhouse in Berezategui (Consignaciones Rurales) and a can factory located in Zavate, both in the province of Buenos Aires.

SB Holdings, Inc. (SB Holdings) and its subsidiaries, Tupman Thurlow Co., Inc. (Tupman) and Astro Sales International, Inc. (Astro) located in the United States and acquired in January 2007, sale processed beef products in the North-American market.

Jerky Snacks Brands, Inc (Jerky Snacks), an indirect wholly-owned subsidiary of the Company, located in the United States of America, produces and sells meat snacks (Beef Jerky, Smoked Meat Sticks, Kippered Beef Steak, Meat&Cheese, Turkey Jerky and Hunter Sausage). Jerky Snacks purchases meat from Brazil and in the local market and it sales are mainly in the United States of America.

Global Beef Trading Sociedade Unipessoal Lda (Global Beef Trading), an indirect wholly-owned subsidiary of the Company, located in Ilha da Madeira, Portugal, sells products of bovine meat, birds and porks. Global Beef Trading imports the products from Latin America and exports to several countries, in Europe, Africa, Asia and Middle East.

On July, 2007, the Company acquired Swift Foods Company, formerly known JBS USA Inc. (JBS USA). JBS USA has feedlots and processes, packages and delivers fresh, further processed and value-added beef and pork "in natura" products for sale to customers in the United States and international markets. The fresh meat products prepared by JBS USA include refrigerated beef and pork processed to standard industry specifications.

In the United States, JBS USA operates four beef processing facilities, three pork processing facilities, one lamb slaughter facility and one value-added facility for pork. In Australia, JBS USA operates four beef processing facilities.

JBS USA divides its business into three segments: Swift Beef, through which it conducts its U.S. domestic beef processing business; Swift Pork, through which it conducts its U.S. domestic pork processing business; and JBS Australia, through which it conducts its Australian beef business.

JBS USA in Australia operates four feedlots that provide grain-fed cattle for its processing operations.

Since January, 2008 the Company owns 44,36% of participation in Inalca S.p.A's social capital, actually Inalca JBS S.p.A, (Inalca JBS).

Inalca S.p.A. is the absolute leader in Italy and one of the main European operators in the processing beef sector. It produces and markets a complete range of fresh and frozen meat, packed under vacuum or portioned in a protective atmosphere, canned meat, ready-to-serve products, fresh and frozen hamburger, minced meats and, pre-cooked products. The company operates through a production structure made of 6 plants in Italy, specialized by production line, and through 9 foreign facilities in Europe and Africa.

The integral subsidiary Montana Alimentari S.p.A. (Montana) is one of the main Italian operators on the production, marketing and distribution of cured meats, snack and ready-toeat products with over 230 products. Owner of the historical brands "Montana" and "IBIS" , the company features an industrial structure of 4 plants, specialized by type of production and located in the area distinguished by the Protected Denomination of Origin (P.D.O.) and Protected Geographic Indication (P.G.I.) brands. The company is also one of the main operators in the Italian canned meat market, with a market share of 22%, and in pre-sliced products.

2 Presentation of financial information

The individual and consolidated financial statements, were prepared in accordance with the generally accepted accounting principles in Brazil, and they are presented in accordance with NPC rule No. 27 issued by the Brazilian Institute of Independent Auditors (*Instituto dos Auditores Independentes do Brasil* - IBRACON) and rule No. 488 issued by the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários* – CVM) , both dated October 3, 2005.

With respect to the Company's investment in Swift Armour and its subsidiaries and Inalca JBS and its subsidiaries, we have compared the generally accepted accounting principles in Argentina and Italy with the corresponding principles in Brazil applied by the Company, and we have noted that there were no material differences.

The accounting principles adopted by the Companies Tupman and Astro, both subsidiaries of SB Holdings, located in the United States of America, do not differ significantly from those adopted in Brazil.

The accounting practices adopted in the United States of America by JBS USA (US GAAP) are adjusted to Brazilian GAAP, according to the following differences:

- Finished goods inventories: valued using market price, and are adjusted to production average cost method;
- Permanent assets: includes R$ 644.202, related to intangible assets and fixed assets goodwill, calculated according to applicable purchasing accounting, and it was adjusted reducing the shareholder´s equity;
- Derivatives designated as a hedge and used to hedge an anticipated transaction, changes in fair value of the derivatives are deferred in the balance sheet within accumulated other comprehensive income and were recognized in the statement of earnings for Brazilian GAAP purposes.

3 Significant accounting policies

a) Accounting Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in Brazil requires the Company's management to (i) make estimates and assumptions that affect the reported amounts of assets and liabilities and (ii) disclose (a) contingent assets and liabilities as of the date of the financial statements and (b) the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

b) Swap Receivables or Payables

The market value of derivative instruments is computed daily, and the resulting receivables or payables are recorded based on their fair market value.

c) Allowance for Doubtful Accounts

Allowance for doubtful accounts is computed based on the probable loss, the profile of the customers, overall economic and financial condition and specific risks relating to the relevant customers. The Company's management believes that the allowance for doubtful accounts is sufficient to cover the exposure to possible losses.

d) Inventories

The Company's inventories are valued based on their cost of acquisition, creation or production, such cost is lower than the market or net realizable value.

e) Investments

The Company's investments in subsidiaries are accounted according to the equity method.

f) Property, plant and equipment

Property, plant and equipment are stated at an amount equivalent to the sum of their historical acquisition cost and the amount resulting from the increase in the value of these assets as determined by revaluations performed by independent appraisal firms. Depreciation is computed pursuant to the straight-line method, using rates described in Note 12, which take into account the useful and economic lives of the assets.

g) Other Current and Long-term Assets

Current and long-term assets are accounted for at their realization value, including, if applicable, the related income, charges and monetary variations.

h) Current Liabilities and Long-term Liabilities

Current and long-term liabilities are accounted for at their known or computed amounts, including, if applicable, the related income, charges and monetary variations.

i) Contingent assets and liabilities and legal obligations

Contingent assets are recognized only when there are real warranties or favorable judicial decisions, having judged. Contingent assets with probable gain are just published in accompanying notes.

Contingent liabilities are provisioned when the losses are appraised as probable and the involved amounts are measurable with enough safety. The contingent liabilities appraised as possible losses are just published in accompanying notes and the contingent liabilities appraised as remote losses are not provisioned and not published.

Legal obligations are registered as liabilities/payable, independently of the evaluation about the probabilities of success/gain, in claims that the Company inquired the unconstitutionality of taxes.

j) Income Tax and Social Contribution

Current taxes

Provisions for income tax and social contribution are based on rates and laws and regulations in force.

Deferred taxes

The Company records deferred income tax assets and liabilities based on temporary differences between the carrying amounts on the Company's financial statements and the tax basis of assets and liabilities.

k) Profit by share

The profit by share is calculated based on the shares in circulation in the date of the financial statements.

l) Consolidation

All assets and liabilities of JBS S.A. and its subsidiaries and revenues and expenses from transactions between JBS S.A. and its subsidiaries were eliminated. No inter-company profits were recorded on the consolidated balance sheet of the Company. Accordingly, the shareholders' equity of JBS S.A. individually is equal to its consolidated shareholders' equity. The financial statements of the subsidiaries of JBS S.A. located outside of Brazil were originally prepared using the local currency of the country in which they are located. Subsequently, these amounts were converted into Reais using the applicable commercial exchange rates reported by the Central Bank of Brazil on the date of the consolidated balance sheet for assets and liabilities, and the average exchange rate of the period to revenues and expenses. The gains and losses due to the conversion are recognized in the financial income (loss).

The subsidiaries companies included in the consolidation are mentioned in the Note 11.

m) Changes in Brazilian corporate legislation

On December 28, 2007, was promulgated the Law 11.638/07, which modifies some devices of the Law no. 6404/76 (the "Brazilian Corporation Law"). In general terms, the new law requests the harmonization of the accounting practices adopted in Brazil with some international accounting pratices derived from IASB - International Accounting Standard Board, with application starting from January 1, 2008.

Some of the alterations requested in the accounting practices adopted in Brazil are: the substitution of the Statements of financial position for the Statements of cash flow; the inclusion of the Demonstration of the Added Value; the creation of new accounts subgroups; and the introduction of new criteria for classification and evaluation of financial instruments, valorization of certain assets to market value and the concept of adjust to the present value for the operations (assets and liabilities) of long term, and for the current period if relevant. The Company already adopts the practice of publishing the Statements of the cash flow.

Part of the devices changes by the new Law still depends regulation, that needs to be emitted by CVM.

The Instruction CVM n° 469, emitted on May 2, 2008 disposing about the application of the new Law, allowed the Listed Companies the immediate application in the quarterly information of the exercise of 2008 of all the accounting dispositions contained in the new Law, or the publishing in accompanying note the changes that can impact the financial statements, valuating, if possible, the effects in the equity and in the income statements of the period.

The main impact of the alterations introduced by the Law 11.638/07 in the individual and consolidated financial statements for the three months period ended on March 31, 2008 is due to the conversion adjustments due to the investments exchange variation to the Company and subsidiary, in foreign countries, that if were calculated based on the Technical Pronouncement CPC 02 of the Committee of Accounting Pronouncements, of November 9, 2007, approved by the Deliberation CVM n° 534, of January 29, 2008 would produce an increase in the loss of the period of R$ (6.616) to R$ (45.620), because would be recognized directly in the shareholders´s equity, in the subgroup of Adjustments of Evaluation in the Shareholders´ Group. The increase of the loss would be reflected in a reduction of equity in subsidiaries from R$ (78.218) to R$ (71.036) in the company and in the financial income from R$ (4.600) to R$ (50.786) in the Company and R$ (76.802) to R$ (115.806) in the consolidated.

The Company opted to publish the effects of the new Law in accompanying notes. Referring the obligation of adjustment to present value of the operating log term assets and liabilities, or current when there are matterial impacts, requested by the Instruction CVM n° 469, were not identified matterial impacts.

The Company opted to maintain the revaluation reserve amounts booked until December 31, 2007 and is still evaluating other possible impacts of the changes introduced by the new Law, which will be recognized during the year of 2008.

4 Aquisition os Swift Foods Company (Actual JBS USA) and Inalca S.p.A (Actual JBS Inalca)

On July of 2007, the Company acquired 100% of Swift Foods Company (actually JBS USA) and since January, 2008 the Company owns 44,36% of participation in Inalca S.p.A's social capital, actually Inalca JBS S.p.A, (Inalca JBS). The participation will be increased to 50% in the conclusion of the acquisition process, in the second quarter of 2008.

Due the significance of these investments in the consolidation in the financial statements of the Company for the three months period ended March 31, 2008, and the comparability loss with previous periods, we are presenting below the combined balance sheet and income statements to allow a comparison of the consolidated financial statements before the investment in Swift Foods and Inalca JBS, and we are presenting these financial statements.

(Expressed in thousand of reais)

BALANCE SHEET	March, 2008				Dec, 2007
ASSETS	**Consolidated**	**JBS USA**	**INALCA JBS**	**JBS and other subsidiaries**	**Consolidated**
Cash, cash equivalents and short-term investments	2.684.222	136.848	93.700	2.453.674	1.381.703
Trade accounts receivable, net	1.412.286	732.959	147.568	531.759	1.236.148
Inventories	1.922.830	854.792	161.651	906.386	1.511.595
Other current and non current assets	813.077	127.096	36.834	649.147	757.163
Investments in subsidiaries	1.081.822	-	-	2.940.773	829.975
Property, plant and equipment, net	3.202.305	928.622	536.727	1.736.956	2.536.098
Other permanent assets	232.161	169.687	36.115	26.359	195.523
TOTAL ASSETS	**11.348.703**	**2.950.004**	**1.012.595**	**9.245.055**	**8.448.205**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Trade accounts payable	995.446	572.466	173.691	249.288	1.099.385
Loans and financings	4.766.779	654.531	357.203	3.755.045	3.749.636
Other current and non current liabilities	911.458	244.886	97.560	569.012	548.752
Minority interest	(1.249)	-	3.310	(4.559)	(4.156)
Shareholders' equity	4.676.269	1.478.121	380.830	4.676.269	3.054.588
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**11.348.703**	**2.950.004**	**1.012.595**	**9.245.055**	**8.448.205**

INCOME STATEMENTS	Three months period ended March 31, 2008				2007
	Consolidated	**JBS USA**	**INALCA JBS**	**JBS and other subsidiaries**	**Consolidated**
Net sales revenue	5.859.065	4.282.925	304.869	1.271.271	1.086.138
Cost of goods sold	(5.348.839)	(4.067.465)	(272.313)	(1.009.061)	(828.495)
GROSS INCOME	**510.226**	**215.460**	**32.556**	**262.210**	**257.643**
General, administrative and selling expenses	(384.968)	(210.465)	(24.261)	(150.243)	(120.461)
Financial income (expense), net	(76.802)	(14.348)	(18.671)	(43.783)	(56.983)
Equity in subsidiaries	-	-	-	(30.866)	-
Other operating expenses	(44.313)	-	-	(44.313)	(50.564)
Non-operating income (expense), net	(524)	(31)	(31)	(462)	60
Income taxes	(10.641)	(9.786)	(1.289)	435	(19.585)
Minority interest (expense) income	406	-	0	406	533
NET INCOME (LOSS)	**(6.616)**	**(19.170)**	**(11.696)**	**(6.616)**	**10.643**
AMOUNT OF EBITDA	**176.265**	**26.607**	**16.961**	**132.697**	**156.229**

5 Cash and Cash and equivalents

The Holding Company's and the Consolidated balance of cash and cash equivalents on March 31, 2008, includes R$ 1,730,551 as cash equivalents, relating to payment of the capital increase in the amount of R$ 2,550,000, approved by the Extraordinary General Meeting, through the private issue of 360,678,926 new common, registered shares, without par value, at the price of R$ 7,07 per share, in accordance with the investment agreement signed on March 18, 2008 between the founding shareholders J&F Participações S.A. and ZMF Fundo de Investimentos em Participações, and the investors BNDES Participações S.A. – BNDESPAR and PROT – Fundo de Investimentos em Participações.

(Expressed in thousand of reais)

6 Short-term investments

	Company		Consolidated	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Certificates of bank deposits - CDB-DI	**299.983**	339.029	**300.129**	348.472
Investment funds	**289.469**	421.534	**312.750**	446.923
Auction-rate securities	**-**	-	**72.214**	262.599
	589.452	**760.563**	**685.093**	**1.057.994**

Certificates of bank deposits-CDB-DI are fixed income securities that provide yields of approximately 100% of the Brazilian interbank rate. The Investment Funds are supported by investments in Multi-Market funds, to the qualified public.

Auction-rate securities are securities from JBS USA that participate in an auction process run by an agent where the interest rate earned on the bonds is reset every 7 - 28 days.

7 Trade accounts receivable, net

	Company		Consolidated	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Receivables not yet due	**507.301**	**427.746**	**1.078.774**	**990.611**
Overdue receivables:				
From 1 to 30 days	**17.241**	7.904	**254.629**	154.709
From 31 to 60 days	**4.976**	4.941	**39.256**	71.993
From 61 to 90 days	**7.030**	4.978	**14.859**	10.513
Above 90 days	**6.008**	2.497	**38.886**	17.516
Allowance for doubtful accounts	**(4.666)**	(3.848)	**(14.118)**	(9.194)
	30.589	**16.472**	**333.512**	**245.537**
	537.890	**444.218**	**1.412.286**	**1.236.148**

8 Inventories

	Company		Consolidated	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Finished products	**573.059**	513.492	**1.445.731**	1.072.732
Work-in-progress	**568**	745	**81.247**	71.514
Raw-materials	**44.941**	55.242	**72.461**	68.688
Livestock	**-**	-	**182.304**	171.552
Warehouse spare parts	**34.336**	34.746	**141.087**	127.109
	652.904	**604.225**	**1.922.830**	**1.511.595**

(Expressed in thousand of reais)

9 Recoverable taxes

	Company		Consolidated	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
ICMS (value added tax)	**307.252**	295.362	**325.854**	314.924
IPI (excise tax)	**51.674**	39.920	**110.229**	97.805
PIS and COFINS (social contribution on net income)	**25.587**	42.427	**39.488**	55.623
IRRF (withholding income tax)	**3.803**	4.072	**7.596**	7.485
IVA (Argentinian value added tax)	**-**	-	**55.251**	38.176
Others	**5.403**	1.338	**18.991**	13.110
	393.719	**383.119**	**557.409**	**527.123**
Current and Long-term:				
Current	**363.198**	351.677	**513.188**	482.918
Non-current	**30.521**	31.442	**44.221**	44.205
	393.719	**383.119**	**557.409**	**527.123**

ICMS (value added tax)

Brazilian law authorizes manufacturers of goods to set off the ICMS tax paid upon the purchase of raw materials against the taxes charged upon the sale of the finished goods manufactured with such raw materials. Recoverable ICMS derives from tax credits received by the Company in connection with ICMS taxes paid upon its purchase of raw-materials, packaging materials and other goods, which are offset against ICMS taxes resulting from the sale of the Company's products. As export sales are exempt from ICMS and a relevant portion of the Company's sales are export sales, a tax credit is generated.

The Tax Authority of the State of São Paulo (*Secretaria da Fazenda do Estado de São Paulo*) filed administrative proceedings against the Company challenging the amount of the Company's ICMS tax credits arising from the purchase of cattle by the Company in other Brazilian states. The Tax Authority of the State of São Paulo claims that the tax incentives granted by such other states were not based upon an agreement with the State of São Paulo, and accordingly, the Tax Authority of the State of São Paulo only recognizes the Company's ICMS tax credits up to the amount of the ICMS tax paid in such other states.The Company's management believes that its accounting of the ICMS tax credit is in accordance with Brazilian law, and expects to be reimbursed of such credits.

PIS and COFINS (social contribution on net income)

PIS and COFINS tax credits are generated as a result of PIS/COFINS taxes paid by the Company upon its purchase of raw-materials, packaging and other materials used in the manufacturing of its products against the PIS/COFINS taxes paid by Company upon the sale of its finished products. Similarly to ICMS and IPI, as exports of the Company's products are exempt from such taxes, a tax credit is created.

IRRF (withholding income tax)

IRFF corresponds to withholding income tax levied upon the redemption of marketable securities by the Company. The Company expects to set off such withholding income taxes against income taxes on net income paid for the applicable period.

General comments

Based upon final administrative decisions by the *Câmara Superior do Conselho de Contribuintes* and on the opinion of its legal counsels, the Company and JBS Embalagens has performed a monetary adjustment of its tax credits of PIS, COFINS and IPI based on the SELIC rate (which is the reference rate published by the Central Bank of Brazil). After such monetary adjustments, the total PIS, COFINS and IPI tax credits totaled R$127.047.

(Expressed in thousand of reais)

10 Related parties transactions

Transactions with related parties are mainly represented by sales operations from the parent company to its subsidiaries abroad, under normal market prices and terms, and by inter-company loans with controlled and related subsidiaries with an interest rate of 1% per month. Balances between related parties in the balance sheet and income statement are the following:

March 31, 2008	Trade accounts receivable	Trade accounts payable	Purchases	Sales of products	Credits
Mouran Alimentos Ltda.	-	-	-	-	654
JBS Confinamento Ltda.	-	-	-	-	1.013
JBS Embalagens Metálicas Ltda.	29	1.371	9.881	-	67.055
JBS Global Beef Company SU Lda.	-	-	-	-	(41.104)
Friboi Egypt Company L.L.C	447	-	-	-	-
Friboi (UK) Limited	107.709	-	-	106.402	-
Swift Armour Socidad Anónima Argentina	-	1.368	2.523	-	-
The Tupman Thurlow Co.	27.092	601	-	16.953	-
JBS Global A/S (Denmark))	-	-	-	-	(41.409)
Global Beef Trading SU Lda.	2.013	-	-	8.781	-
Beef Snacks Brasil Ind.Com.Alimento Ltda	1.280	7	7	3.953	29.031
Beef Snacks International BV	-	-	-	-	3.156
Inalca JBS S.p.A	1.852	-	-	6.178	-
	140.422	**3.347**	**12.411**	**142.267**	**18.396**

December 31, 2007	Trade accounts receivable	Trade accounts payable	Purchases	Sales of products	Credits
Mouran Alimentos Ltda.	-	-	2.292	10.164	-
JBS Embalagens Metálicas Ltda.	401	2.346	63.559	11.418	69.695
JBS Global Beef Company SU Lda.	-	-	-	-	(41.626)
Friboi Egypt Company L.L.C	8.667	-	-	72.382	-
Friboi (UK) Limited	11.554	-	-	44.784	-
Swift Armour Socidad Anónima Argentina	-	595	6.569	-	-
The Tupman Thurlow Co.	25.900	609	-	70.770	-
Global Beef Trading SU Lda.	587	-	-	2.527	-
Beef Snacks Brasil Ind.Com.Alimento Ltda	805	84	9	4.890	22.095
Beef Snacks International BV	-	-	-	-	10.142
	47.914	**3.634**	**72.429**	**216.935**	**60.306**

11 Investments in subsidiaries

a) Relevant information about subsidiaries

March 31, 2008	Company's share quantity (Thousand)	Participation	Capital stock	Shareholders' equity	Net income (loss)
JBS Embalagens Metálicas Ltda.	10.000	99,00%	2	39.611	(231)
JBS Global Investments S.A.	38.000	100,00%	66.466	43.863	(22.769)
JBS Holding Internacional. S. A.	544.075	100,00%	544.075	373.622	(21.156)
JBS Global A/S (Denmark))	222	100,00%	79.844	116.387	(2.098)
Mouran Alimentos Ltda.	120	70,00%	120	(16.812)	(1.360)
JBS USA, Inc.	100	100,00%	1.656.249	1.478.121	(19.170)
SB Holdings, Inc	20	100,00%	18	2.582	(134)
JBS Confinamento Ltda	30.001	100,00%	3.001	29.989	(12)
Inalca JBS S.p.A	238.148	44,36%	800.066	858.453	(26.364)

December 31, 2007	Company's share quantity (Thousand)	Participation	Capital stock	Shareholders' equity	Net income (loss)
JBS Embalagens Metálicas Ltda.	10.000	99%	2	39.844	(1.011)
JBS Global Investments S.A.	23.000	100%	40.740	40.908	(6.804)
JBS Holding Internacional. S. A.	535.128	100%	535.128	385.831	(95.015)
JBS Global A/S (Denmark))	212	100%	71.648	108.106	(5.362)
Mouran Alimentos Ltda.	120	70%	120	(15.452)	(11.595)
JBS USA, Inc.	100	100%	880.186	719.210	(160.976)
SB Holdings, Inc	20	100%	18	2.751	684
JBS Confinamento Ltda	30.001	100%	30.001	30.001	-

b) Investments movement

	Balance as of Dec 31, 2007	Goodwill (amortization)	Addition (realization)	Exchange rate variation	Equity	Balance as of March 31, 2008
JBS Embalagens Metálicas Ltda.	**39.446**	-	-	-	(231)	**39.215**
JBS Global Investments S.A.	**40.909**	25.878	-	(155)	(22.769)	**43.863**
JBS Holding Internacional. S. A.	**385.831**	8.947	-	-	(21.156)	**373.622**
JBS Global A/S (Denmark))	**108.106**	3.839	-	6.540	(2.098)	**116.387**
Mouran Alimentos Ltda.	**(10.816)**	-	-	-	(952)	**(11.768)**
JBS USA, Inc.	**1.523.685**	772.222	(43.880)	5.858	(19.170)	**2.238.715**
SB Holdings, Inc	**21.941**	844	(433)	(34)	(134)	**22.184**
JBS Confinamento Ltda.	**30.001**	-	-	-	(12)	**29.989**
Inalca JBS S.p.A	**-**	340.458	270.018	52.068	(11.696)	**650.848**
Transfer to Other current liabilities (Negative equity Mouran)	**10.816**	-	-	-	952	**11.768**
Total	**2.149.919**	**1.152.188**	**225.705**	**64.277**	**(77.266)**	**3.514.823**

In the third quarter of 2007, was finalized the Joint Venture operation between JBS S.A (through the subsidiary JBS Global A/S) and Jay Earl Link (through the company Link International Meat Products LTD) was finalized to operate the company Beef Snacks International BV, which became the holding of Beef Snacks and Jerky Snacks, both integrally. JBS Global A/S is the owner of 50% of the social capital of Beef Snacks International BV.

(Expressed in thousand of reais)

c) Goodwill

In the Company

In July, 2007 the Company acquired 100% of the capital stock of Swift Foods Company, actual JBS USA, Inc., and paid a goodwill of R$ 877.609, based on the expectation of future profitability. The goodwill will be amortized as long as such profits are earned, in a period of 5 years. During the three months period ended on March 31, 2008 the goodwill was amortized in the amount of R$ 43.880, and the actual accumulated goodwill amortization is R$ 117.014.

In January, 2007 the Company acquired 100% of the capital stock of SB Holdings, Inc., and paid a goodwill of R$ 20.881 based on the expectation of future profitability of the subsidiary. The goodwill will be amortized as long as such profits are earned, in a period not exceeding 10 years. During the three months period ended on March 31, 2008 the goodwill was amortized in the amount of R$ 433, and the actual accumulated goodwill amortization is R$ 2.123.

On March, 2008 the Company acquired part of Inalca JBS. The goodwill valuation referring the acquisition of 50% of Inalca is under conclusion process. As of March 31, 2008 the participation of the Company in Inalca JBS is 44,36%. The actual valuation amount of the goodwill is R$ 270.018, based in the expectation of future profitability. The complement to 50% in the participation will be done through the capital integralization during June of the current year.

As described in note 19 d), the Company intends to exclude permanently the goodwill from the dividends calculation base.

12 Property, plant and equipment, net

Company

	Annual Depreciation Rates	Cost	Revaluation	Accumulated Depreciation	Net amount March, 2008	Net amount Dec, 2007
Buildings	4%	358.283	116.742	(26.775)	**448.250**	387.867
Land	-	108.469	9.352	-	**117.821**	114.004
Machinery & equipment	10%	249.811	44.965	(49.277)	**245.499**	229.619
Installations	10%	84.929	21.815	(16.294)	**90.450**	79.614
Computer equipment	20%	13.624	714	(6.097)	**8.241**	8.162
Vehicle and airplanes	20%	75.400	460	(42.749)	**33.111**	35.777
Construction in progress	-	470.881	-	-	**470.881**	459.809
Others	10 to 20%	16.796	3.882	(7.246)	**13.432**	13.163
		1.378.193	**197.930**	**(148.438)**	**1.427.685**	**1.328.015**

Consolidated

	Annual Depreciation Rates	Cost	Revaluation	Accumulated Depreciation	Net amount March, 2008	Net amount Dec, 2007
Buildings	3 to 20%	1.173.787	116.742	(129.848)	**1.160.681**	862.953
Land	-	380.542	9.352	(4.656)	**385.238**	233.226
Machinery & equipment	8 to 10%	1.256.290	44.965	(478.876)	**822.379**	691.535
Installations	10%	86.993	21.815	(16.731)	**92.077**	84.393
Computer equipment	20 to 100%	55.815	714	(20.611)	**35.918**	40.395
Vehicle and airplanes	14 to 50%	102.641	460	(50.281)	**52.820**	54.043
Construction in progress	-	604.079	-	-	**604.079**	526.422
Others	10 to 100%	75.455	3.882	(30.224)	**49.113**	43.131
		3.735.602	**197.930**	**(731.227)**	**3.202.305**	**2.536.098**

During the last three years, supported by appraisal reports from SETAPE- Serviços Técnicos de Avaliações do Patrimônio e Engenharia S/C Ltda., the Company made an appraisal of its facilities, resulting in an increase in the value of these assets, and the creation of the revaluation reserve and the related deferred income tax and social contribution provisions.

As of March 31 2008, the balance of the Company's revaluation of fixed assets account was R$197,930, the balance of the Company revaluation reserve account was R$ 123,113, and the balance of the Company income tax and social contribution account was R$ 58,848. The Company recorded accrued depreciation of R$ 15,969 with respect to the Company's revaluation of fixed assets as of March 31, 2008.

(Expressed in thousand of reais)

13 Trade accounts payable

	Company		Consolidated	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Commodities	**121.057**	242.688	**488.348**	588.230
Materials and services	**91.608**	109.078	**479.692**	470.830
Finished products	**3.769**	3.744	**27.406**	40.325
	216.434	**355.510**	**995.446**	**1.099.385**

14 Loans and financings

a) Company

Modality	Annual average rate of interest and commissions	March, 2008	Dec, 2007
Financing for purchase of fixed assets			
FINAME / FINEM - Enterprise financing	TJLP-UMBNDES index rate and interest rate of 3,0%	**244.482**	227.561
		244.482	**227.561**
Loans for working capital purposes			
ACC - Exchange advance contracts	Exchange rate variation and interest rate LIBOR + 0,20%	**361.160**	288.761
EXIM - BNDES export credit facility	TJLP and interest rate of 3,0%	**372.443**	426.891
Fixed Rate Notes with final maturity in February 2011 (Eurobonds)	Exchange rate variation and interest rate of 9,375%	**488.268**	494.338
Export prepayment	Exchange rate variation and interest rate of Libor + 1,0%	**220.446**	167.810
Fixed Rate Notes with final maturity in February 2016 (144-A)	Exchange rate variation and Interest rate of 10,5%	**533.760**	554.638
NCE / COMPROR	CDI and interest rate of 2,0%	**1.294.912**	40.289
Others		**85.336**	-
		3.356.325	**1.972.727**
Total Loans and Financings		**3.600.807**	**2.200.288**
Current and Long-term			
Current		**1.414.759**	858.975
Non-current		**2.186.048**	1.341.313
		3.600.807	**2.200.288**
Long-term installments have the following maturities:			
2009		**100.434**	180.121
2010		**286.963**	105.744
2011		**735.150**	519.210
2012		**8.758**	4.848
2016		**1.054.743**	531.390
		2.186.048	**1.341.313**

(Expressed in thousand of reais)

b) Consolidated

Modality	Annual average rate of interest and commissions	March, 2008	Dec, 2007
Financing for purchase of fixed assets			
FINAME / FINEM - Enterprise financing	TJLP-UMBNDES index rate and interest rate of 3,0%	**244.482**	227.561
Notes Payable	Interest rate Libor + 1,75%	**18.878**	19.325
		263.360	**246.886**
Loans for working capital purposes			
ACC - Exchange advance contracts	Exchange rate variation and interest rate LIBOR + 0,20%	**435.601**	340.879
EXIM - BNDES export credit facility	TJLP and interest rate of 3,0%	**372.443**	426.891
Fixed Rate Notes with final maturity in February 2011 (Eurobonds)	Exchange rate variation and interest rate of 9,375%	**488.268**	494.338
Working Capital - American Dollars	Interest rate Libor + 1,1%	**755.540**	1.402.371
Working Capital - Australian Dollars	BBSY + 0,35%	**18.759**	47.030
Working Capital - Euros	Euribor + Interests 0,15% - 1,75%	**357.204**	-
Export prepayment	Exchange rate variation and interest rate of Libor + 1,0%	**220.446**	167.810
Fixed Rate Notes with final maturity February 2016 (144-A)	Exchange rate variation and Interest rate of 10,5%	**533.760**	554.638
NCE / COMPROR	CDI and interest rate of 2,0%	**1.321.398**	68.793
		4.503.419	**3.502.750**
Total		**4.766.779**	**3.749.636**
Current and Long-term			
Current		**2.396.607**	2.384.836
Non-current		**2.370.172**	1.364.800
		4.766.779	**3.749.636**
Long-term installments have the following maturities:			
2009		**129.439**	184.379
2010		**321.303**	110.004
2011		**764.313**	520.840
2012		**35.387**	6.477
2016		**1.119.730**	543.100
		2.370.172	**1.364.800**

Exchange Contract Advances (ACCs) are credits funded by financial institutions to JBS S.A., amounting to US$ 249.043 on March 31, 2008 (US$ 192.446 as of December 31, 2007) and are used to finance Company's export sales.

Outstanding amounts of export pre-payment loans were US$ 126.034 on March 31, 2008 (US$ 94.738 on December 31, 2007). Such loans were funded by financial institutions.

NCE (*Notas de Crédito à Exportação)* /COMPROR are an export finance credit facility linked to COMPROR used to finance the purchase of raw materials used in the Company's export products.

EUROBONDS - JBS S.A. issued 9.375% fixed rate notes due on 2011 in total aggregate amounts of US$200 million on February 6, 2006 and US$75 million on February 14, 2006. These notes are secured by JBS S.A. and J&F Participações S.A.

144-A - JBS S.A. also issued the 10.5% fixed rate notes due on 2016 in the total aggregate amount of US$300 million on July 28, 2006. These notes are also secured by the Company.

(Expressed in thousand of reais)

Working capital - Represented, mainly, by loans of US$ 750 million of JBS USA captured in the acquisition by the Company, with an average interest of Libor + 1,1% at year. These loans that would due in July, 2008 were renegociated to periods from 3 to 5 years.

15 Payroll, social charges and tax obligation

	Company		Consolidated	
	31.03.2008	**31.12.2007**	**31.03.2008**	**31.12.2007**
Payroll and related social charges	**29.137**	35.638	**70.238**	55.577
Accrual for labor liabilities	**34.216**	27.125	**101.207**	94.502
Income tax	**-**	8.727	**2.189**	8.727
Social contribution	**-**	2.298	**-**	2.298
ICMS taxes payable	**2.094**	15.504	**2.094**	15.513
Others	**3.575**	3.866	**21.802**	26.996
	69.022	**93.158**	**197.530**	**203.613**

16 Provision for contingencies

The Company and its subsidiaries are parties in several legal and administrative proceedings arising from the ordinary course of their respective businesses, including labor proceedings, civil proceedings and tax proceedings based on the estimative of its legal advisors. The Company has established provisions in its financial statements for the contingencies arising from these proceedings based on the estimates provided by its legal advisors. The table below sets forth the main information about the legal and administrative proceedings as of March 31, 2008:

Company			**Consolidated**
Type of Proceedings	Number of lawsuits/administrative proceedings	Provision	Provision
Labor	1.023	6.463	7.271
Civil	702	11.702	16.967
Tax	186	27.814	33.008
Total	**1.911**	**45.979**	**57.246**

Tax Proceedings

a) ICMS - Value Added Tax (Imposto sobre Operações Relativas à Circulação de Mercadorias e sobre a Prestação de Serviços de Transporte Interestadual e Intermunicipal e de Comunicação)

The Tax Authority of the State of São Paulo (*Secretaria da Fazenda do Estado de São Paulo*) filed several administrative proceedings against the Company, under which the Tax Authority challenges the amount of the Company's ICMS tax credits arising from the purchase of cattle by the Company in other Brazilian states. The Tax Authority of the State of São Paulo claims that the tax incentives granted by such other states were not based upon interstate agreements, and accordingly, the Tax Authority of the State of São Paulo only recognizes the Company's ICMS tax credits up to the amount of the ICMS tax paid in such other states. The Company estimates that the claims under these administrative proceedings amount to R$ 23,000 in the aggregate. In addition to presenting its defense in such administrative proceedings, the Company has filed legal proceedings seeking the payment of damages from such other states if the Tax Authority of the State of São Paulo prevails in these administrative proceedings.
Based on the opinion of the Company's legal counsels, the Company's management established a provision for losses arising from such administrative and legal proceedings in the amount of R$ 826 as of March 31, 2008.

b) PIS (Programa de Integração Social) and COFINS (Contribuição para Financiamento da Seguridade Social)

The Company has filed administrative proceedings challenging the calculation method used in the assessment of PIS and COFINS by the Federal Tax Authority (Secretaria da Receita Federal). The Company's management estimates that the contingencies arising from these legal proceedings amount to R$6,969 in the aggregate. Based on the opinion of the Company's legal counsels and recent decisions granted by the Brazilian Federal Supreme Court (Supremo Tribunal Federal), the Company's management has recorded a provision for losses arising from such legal proceedings in the amount of R$3,793 as of March 31, 2008.

c) CSLL - Social contribution on net profit (Contribuição Social sobre o Lucro Líquido)

Based on an amendment to the Brazilian Federal Constitution that exempted profits from exports from federal contributions, the Company has filed a lawsuit against the Federal Tax Authority (Secretaria da Receita Federal) seeking to exclude its profits from exports from the calculation of the Social Contribution on Net Profit (Contribuição Social Sobre o Lucro Líquido – CSLL) payable by the Company. The Administration believes, based in its legal conselours opinion, that will obtain success in the claim. However, since 2006, using the conservatism, is adopting the procedure of including the profit in export sales in the base of calculation of CSLL and maintains provision in the amount of R$ 11.907 due to different procedure used in previous years.

d) INSS - National Social Security Institute (Instituto Social de Seguridade Social)

In September 2002, the INSS filed two administrative proceedings (autos de infração) against the Company, seeking to collect certain social security contributions (which are referred to as contributions to the Rural Workers' Assistance Fund (NOVO FUNRURAL) in the aggregate amount of R$69,194, that the Company should have allegedly withheld in connection with purchases of cattle from individual ranchers. As a result of a decision by a lower court in a proceeding to adjudicate a writ of mandamus action filed by the Company in order to challenge the constitutionality of such social security contributions, the administrative proceedings have been stayed and the INSS has been enjoined from collecting these social security contributions from the Company.

The INSS has not timely appealed from this decision and, accordingly, the proceeding has been submitted to the review of the Regional Federal Court of the 3rd Region as a matter of law. Currently, the proceedings await a ruling by such appellate court. Based on the Company's legal counsel opinion supported by precedents of the Federal Supreme Court in a similar case, the Company's management believes that the Company will prevail in these proceedings. Accordingly, the Company has not established any provision for contingencies arising from these proceedings.

In order to preserve its claims under the administrative proceeding and to avoid the lapse of the applicable statute of limitations period relating to these claims, the INSS sent the Company tax default notices (*notificações fiscais de lançamento de débito*) with respect to the contributions allegedly owed by the Company for the period from January 1999 to December 2003 in the aggregate amount of R$69,194. In its defense to these default notices, the Company argued that it did not pay the contributions with respect to the period described in such notices in light of the favorable decision issued by the trial court reviewing the writ of mandamus action, which ordered the stay of the administrative proceedings and enjoined the INSS from collecting the contributions from the Company until a final decision is reached under such action.

An ongoing legal proceeding arguing the unconstitutionality of the contribution to the Rural Workers' Assistance Fund, with issues and factual circumstances similar to the writ of mandamus action is currently under review by the Brazilian Federal Supreme Court (*Supremo Tribunal Federal*). Up to the present moment, five of the ten judges opining on this proceeding have voted to declare this contribution unconstitutional and no judge has issued a dissenting opinion on this matter.

Based on this and other precedents and on the opinions of its external legal counsel, the Company's management believes the Company will prevail in these proceedings. Accordingly, the Company's management has not established any provision for contingencies arising from these proceedings as of March 31, 2008. Currently, the Company does not pay or deposit with any court any amounts in connection with contributions to the Rural Workers' Assistance Fund.

Social Security Contributions – Third-party Entities. The INSS filed several administrative proceedings against the Company with claims totaling approximately R$11,000, seeking to collect certain social security contributions with respect to third-party entities (contribuições previdenciárias – terceiras entidades) allegedly owed by the Company. These proceedings are based on a wrongful interpretation by the INSS of the Social Security Fund Code (Código do Fundo de Previdência e Assistência Social). Based on the opinion of the Company's external legal counsel, the management of the Company believes the Company will prevail in these proceedings. Accordingly, the management of the Company has not established any provision for contingencies arising from these proceedings as of March 31, 2008.

e) Other Tax Proceedings

The Company is also party of other 100 tax lawsuits and administrative proceedings. Contingencies arising from these proceedings are not material to the Company if considered on an individual basis. We highlight that the proceeding with probable risk of loss, which have provision, summarize an amount of R$ 11,288.

Labor Proceedings

As of March 31, 2008, the Company was party to (i) 887 labor lawsuits and 136 administrative proceedings (*autos de infração*) filed by the Regional Labor Offices (*Delegacias Regionais do Trabalho*) involving claims in the total aggregate amount of R$21,726 and (ii) 2 administrative proceedings filed by the Labor Department of Justice (*Ministério Público do Trabalho*) involving claims in the total aggregate amount of R$258. Based on the opinion of the Company's external legal counsel, the Company's management recorded a provision in the amount of R$6,463 for losses arising from such proceedings.

Most of these lawsuits were filed by former employees of the Company seeking overtime payments and payments relating to their exposure to health hazards. Approximately 8% of these lawsuits were filed by employees of third-party companies that provide outsourced services to the Company. Pursuant to Brazilian labor laws, the Company is jointly liable for failure of these third-party companies to comply with applicable labor laws.

Civil Proceedings

a) Slaughterhouse at Araputanga

In 2001, the Company (formerly known as Friboi Ltda.), entered into a purchase agreement for the acquisition of one slaughterhouse located in the City of Araputanga, State of Mato Grosso, from Frigorífico Araputanga S.A. ("Frigorífico Araputanga"). As a result of the payment of the purchase price by the Company and the acknowledgement by Frigorífico Araputanga of compliance by the Company with its obligations under the purchase agreement, a public deed reflecting the transfer of title of the slaughterhouse from Frigorífico Araputanga to the Company was registered with the applicable real estate notary.

As (i) Frigorífico Araputanga was a beneficiary of certain tax benefits granted by the Federal Government through an agency responsible for fostering the development of the northern region of Brazil (*Superintendência de Desenvolvimento da Amazônia* – SUDAM*)* and (ii) [the slaughterhouse sold to the Company was granted by Frigorífico Araputanga to SUDAM as collateral for these tax benefits the consent of SUDAM was required for the registration of the public deed with the applicable real estate notary. In June 2004, Frigorífico Araputanga S.A. filed a lawsuit against the Company in a state court located in the City of Araputanga, State of Mato Grosso, alleging that the Company breached the purchase agreement and seeking an injunction to prevent the Company from finalizing the transfer of the slaughterhouse and a declaratory judgment that the purchase agreement and the public deed registered with the real estate notary were null and void.

In the lawsuit, Frigorífico Araputanga claimed that the sale of the slaughterhouse should be nullified as the Company did not obtain the consent of SUDAM in order to register the public deed with the applicable real estate notary. In January 2005, the court of appeals (*Tribunal de Justiça do Mato Grosso*) held that the Company had complied with all material terms of the purchase agreement. The lawsuit was subsequently submitted to the review of the Federal Court of Cáceres, under No. 2005.36.01.001618-8, in light of the inclusion of the Federal Government as a party to the lawsuit. The Company obtained the consent of *Unidade de Gerenciamento dos Fundos de Investimento* - UGFIN, the successor of SUDAM, according to the Federal Regional Court of the 1st Region (*Tribunal Federal da 1ª Região*) decision, under Proceedings No. 2006.01.00.024584-7.

Actually, the parts are waiting the judicial expert manifestation regarding the accounting appraisal presented by the judicial expert that is favorable to the company, that after evaluating the payments made by Agropecuária Friboi, was concluded that 98,5% of the debit was already paid. The judicial appeal number 2006.01.00.024584-7 was judged favorably to the company, when the "TRF" Regional Federal Court declared valid the purchase tittle deeds of the property, object of discussion. Based on your legal advisers' opinion and based in the brazilian jurisprudence the Administration believes that their arguments will prevail and no provision was registered.

b) Trademark Infringement

In July 2005, Frigorífico Araputanga also filed a lawsuit against the Company seeking damages in the amount of R$26,938 and punitive damages in the amount of R$100,000 for the use by the Company of the trademark "Frigoara" without Frigorífico Araputanga's consent. The amounts of the claim were based upon a report presented by Frigorífico Araputanga to the trial court, which appraised the value of the trademark "Frigoara" at R$315,000.

The Company presented its defense against this lawsuit alleging that (i) the lawsuit should be analyzed and reviewed together with the lawsuit relating to the purchase of the slaughterhouse from Frigorífico Araputanga by the Company, (ii) the trademark "Frigoara" was used by the Company for a limited period of time, with the written consent and upon the request of Frigorífico Araputanga (the use of the trademark by the Company was a requirement of SUDAM to consent to the registration of the public deed contemplating the transfer of the slaughterhouse from Frigorífico Araputanga to the Company) and (iii) the amount of any damages under the lawsuit should be limited to a percentage of products sold by the Company under the trademark "Frigoara," pursuant to article 208 of the Intellectual Property Law. Almost all of the products manufactured by the Company were marketed under the trademark "Friboi." The only product marketed by the Company under the trademark "Frigoara" was minced meat, in limited amounts.

In light of the foregoing, the Company's management established a provision for losses arising from this lawsuit in the amount of R$600 in March 31, 2008. Following a determination of the judge of the trial court, the lawsuit was submitted to the review of the Federal Court of Cáceres on January 17, 2007. The judge of the Federal Court of Cárceres determined that this lawsuit be joined with the lawsuit relating to the purchase of the slaughterhouse by the Company from Frigorífico Araputanga. The Federal Government will be notified to issue an opinion on the matter under discussion in this lawsuit.

Based on the Company's legal counsel opinion supported by precedents of the Federal Brazilian Supreme Court (*Supremo Tribunal Federal*) and the Brazilian Superior Court of Justice (*Superior Tribunal de Justiça*), the Company's management believes that the Company will prevail in these proceedings.

c) Others

The Company is party in several civil lawsuits, mainly, under which certain of the Company's former and current employees are seeking damages from accidents that occurred in the workplace, in amounts varying based on their salaries. Based on the opinion of the Company's legal counsel, the Company's management recorded a provision for losses arising from these lawsuits in the amount of R$11,101 as of March 31, 2008.

17 Debit with third parties for investment

Refers to the amount of 65 million of Euros that will be increased in Inalca´s purchase price in case the company achieve at least one of the following economic targets: EBITDA average over business year 2008, 2009 and 2010 equal or greater than Euro 75 million, or alternatively, EBITDA over business year 2010 equal or greater than Euro 90 million.

18 Income taxes

Income tax and social contribution are recorded based on taxable net income pursuant to the rates set forth in the applicable laws. Deferred income tax and social contribution are recorded based on the temporary differences between the carrying amounts on the Company's financial statements and the tax basis of assets and liabilities, as well as on the tax loss carry forward credits.

a) Reconciliation of income tax and social contribution

	Company		Consolidated	
	Three month period ended on March 31.		Three month period ended on March 31.	
	2008	2007	2008	2007
Income before income tax and social contribution	**(2.753)**	31.654	**3.619**	29.695
Addition (Exclusion), NET:				
Permanent differences (Mainly: Equity in subsidiaries and exchange variation of investments)	**14.874**	30.163	**41.260**	30.163
Temporary differences	**818**	2.361	**1.904**	2.462
Calculation basis for income tax and social contribution	**12.939**	**64.178**	**46.783**	**62.320**
Income tax and CSLL - 34%	**(4.141)**	**(21.814)**	**(15.590)**	**(22.074)**
Temporary differences	**(818)**	(2.361)	**(14.544)**	(12.180)
Deferred income tax and social contribution	**278**	**803**	**4.949**	**2.489**

(Expressed in thousand of reais)

b) Deferred income tax and social contribution

	Company		Consolidated	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Assets:				
Over provision for contingencies				
. Current period	**278**	201	**4.949**	2.201
. Prior years	**16.251**	16.050	**30.222**	21.557
	16.529	**16.251**	**35.171**	**23.758**
Liabilities:				
Over revaluation reserve	**58.848**	59.642	**146.063**	99.755
	58.848	**59.642**	**146.063**	**99.755**

The Company and its subsidiaries have a track record of future taxable net income. The Company expects to recover the tax credits arising there from within eight years due to the termination of the causes of their contingencies, as follows:

	Company		Consolidated	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
2008	**396**	398	**3.376**	2.278
2209	**396**	398	**3.376**	2.278
2010	**396**	398	**3.376**	2.278
2011	**396**	398	**3.376**	2.278
2012 to 2014	**14.945**	14.659	**21.667**	14.646
	16.529	**16.251**	**35.171**	**23.758**

19 Shareholders' equity

a) Capital Stock

Through the Extraordinary Shareholders Meeting held on January 2, 2007, was approved the by-laws reform and the deployment of the 52.523.990 existing shares into 350.000.000 common shares and without nominal value. Through the Extraordinary Shareholders Meeting held on March 7, 2007, was approved a new reform of the by-laws and the deployment of these 350.000.000 shares into 700.000.000.

On March 28, 2007, the Company increased its Capital Stock through an initial public offering of 150.000.000 of ordinary nominative shares at the share price of R$ 8,00 per share, being the amount of R$ 39,224 considered as capital increase and R$ 1,160,776 considered as capital reserve (premium on shares issued).

Through the Extraordinary Shareholders Meeting held on June 29, 2007 was approved the subscription of 227,400,000 new common shares, nominative, without nominal value by unit share price of R$ 8,1523, corresponding to R$ 1,853,833 generating a capital reserve of R$ 207. BNDES Participações S.A. – BNDESPAR ("BNDESPAR") subscribed a relevant portion of the new common shares representing the Company's capital. The subscription of the shares by BNDESPAR occurred through an assignment of a portion of the preemptive rights of the shareholders of J&F and/or ZMF in the subscription of new shares.

Through the Extraordinary General Meeting of April 11, 2008 was approved the private issue of 360.678.926 new commom, registered shares, without par value, at the price of R$ 7,07 per share, corresponding to R$ 2.550.000. BNDES Participações S.A. - BNDESPAR (BNDESPAR) and PROT - Fundo de investimentos em Participações (PROT) issued a relevant portion of these new commom shares. The subscription of shares by BNDESPAR and PROT occured through the cession of part of the preference right of the shareholders J&F and ZMF in the subscription of those new shares, as investment agreement celebrated on March 18, 2008.

The Social Capital, subscribed on March 31, 2008 it is represented by 1.438.078.926 ordinary shares, without nominal value, being integralized 1.322.173.841 shares. From the total shares, as described in letter e) below, 16.606.100 shares are maintained as shares in treasury.

The Company is authorized to increase its capital in more 22.600.000 ordinary nominative shares.

(Expressed in thousand of reais)

b) Retained earnings reserves

Mandatory

Computed based on 5% of the net income of the year.

Reserve for expansion

It refers to the remaining balance of the net income after the computation of Mandatory reserve and dividend distribution. The purpose of this reserve is to provide funds to investment in assets.

c) Revaluation reserve

Revaluation reserve reflects the appraisal effected by the Company, net of tax effects that are progressively offset against retained earnings to the same extent that the increase in value of the revalued property is realized through depreciation, disposal or retirement.

d) Dividends

Mandatory dividends correspond to 25% of the adjusted net income of the year, according to article 202 of Law 6.404/76.

The Company, considering that it has been generating positive EBITDA, deliberated in the board of directors meeting of November 1, 2007, according to the Ordinary general meeting of April 30, 2008, that for the dividends calculation base, the foreign investments exchange loss and the amortization of the goodwill in investments acquisition of JBS USA and SB Holdings will be permanently excluded. The decision of the board of directors will be opportunely appreciated and voted in the Extraordinary General Assembly.

e) Treasury Shares

The Board of Directors of the Company, based on the dispose of it by-laws and according to the normative instructions of CVM numbers 10/80, 268/97 and 390/03, authorized the acquisition of, not more, 39.230.164 shares of own emission for maintenance in treasury and subsequent alienation for payment of new investments, without reduction of the social capital.

On March 31, 2008, the Company maintained 16.606.100 treasury shares, with a medium unit cost of R$ 6,15, and the minimum and maximum acquisition prices were of R$ 4,42 and R$ 6,65, respectively, not having happened alienation of the acquired shares.

The market value of the shares according to the negotiation as of March 31, 2008 was of R$ 7,15.

20 Financial income (Expense), net

	Company		Consolidated	
	Three month period ended on March 31.		Three month period ended on March 31.	
	2008	2007	2008	2007
Exchange variation	**22.479**	**58.283**	**6.336**	**41.916**
Results on derivatives	**24.202**	**(26.155)**	**(2.986)**	**(22.673)**
Interest - Loss	**(100.052)**	**(76.175)**	**(125.702)**	**(77.413)**
Interest - Gain	**57.562**	**16.784**	**59.495**	**16.048**
Taxes, contribution, tariff and others	**(8.791)**	**(12.594)**	**(13.945)**	**(14.861)**
	(4.600)	**(39.857)**	**(76.802)**	**(56.983)**

The financial income in the three months period ended on March 31, 2008 is affected by the exchange variation and its relation to permanent foreign investments. The impact os the exchange rate variation is R$ 46.186 (R$ 39.004 in the consolidated), and did not affected the EBITDA.

21 Management's compensation

For the three months ended March 31, 2008 and 2007, the aggregate compensation paid by the Company to the Company's management was R$ 750.

22 Insurance coverage

The Company adopts the policy of maintaining insurance coverage for property, plant and equipment and inventories that are subject to risks, in the amounts considered sufficient to cover any loss arising from such risks. Due to the multi-location aspect of its business, the Company contracts insurance covering the maximum possible loss per operational unit. The insurance covers the following events: fire, flooding and landslide.

As of March 31, 2008 the maximum individual coverage was R$ 99,000, considering all types of risks.

The insurance coverage related to the controlled Company Swift Armour has the same characteristics as explained above, and the maximum coverage as of March 31, 2008 and 2007 was US$ 65 million (equivalent to R$ 114 million as of March 31, 2008).

The insurance coverage related to the controlled Company JBS USA, Inc. has the same characteristics as explained above, and the maximum coverage as of March 31, 2008 and 2007 was US$295 million (equivalent to R$ 516 million as of March 31, 2008).

The insurance coverage related to the controlled Company Inalca JBS has the same characteristics as explained above, and the maximum coverage as of March 31, 2008 was Euros 141 million (equivalent to R$ 389 million as of March 31, 2008).

23 Risk management and derivative instruments

The Company's operations are exposed to market risks primarily related to exchange rates, the credit worthiness of its customers, interest rates and cattle prices. These types of risks are monitored by its treasury area, which manages these risks through a system of statistical computation of the Value at Risk (VAR) and its technical committee. This committee is composed of board members and by the Company's financial executives, who monitor the risks, limits on financial positions and overall level of risk exposure.

a) Exchange Rate and Interest Rate Risk

The exchange rate and interest rate risks related to financings and loans, marketable securities and accounts receivable from clients denominated in foreign currencies are hedged on a transaction by transaction basis, through derivative instruments, such as swap contracts (dollar to CDI or LIBOR to fixed interest rates or vice-versa), futures contracts traded on the *Bolsa de Mercadorias e Futuros* - BM&F and forward contracts.

The notional value of the contracts is only accounted for in memorandum accounts.

The results of over-the-counter trades in the futures market and daily adjustments of currency future contracts are made realized and liquidated; on the BM&F, and, as of March 31, 2008, are accounted for as "Amounts receivable from or payable to future contracts".

The results of over-the-counter trades contracted with a future maturity date are recorded on the balance sheet.

b) Credit risks

The Company is exposed to credit risks in respect of accounts receivable from customers, which are partially mitigated through the diversification of the credit profile of the Company's customer portfolio. The Company does not have a client that represents more than 10% of its combined net sales revenue, and its clients have good financial and operating indicators.

c) Purchase Price of Cattle

The Company is exposed to volatility with respect to the price of cattle, caused by climate factors, supply, transportation cost and agricultural policies. According to its inventory policy, the Company maintains individual physical control of its livestock, which includes anticipated purchases combined with operations on the future markets.

d) Estimated Market Value

The financial assets and liabilities of the Company are accounted in the balance sheet based on their respective acquisition cost, and the related classification of revenue and expenses in the income statement is accounted for based on its expected realization or liquidation value.

The market amount of the financial instruments and derivatives contracts as of March 31, 2008 were estimate based on the quotation market price.

24 Aquisition contracts in process

Smithfield Beef

In March 4, 2008 the company executed a Stock Purchase Agreement ("Smithfield Beef Agreement"), confirming the acquisition of the totality of the shares representing the capital stock of Smithfield Beef Processing, including full ownership of its subsidiary Five Rivers Ranch Cattle Feeding ("Five Rivers" and, together with Smithfield Beef Processing, "Smithfield Beef"). Smithfield Beef Processing is a company incorporated in Delaware, United States of America, which includes the entirety of the beef producing unit of Smithfield Foods, Inc. The live cattle inventory is excluded from the Smithfield Beef acquisition, however JBS will render the service of fattening the cattle. Closing of the transaction contemplated in the Smithfield Beef Agreement is subject to customary regulatory approvals and other customary closing conditions.

Smithfield Beef Processing holds (i) four beef slaughter plants, located in Green Bay, Wisconsin, Plainwell, Michigan, Souderton, Pennsylvania and Tolleson, Arizona; (ii) one grease producing plant located in Elroy, Pennsylvania; (iii) one cattle feedlot unit in South Charleston, Ohio; and (iv) one transportation division, with approximately 120 refrigerated transportation vehicles. Smithfield Beef Processing processes approximately 680 thousand tons of fresh beef annually. Five Rivers owns ten cattle feedlot units with a one time feeding capacity of 811,000 cattle units, located in the States of Colorado, Idaho, Kansas, Oklahoma and Texas.

Pursuant to the Smithfield Beef Agreement, the purchase price of Smithfield Beef is US$ 565 million which will be fully paid in cash. The purchase price is subject to adjustments, pursuant to the fluctuation in the Smithfield Beef's working capital value. Additionally, the Company intends to capitalize Five Rivers with an additional US$ 200 million after the closing of the transaction.

National Beef

In March 4, 2008 the Company executed the Membership Interest Purchase Agreement ("National Beef Agreement"), confirming the acquisition of the totality of the membership interests representing the entire ownership of National Beef, a limited liability company organized under the laws of the state of Delaware, United States of America, which slaughters and trades boxed beef, case-ready beef and beef byproducts. Closing of the transaction contemplated in the National Beef Agreement is subject to customary regulatory approvals and other customary closing conditions.

National Beef holds (i) three beef slaughter plants, one located in Dodge City, Kansas, one in Liberal, Kansas and the other in Brawley, California; (ii) two case-ready beef processing plants, specializing in products for sale to retailers destined to the end consumer, located in Hummels Wharf, Pennsylvania, and Moultrie, Georgia; (iii) one plant located in Kansas City, Kansas specializing in portioned products for commercial establishments and end consumers; and (iv) one transportation company, with approximately 1,200 vehicles including refrigerated transportation and transportation of live stock, headquartered in Liberal, Kansas.

Pursuant to the agreement, the Company shall pay f US$ 560 million to the members of National Beef, approximately US$ 465 million of which shall be paid in cash and approximately US$ 95 million of which shall be paid with JBS existing shares. At closing, the Company shall assume the debt and other liabilities of National Beef, resulting in an enterprise value of approximately US$ 970 million. JBS intends to use shares held in treasury to effect the payment of the portion of the acquisition price to be paid with shares, and, for this reason, JBS will seek the due authorization of the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários), pursuant to the terms of the CVM Ruling No. 10, of February 14, 1980.

Tasman

In March 4, 2008 the Company executed a Share Sale Agreement ("Tasman Agreement"), confirming the acquisition, direct or indirectly, of the Tasman operations, in Australia, with operations that slaughter, process and trade of both beef and "smalls" (sheep, hogs and calves).

Tasman owns (i) six slaughter plants, located in Brooklyn, Victoria (cattle and smalls), Cobram, Victoria (smalls), Devonport, Tasmania (cattle and smalls), Longford, Tasmania (cattle and smalls), Yarrawonga, Victoria (cattle) and King Island, Tasmania (cattle); and (ii) one cattle feedlot unit with a one time feeding capacity of 25,000 head of cattle and 45,000 head of sheep, located in Yambinya, New South Wales.

The acquisition price of Tasman is AUS$ 160 million (approximately US$ 150 million) and shall be fully paid in cash, considering an enterprise value, consisting of an equity value of AUS$ 110 million and a Tasman debt of AUS$ 50 million.

(Expressed in thousand of reais)

In order to fulfill all the obligations established in the agreements of the acquisitions of Smithfield, National Beef and Tasman, as well as to the expenses incurred by the Company in those operations, a subscription of new shares of the Company will be realized in the approximate amount of R$ 2.550.000, at the emission price of R$ 7,07 per share, according to the terms of the article 170, paragraph §1st, interruption III, of the Law no. 6.404/76 (the "Brazilian Corporation Law"). In an Extraordinary General Assembly of the Company to deliberate about the capital increase, as well as about the ratification of the celebrated contracts related to the referred acquisitions and of the respective evaluation appraisal, in the terms of the article 256, §1st, of the Law no. 6.404/76 (the "Brazilian Corporation Law").

25 Relevant information - Statements of cash flows for the three months period ended March 31, 2008 and 2007

	Company		Consolidated	
	2007	2006	2007	2006
Cash from operating activities				
. Net income (loss) of the period	**(6.616)**	10.643	**(6.616)**	10.643
Adjustments to reconcile net income (loss) to cash provided				
. Depreciation and amortization	**15.391**	13.873	**51.007**	19.047
. Allowance for doubtful accounts	**818**	-	**1.232**	-
. Goodwill amortization	**44.313**	-	**44.313**	-
. Minority interest	**-**	-	**(406)**	1.689
. Equity in subsidiaries	**78.218**	21.711	**-**	-
. Write-off of fixed assets	**505**	6.371	**505**	8.474
. Deferred income taxes	**(278)**	(1.484)	**(4.949)**	(3.170)
. Current and non-current financial charges	**24.242**	(4.572)	**89.111**	(4.572)
. Provision for contingencies	**-**	8.674	**-**	9.294
	156.593	**55.216**	**174.197**	**41.405**
Variation in operating assets and liabilities				
. Decrease (increase) in trade accounts receivable	**(136.658)**	(42.433)	**(219.575)**	(55.060)
. Decrease (increase) in inventories	**(48.679)**	(67.829)	**(411.235)**	(127.512)
. Decrease (increase) in recoverable taxes	**(10.600)**	(12.464)	**(30.286)**	21.985
. Decrease (increase) in other current and non-current assets	**16.649**	(9.998)	**(20.444)**	(11.148)
. Decrease (increase) in credits with related parties	**43.258**	33.456	**(66)**	-
. Increase (decrease) in trade accounts payable	**(139.123)**	8.521	**(103.986)**	31.512
. Increase (decrease) in other current and non-current liabilities	**214.200**	99.608	**366.019**	98.955
Total cash provided by (used in) operating activities	**95.640**	**64.077**	**(245.376)**	**137**
Cash used in investing activities				
. Additions to property, plant and equipment and intangible assets	**(115.566)**	(155.070)	**(747.421)**	(213.311)
. Increase in investments	**(1.423.158)**	(139.870)	**(301.520)**	(20.988)
Total cash used in investing activities	**(1.538.724)**	**(294.940)**	**(1.048.941)**	**(234.299)**
Cash from financing activities				
. Loans and financings	**1.597.672**	452.285	**1.997.511**	478.473
. Payments of loans and financings	**(244.805)**	(227.449)	**(1.028.972)**	(236.510)
. Increase in capital stock and goodwill in subscription	**1.730.551**	1.200.000	**1.730.551**	1.200.000
. Shares acquisition of own emission	**(102.254)**	-	**(102.254)**	-
Total cash provided by financing activities	**2.981.164**	**1.424.836**	**2.596.836**	**1.441.963**
Net increase (decrease) in cash	**1.538.080**	1.193.973	**1.302.519**	**1.207.801**
Cash, cash equivalents and short-term investments at the beginning of the period	**869.784**	199.721	**1.381.703**	261.071
Cash, cash equivalents and short-term investments at the end of the period	**2.407.864**	**1.393.694**	**2.684.222**	**1.468.872**

* * * * *