



QUICKFOOD S.A.



Tacuarembó



Palatane



Seara, a marca global do Grupo Marfrig

Marfrig Alimentos S.A. - CNPJ/MF nº 03.853.896/0001-40 - Companhia Aberta



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MARFRIG ALIMENTOS S.A.

PUBLICLY HELD COMPANY

CORPORATE TAXPAYER ID (CNPJ/MF): 03.853.896/0001-40

COMPANY REGISTRY (NIRE): 35.216.957.541

MATERIAL FACT – ACQUISITION OF KEYSTONE FOODS LLC

São Paulo, June 14, 2010 - In accordance with Article 157, Paragraph 4 of Federal Law 6,404/76 and with Instruction 358 issued by the Securities and Exchange Commission of Brazil (CVM) on January 3, 2002 ("CVM Instruction 358"), **Marfrig Alimentos S.A.** ("MARFRIG" or "Company"), hereby informs its shareholders and the market that on this date it has executed a Membership Interest Purchase Agreement, (or "MIPA"), to acquire 100% of Keystone Foods LLC ("Keystone Foods"), a company with global presence and operations in the development, production, and distribution of poultry, beef, fish, pork and other products for the foodservice channel. This acquisition makes MARFRIG a leading supplier to the McDonald's Corporation, Campbell's, Subway, ConAgra, Yum Brands and Chipotle.

Keystone Foods, the US largest privately held meat products company, according to the Forbe's 2009 America's Largest Private Companies issued in 28 Oct 2009, is headquartered in West Conshohocken, PA (United States), serves more than 28,000 restaurants in 13 different countries, including the United States, Europe (France, United Kingdom), Asia (China, Thailand, Malaysia and South Korea), Australia, New Zealand and the Middle East (United Arab Emirates, Kuwait, Bahrain, Qatar and Oman). In 2009, the company operated with 12,900 employees in 54 units, and had net revenues of US\$6.4 billion on its food production and distribution businesses.

The acquisition price is US\$1.26 billion (on an Enterprise Value basis) and the closing of the transaction is subject to customary conditions applicable to similar transactions, including approval by anti-trust authorities.



The Chairman and President of Marfrig Group, Marcos Molina, affirmed:

“The global food market is growing and Brazil has capitalized on this growth by strategically consolidating within the protein industry. By adding the resources and expertise of Keystone Foods and its management team, we are expanding MARFRIG’s business with a scale and sustainable supply chain needed to meet the very significant growth opportunities within the industry and to attend to the needs of our global clients.”

Keystone Foods’ CEO, Jerry Dean, added:

“We are very excited about the opportunities that this transaction creates for Keystone Foods and MARFRIG. Bringing these two world class companies together will benefit our customers and our employees globally. Keystone Foods, in its 40 year history, has grown its proteins manufacturing and custom distribution businesses to become a diversified food company with global operations and reach. This platform along with Keystone’s years of expertise will provide new and attractive opportunities for MARFRIG with major foodservice and industrial customers worldwide.”

To finance this acquisition while maintaining balance sheet flexibility, MARFRIG will issue R\$ 2.5 billion (approximately USD 1.3 billion) through a private subscription of five-year mandatory convertible debentures, with a proposed strike price of R\$ 21.50 per share, annually adjusted by an interest rate equivalent to CDI+1% and deducted from any compensation to shareholders like dividends or Interests on own capital per share, as well as by any other change attributable to the stock (e.g. share split), reflecting the net economic effect as if you were acquiring a common stock.

The strike price may be adjusted to market price if the conversion price as calculated above is higher than market price, up to a floor limit of R\$ 24,50 (this price will not be adjusted by any index or compensation, but only by changes attributable to the stock - e.g. share split).



The debentures will also receive the annual interest, equivalent to CDI+1%, before the conversion. Additional details will be provided with the instructions to the Shareholders' Meeting Call, according to the CVM Instruction 481. It is expected that this acquisition and its financing will be completed in the second half of 2010.

MARFRIG will hold conference calls on June 16th at 9:00AM EDT in Portuguese and 11:00AM EDT in English, in order to provide details of the transaction to its shareholders and to the market.

Ricardo Florence
Chief Planning and Investor Relations Officer
Marfrig Alimentos S.A.