INDEPENDÊNCIA S.A.
(IN JUDICIAL RECOVERY/REORGANIZATION)

FINANCIAL STATEMENTS
FOR THE 9 (NINE) MONTH
PERIODS ENDING 30 SEPTEMBER 2009 AND 2008
AND LIMITED REVIEW REPORT

INDEPENDÊNCIA S.A.
(IN JUDICIAL RECOVERY/REORGANIZATION)

FINANCIAL STATEMENTS
FOR THE 9 (NINE) MONTH PERIODS ENDING 30 SEPTEMBER 2009 AND 2008

CONTENT

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LIMITED REVIEW REPORT

To the Administrators and Shareholders of
INDEPENDÊNCIA S.A. (in judicial recovery/reorganization)
São Paulo-SP

1. We have undertaken a limited review of the balance sheet of Independência S.A. ("Company" - in judicial recovery), for the 9 (nine) month period ending on September 30, 2009, and of the corresponding income statements, cash flows and explanatory notes corresponding to the 9 (nine) month period ending on that date, prepared under the responsibility of its Administration. It is our responsibility to carry out a limited review of those financial statements, without expressing an opinion on them.

2. Except for the matters commented on in paragraphs 3 to 11, our review was carried out in accordance with the specific norms established by Ibracon (Institute of Independent Auditors of Brazil) and comprised mainly the application of analytical review procedures of the financial data and in the verification of the criteria adopted in the preparation of the financial statements on September 30, 2009 with those responsible for the accounting and financial areas. Considering that this revision did not represent an examination in accordance with the Norms of Independent Auditing of the financial statements, we are not issuing a report nor expressing opinion on the financial statements referred to.

3. As commented on in the explanatory note no. 7, the Company, based on their legal counselors' opinion, recorded in the period ending on December 31, 2008, in the noncurrent asset, in the initials "Tax recoverable", having as balancing item the income and stockholder's equity accounts, denominated "Extraordinary Items" and "Accumulated Loss", respectively, the amounts of R$184.000 thousand, related to the Tax on industrialized products-IPI Premium Credit, R$21.500 thousand related to Value-added Tax on Sales and Services(ICMS) calculated on the basis of PIS and COFINS, R$13.697 thousand as (INSS) Contributions on vacations and prior notice claims, R$160.883 thousand relating to Assumed Credit from the PIS and COFINS Contribution, R$636 thousand relating to the Temporary Contribution on Financial Transactions-CPMF, R$8.862 thousand relating to Credit arising from the deduction of export gains from the Social Security Contribution calculation base on Net profit-CSLL. As a result of this procedure the noncurrent assets are overstated at R$389.578 thousand and the shareholder's equity (unsecured liability) is understated at the same amount.

LIMITED REVIEW REPORT

To the Administrators and Shareholders of
Independência S.A. (in judicial recovery)
São Paulo - SP

4. The financial statements of the controlled company Independencia Guarani Sociedad Anonima relating to the 9 (nine) month period ending on September 30, 2009 were reviewed by other independent auditors, who issued a report dated 20 October 2009 qualifying Independência Guarani S.A.'s incapacity to fulfill the financial commitments assumed on the acquisition of the Guarani S.A. industrial refrigerating plant, which resulted in the return of that industrial plant as a means of canceling those financial commitments.

5. The financial statements of the controlled company Nova Carne Indústria e Comércio de Alimentos Ltda. (in judicial recovery) relating to the 9 (nine) month period ending on September 30, 2009 were reviewed by us, and our report dated 9 November 2009, had qualifications regarding the fact that the controlled company practiced commercial sales operations under conditions defined by them which differ from those practiced in normal market conditions; regarding the fact of not meeting the provisions of Law no. 11.638/07, specifically concerning the degree of recoverability of permanent assets (impairment). The abovementioned report emphasized that the controlled company had its judicial recovery request, dated 28 May 2009 granted, and had suffered continuous operational losses, showing a lack of working capital and unsecured liabilities, plus the fact of not having acquired insurance to cover eventual losses.

6. As commented on in the explanatory notes no. 15 and no.16, the Company is not fulfilling its fiscal obligations on time, due to unavailability of cash and the judicial recovery request.

7. We did not audit, the financial statements of the controlled company F1 Carnes e Derivados Ltda., corresponding to the 9 (nine) month period ending on September 30, 2009, nor were they audited by other independent auditors. Consequently, it was not possible for us to form an opinion about the changes in the value of that investment on that date to the amount of R$142 and the in corresponding result registered in the period to the amount of R$2 thousand, based on the value of the equity of that company.

LIMITED REVIEW REPORT

To the Administrators and Shareholders of
Independência S.A. (in judicial recovery)
São Paulo - SP

8. The Company did not show the effects of the changes in the exchange rates and conversion of the financial statement of its controlled company Independencia Guarani Sociedad Anónima, as Technical Pronouncement no. 2 determines; thus it was not possible for us, even using additional procedures, to measure the size of the changes in the exchange rates.

9. For the 9(nine) month period ending on 30 September 2009, it was not possible for us to make a firm judgment on the value registered in the noncurrent assets account, in the section "F1 Carnes e Derivados Ltda.", seeing that the financial statements of that controlled company presented a divergence of R$51 thousand, when compared with the financial statements of the controlling company.

10. The Company did not update the amounts in arrears registered in the sections "Suppliers" and "Loans and Financing" by applying the market and contract rates, respectively. Consequently, it was not possible to make a firm judgment on the accuracy of the changes in these sections.

11. We did not receive any bank receipts referring to the sections "Bank account balances" registered in the current assets account, kept at certain financial institutions. Thus even by using additional audit procedures, it was not possible for us to make a firm judgment on the existence of the values.

12. Except as far as concerns the effects described in paragraphs 3,7 and 9, and the possible effects commented on in paragraphs 4 and 6, 8, 10 and 11, we have no knowledge of any relevant modification that should be made to the financial statements referred to in paragraph 1, in order for them to be in accordance with the accounting practices adopted in Brazil.

13. The Company keeps a record in the accounts of the current assets in the section "VAT (ICMS) recoverable", "Empl. Profit Part. Prog. (PIS) recoverable" and "Cofins recoverable", of the amounts of R$90.070 thousand, R$22.522 thousand and R$54.168 thousand respectively, and their realization will depend on generating sufficient amounts of taxes and tributes collectable in the future.

LIMITED REVIEW REPORT

To the Administrators and Shareholders of
Independência S.A. (in judicial recovery)
São Paulo — SP

14. The financial statements have been prepared assuming the Company will continue as a going concern. As described in the explanatory note no. 1, the Company has incurred continuous operational losses and presented working capital deficiencies and unsecured liabilities and, as commented on in explanatory note no. 1, on 27 February 2009, it filed for reorganization(judicial recovery) in the Judicial District of Cajamar-SP. These factors raise doubts as to its ability for continue as going concern. The Administration's plans regarding this matter are also described in the same explanatory note. The financial statements do not include any adjustments relating to the recoverability and classification of asset values, or the amounts and classification of liabilities that would be requested should it be impossible for the Company to continue in operation.

15. As mentioned in explanatory note no. 10, the Company has intercompany receivables, registered in the noncurrent assets, to the value of R$200.681 thousand (to 30 September 2008, the balance had not been drawn up). Realizing this amount will depend on generation of sufficient cash for settlement. In addition, the transactions with the related company, Nova Carne Indústria de Alimentos Ltda. (in judicial recovery) were carried out under conditions defined between the parties. If they were carried out under normal market conditions, the results of the transactions with that related company could be different.

16.As mentioned in explanatory note no. 2, the accounting practices adopted in Brazil were altered during 2008 and the initial effects of their adoption were only accounted for by the Company during the fourth quarter of 2008 and published in the financial statements of 31 December 2008. The statements of results and cash flows, referring to the 9 (nine) month period ending on 30 September 2008, presented together with the information of the current 9 (nine) month period, were not restated for comparison to be made, as allowed by the Technical Official Report of Ibracon no. 04 on 7 May 2009.

LIMITED REVIEW REPORT

To the Administrators and Shareholders of
Independência S.A. (in judicial recovery)
São Paulo — SP

17. The financial statements relating to the 9 (nine) month period ending on 30 September 2008, whose values are presented for comparison, were reviewed by us, and our report, dated 31 October 2008 mentioned the fact that the Company had not concluded its studies on the impact of the calculation of the adjustment to the present value in the section of assets and liabilities, and, also, that it was promoting a review of its controls in obedience to Law no. 11.638/07. The report cited also presented qualifications similar to those described in paragraphs 3 and 7.

Ribeirão Preto, 11 November 2009

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INDEPENDÊNCIA S.A. (IN JUDICIAL RECOVERY)

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 (NINE) MONTH PERIOD ENDING ON SEPTEMBER 30, 2009 AND 2008
(Values expressed in thousands of Reals)

1. OPERATIONAL CONTEXT

Independência S.A. is a company organized with 100% Brazilian Capital, which has been outstanding in operating with quality and dedication in the meat-packing sector, supplying the foreign and domestic markets. Its main activity is in exploiting the different branches of the meat-packing industry, beef-cattle for slaughter, using the most advanced methods of meat production, 'in natura', frozen, chilled, besides commercialization and export, with its most important efforts focusing on the European, Russian, Middle Eastern and Asian markets.

Along with industrialization of their products, the Company also produces bovine leather and offers storage for third parties, transport facilities, production of organic fertilizers from its own residues and beef jerky production. Independência S.A. is organized into business units grouped into the meat, leather, transport, cold storage and other divisions.

Independência S.A.'s headquarters are located in the city of São Paulo, State Capital, at Av. Brigadeiro Faria Lima, 1912 - 12º andar, cj. 12 D, with their production units in the states of São Paulo, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Goiás and Rondônia. In June of 2007, a new data processing system was implemented to control all the operations of their units, whose processes of standardization and reconciliation of balance sheets continued to financial year 2008; and, in July 2007, the new Administrative Center was inaugurated, from which all the operations of the Company are controlled.

Independência S.A. is a broad-based industrial complex, with capacity sufficient to guarantee the daily slaughter of 10.800 (ten thousand and eight hundred) head of cattle, with deboning lines totally equipped to attend to the demanding European Common Market, as well as more diversified markets like Egypt, Israel, Malaysia, Russia, among others, with factories especially equipped, and seeking to meet the specifications of each consumer market. Leather processing capacity is 10.000 hides/day.

Independência S.A. works with a large number of collaborators, with 2.278 directly employed on 30 September 2009 (10.261 collaborators on 30 September 2008).

In June 2008, the Company entered into a purchase commitment for 100% of Meat-packers Frigorífico Guarani's assets, located in the city of Assunción, in Paraguay. This company has a slaughter capacity of 500 head/day, representing approximately 10% of the total slaughter capacity of that country. The acquisition was made for US$14,000.000, with payments due in 2008 and forecast for the years 2009 and 2010; however, due to the situation of judicial recovery, this acquisition was contractually discontinued in the city of Assunción, Capital of Paraguay, dated 22 May 2009.

On 21 July 2008, the Minutes of the Extraordinary General Meeting approved the Draft of Justification for Partial Split-Off of the Company, to the amount of R$24.102.

On 21 January 2009, the Company initiated the request for consent by the holders of bonds (“Notes”) issued abroad, with maturities in 2015 and 2017, to alter certain terms and conditions in the documentation governing such Bonds, including the addition of a repurchase clause.

On 1 February 2009, the Company communicated the stoppage of operations at the Campo Grande-MS unit, leading to the dismissal of 400 employees.

On 23 February 2009, the Company communicated the finalization of the request for consent and its offer to repurchase its bonds with maturities in 2015 and 2017.

On 25 February 2009, the Company suspended the activities of all the units, returning cattle that they were in the corrals to their respective suppliers.

On 27 February 2009, the Company applied for court-ordered reorganization(judicial recovery), based on the new Law of Reorganization(Judicial Recovery) no. 11.101, dated 9 February, 2005.

On 23 March 2009, the Company announced to the market the engagement of KPMG Corporate Finance Ltd. - Restructuring Services, and Arsenal Investimentos as financial advisors, seeking implementation of a recovery plan. This plan shall encompass a broad process of debt renegotiation, looking to a change in its profile, and to extend payment terms. The Company expects in this way to reactivate and resume its activities, operating under normal conditions once again.

On 24 March 2009, the Company announced the shutdown of the units located in Senator Canedo-GO and in Anastácio-MS, leading to the dismissal of 2.000 employees.

On 25 March 2009, the Company communicated the closing of the slaughter and deboning units of the units in Confressa-MT and Nova Andradina-MS, and the beef jerky production unit in Pires do Rio-GO, besides adjustments of the operations in the units in Santana do

Parnaíba-SP, Janaúba-MG, Ponte e Lacerda, Juína and Colider, located in MT, and at the unit of Rolim de Moura-RO. These measures resulted in 2.800 employees' dismissal.

On 1 April 2009, the Company closed the slaughter and deboning units in Nova Xavantina-MT, the deboning unit in Presidente Venceslau-SP and the distribution center in Itupeva-SP, leading to the dismissal of 1.400 employees.

On 7 April 2009, the Company reopened the unit of Janaúba-MG, with the 300 employees' readmitted and an effective slaughter of 400 head of cattle a day.

On 27 April 2009, the Company made the remaining documentation available to the courts for the opening of its reorganization process, which included the following information:

i. Financial statements specially prepared for initiation of the reorganization process with base-date on 27 February 2009, in the terms of article 51, item II, of Law no 11.101/05.

ii. List of creditors with base-date on 27 February 2009, in the terms of article 51, item II, of Law no. 11.101/05.

On 29 April 2009, the Initial Diagnosis Report of the Company was made available, issued by KPMG Corporate Finance Ltd.

On 8 May 2009, the reorganization process was granted and approved by the honorable judge Adriana Nolasco naming Mr. Fernando Chad as administrator of the reorganization process, and suspension of all activities was declared for a period of 180 days. The judge also determined the presentation of accounts and monthly statements while the reorganization lasts, on penalty of dismissal.

On 18 May 2009, the Company announced the recommencement of slaughter activities at the Rolim de Moura-RO unit. The unit restarted operations with the slaughter of 500 head a day.

On 10 June 2009, operational adjustments were again announced, with the closing of the Colíder, Pontes e Lacerda and Juína units in the State of Mato Grosso and of the slaughter, deboning and logistics activities of the Nova Andradina, State of Mato Grosso do Sul unit.

On July 8 2009, the Company announce the return of the industrial unit leased from Colider-MT, due to redimensioning of its business activities

On July 13 2009, the Company, together with its subsidiary Nova Carne Indusria de Alimentos Ltda., announced a joint reorganization plan, in accordance with the Law of Company Bankruptcy and Reorganization.

On 11 September 2009, the Company announced the dates and locations of General Assemblies of Creditors to be held in the city of Cajamar, State of São Paulo, in the Antonio Carlos Tramassi Sports Center.

2. PRESENTATION AND PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are expressed in thousands of Reals and were prepared in accordance with the accounting practices adopted in Brazil, which include the Law of Joint Stock Companies (Laws no. 6.404/76 and no. 11.638/07), the Pronouncements, Orientations and Interpretations issued by the Committee of Accounting Pronouncements-CPC, approved and ratified by Ibracon, as well as other pronouncements issued by that institute.

3. SUMMARY OF THE MAIN ACCOUNTING PRACTICES

3.1. INITIAL ADOPTION OF LAW NO. 11.638/07

The Administration of the Company set as the date for their transitional financial statements 1 January 2008, which is the starting point for the survey of financial statements in accordance with the new dispositions laid down in Law no. 11.638/07 and by Executive Act no. 449/08. The modifications introduced by the norm referred to are characterized as changes in accounting practice; however, as allowed by Technical Pronouncement CPC no. 13-Initial Adoption of Law no.11.637/07, approved by CVM Deliberation no. 565 on 17 December 2008 and Executive Act no. 449/08, all the adjustments with impact on the result were made on the transition date against the accumulated profits and losses account, in the company equity, in the terms of article 186 of Law no. 6.404/76, without retrospective effect on the financial statements.

The financial statements for the period ending on 30 September 2008 were prepared in accordance with the current law on that date. The Company opted not to re-present them, based on the Official Technical report of Ibracon no. 04, of 7 May 2009. Thus, they are not comparable with the financial statements of the period ending on 30 September 2009.

3.2. SUMMARY OF THE MAIN ACCOUNTING PRACTICES

The main accounting practices adopted for the preparation of these financial statements are the following:

a. Calculating the results

The results are recognized on an accrual basis, considering the following:

- Incomes, charges and effects of the monetary variations, calculated with official indexes or at official rates, incident on the assets and liabilities of the Company.

- The effects of the adjustments of assets to market value or realizable value, when applicable.

b. Accounting estimates

The preparation of the financial statement in accordance with the accounting practices adopted in Brazil requires that the Administration use their judgment in determining and recording accounting estimates. Significant assets and liabilities subject to those estimates and premises include, when applicable, the net book value of fixed assets, provision for doubtful accounts, inventories, income tax and social security contributions, deferred assets, and the provisions for fiscal, labor and civil contingencies. Settlement of the transactions involving these estimates may result in values different from those estimated due to inaccuracy factors inherent in the estimation process. The Company constantly reviews these considered estimates and premises.

c. Non-derivative financial instruments

Non-derivative financial instruments include short-term investments, investments in debt and equity instruments, accounts receivable and other receivables, cash and cash equivalents, loans and financing, as well as accounts payable and other payables.

Non-derivatives financial instruments are initially recognized at their fair value plus any directly attributable transaction costs for instruments that are not recognized by the fair value through profit or loss. After initial recognition, the non-derivative financial instruments are measured in accordance with their respective classification:

- Held-to-maturity Instruments

If the Company has the positive intent and capacity to keep its debt instruments up to maturity, they are classified as held-to-maturity instruments. Investments kept until expiration are measured at the amortized cost using the effective interest rate, less any reductions in their recoverable value(impairment).

- Available-for-sale Instruments

Company investments in equity instruments and certain assets related to instruments of debt are classified as available for sale. After initial recognition, they are appraised at fair value, and their variations, excepting impairment and differences in foreign currency of those instruments are recognized directly in the equity, net of tax effects. When an instrument is not recognized, the accumulated earnings or loss in equity are transferred to profit or loss.

- Financial instruments at the fair value through profit or loss

An instrument is classified by its fair value through profit or loss if it is kept for negotiation, in other words, designated as such at the time of initial recognition. The financial instruments are designated at their fair value through profit or loss if the Company manages these investments and makes purchase and sale decisions based on their fair value in accordance with the investment strategy and risk administration documented by the Company. After initial recognition, attributable transaction costs are recognized in the results when incurred. Financial instruments at their fair value through profit and loss are measured at their fair value, and their fluctuations are recognized in the result.

- Other

Other non-derivative financial instruments are measured at the amortized cost using the effective interest rate method, less any impairment.

d. <u>Derivatives</u>

Derivative financial instruments are recognized initially at their fair value, recording the transaction costs, as incurred, in the result, and are classified in accordance with their contracted purpose (see details in explanatory note no. 19):

- Financial assets or liabilities measured at fair value through results are derivative financial instruments, and those with embedded derivatives contracted with the objective of reducing funding costs.

- Derivatives for *hedge* purposes follow the *hedge* operations accounting procedures *(hedge accounting)*, in accordance with Technical Pronouncement CPC no. 14. The instruments contracted and kept open until 30 September 2009, for this purpose are designated cash flow *hedge* and therefore the contra entry of fair value was posted to shareholder's equity, in accordance with the Pronouncement referred to.

e. <u>Current and non-current assets</u>

- Cash and Cash equivalents and short-term investments

They are represented by bank deposits and short-term investments, evaluated at the acquisition cost, plus yield earned through the date of the balance sheet.

- Trade Accounts receivable

They are stated at invoiced value, adjusted to present value, when applicable, including the respective direct taxes payable by the Company, less income tax deducted at source, considered as tax credit.

The provision for doubtful accounts was constituted at an amount deemed sufficient by the Administration to bear any eventual losses on trade accounts receivable.

- Inventories

Stated at average cost of purchase or production, adjusted to market or realization value.

- Permanent assets

Intangible

Investment premiums(good will) are demonstrated at payment value and, starting from 1 January 2009, are not amortized and have their recoverable value tested annually.

Investments

Investments in controlled and affiliates are accounted for by the equity accounting method.

Property, Plant and Equipment

Fixed assets are stated at the acquisition or construction cost, less depreciation calculated by the straight-line method based on the rates mentioned in explanatory note no. 13, taking into account the time of estimated useful life of the items.

Deferred charges

Values and expenses carried at cost. Amortization is computed by the straight-line method over up to 5 (five) years.

- Commercial Lease

Financial Lease

Certain commercial leas contracts transfer to the Company substantially the risks and benefits inherent to the ownership of an asset. These contracts are characterized as financial lease agreements, and the assets are recognized at fair value or at the present value of the minimum payments laid down contractually. The goods recognized as assets are depreciated at the depreciation rates applicable to each asset group. Financial charges relating to the financial lease agreements are stated in the result over the term of the contract, based on the method of amortized cost and effective interest rate.

f. Impairment

The items of fixed and deferred assets are tested for impairment at least once annually, should there be any indication of loss of value.

g. Current and non-current liabilities

Are stated at the known or estimated amounts plus, when applicable, corresponding charges, monetary and/or exchange variations incurred up to the date of the balance sheet. When applicable, current and non-current liabilities are recorded at present value, per transaction, based on interest rates that reflect the term, currency and risk of each transaction. Compensation of the adjustments to present value is accounted for against the accounts originating the liability referred to. The difference between the present value of a transaction and the face value of the liability is recorded in the result throughout the term of the contract based on the method of the amortized cost and effective interest rate.

h. Provisions

Are recognized as resulting from past events that originated a liability and it is probable that cash will be requested to pay them off. The provisions are recorded when they are deemed probable, based on the best estimates of the risk involved.

i. Transactions in foreign currency

Are accounted for by the exchange rate prevailing on the day of the transaction. Assets or liabilities denominated in foreign currencies are converted using the exchange rate on the date of the balance sheet. Exchange variations are recognized in the income statements, as they occur.

j. Income tax and social security contribution

Income tax is calculated on the basis of taxable income. Income tax and the social security contributions are paid monthly on estimated calculation bases, in the forms and rates laid down in current legislation.

Deferred tax liabilities, which include deferred income tax and social security contribution, were recorded based on revaluation reserve.

4. SHORT TERM INVESTMENTS

	2009	2008
Fixed Income Securities	4.171	50.964
Investment Funds	1.679	146.789
Producer Rural Card — CPR	1.406	-
	7.256	197.753

5. TRADE NOTES RECEIVABLE

	2009	2008
Accounts receivable-Domestic market	17.112	110.727
Accounts receivable-Foreign market	27.033	91.251
Adjustment to present value	(824)	-
Exchange Advances (ACCs)	-	(1.812)
Provision for doubtful accounts	(2.765)	(411)
	40.556	199.755
Current assets	37.665	199.755
Noncurrent assets	2.891	-

6. INVENTORIES

	2009	2008
Finished products	8.037	130.713
Raw material	2.378	40.594
Storeroom supplies	20.462	17.488
	30.877	188.795

7. TAXES RECOVERABLE

	2009	2008
Tax on industrialized products (Fed.VAT)-IPI-Deemed Credit	-	69
Assumed credit from the contribution for PIS and COFINS (Fed.VAT) (1)	160.883	-
Tax on industrialized products Fed.VAT)-IPI- premium Credit (1)	184.000	184.000
State Value-added Tax on Goods and Services-ICMS (1)	90.740	130.574
Income tax withheld at Source-IRRF	5.820	144
PIS available for offset	44.022	21.169
COFINS available for offset	54.168	56.934
Exclusion of the export profit from the Soc. Contr. Tax (CSLL) (1)	8.862	-
CPMF on export profit (1)	636	-
Social security contributions available for offset(1)	13.697	-
Total	562.828	392.890
Current assets	172.580	201.683
Noncurrent assets	390.248	191.207

(1) The Company, on the opinion of its legal advisors, recorded the amount of R$184.000, relating to the Premium Credit of the Tax on Industrialized Products-IPI, instituted by the Federal Union in the year of 1969, by the edition of Law no. 491, to boost exports. That Ordinance, in its 1st Article, came to establish that the manufacturing companies and exporters of manufactured products would be entitled to a tax credit originating from the sales of those products abroad, as a refund for taxes paid internally. Thus the benefit should be deducted from the IPI value levied on operations in the domestic market. Furthermore, based on its legal advisors' opinion, the Company recorded the amounts of R$160.883 relating to Deemed Credit from the Contribution for PIS and Cofins, R$636 relating to the Temporary Contribution on Financial Transactions-CPMF, R$8.862 relating to the credit due to the deduction of export profit from the calculation base of the Social contributions on the Net Profit-CSLL, R$21.500 relating to ICMS on the calculation base of PIS and Cofins, and R$13.697 relating to Social Security payment for compensated vacations and prior notice pay.

8. OTHER RECEIVABLES

	2009	2008
Sundry Advances	36.135	81.295
Other receivables	1.303	4.066
Current assets	37.438	85.361

Sundry advances refer to services and acquisition of goods that will be rendered and delivered in the course of the exercise. Most of the amount refers to advances made to cattle suppliers, so as to assure the slaughter schedule for the next months.

9. PREPAID EXPENSES

	2009	2008
Expenses with lease of industrial plant	61.246	68.938
Expenses from obtaining loans	16.647	20.123
Other prepaid expenses	795	531
	78.688	89.592

10. RELATED PARTIES

	2009	2008
Independência Guarani Sociedad Anônima(Ltd.)	1.701	-
F-1 Carnes e Derivados Ltda.	4.427	-
Independência Participações S.A.	190.933	-
Nova Carne Indústria de Alimentos Ltda.	3.620	-
Non-current assets	200.681	-

11. INTANGIBLE ASSETS

	2009	2008
Good-will from acquisition of investments	84.720	105.899
	84.720	105.899

12. INVESTMENTS

	2009	2008
F1 Carnes e Derivados Ltda.	142	77
Independência Guarani Sociedad Anônima(Ltd.)	369	8.556
	511	8.633

Investment data and the balance of investments in controlled companies are presented below:

	2009	2008
Nova Carne Indústria e Comércio de Alimentos Ltda. (a)		
Number of quotas owned	990.000	-
Equity Interest	99,00%	-
Shareholders´ Equity (unsecured liabilities)	(59.818)	-
9 monthly losses ending on 30 September	(17.671)	-
Balance of investments (Provision for losses in investments):		
At the beginning of year	(41.811)	-
Result of the provision for losses in the 9 month period ending on 30 September	(17.409)	-
At the end of the 9 month period ending on 30 September	(59.220)	-

	2009	2008
F1 Carnes e Derivados Ltda. (b)		
Number of quotas owned	72.000	72.000
Equity interest	90,00%	90,00%
Shareholders' Equity	157	86
Profit for 9 month period ending on 30 September	(10)	-
Balance of investments:		
At the beginning of the year	140	-
Result of equity accounting for 9 month period ending on 30 September	2	77
At the end of the 9 month period ending on 30 September	142	77

	2009	2008
Independencia Guarani Sociedad Anonima (Ltd.) (c)		
Number of shares	11.880	11.880
Percentage of participation	99,00%	99,00%
Equity	373	8.642
9 monthly loss ending on 30 September	(7.764)	-
Investments Balance:		
At the beginning of the exercise	8.055	-
Result of equity accounting for the 9 month period ending on 30 September	(7.686)	8.556
At the end of the 9 month period ending on 30 September	369	8.556

(a) Company reviewed by BDO Trevisan Independent Auditors.

(b) Company not audited.

(c) Company reviewed by other independent auditors.

13. PROPERTY, PLANT AND EQUIPMENT

	Annual depreciation rates	Cost	Accumulated depreciation	2009 Net	2008 Net
Buildings	4%	370.255	(62.844)	307.411	306.492
Machines and equipment	10%	695.803	(161.158)	534.645	644.160
Furniture and fixtures	10%	9.396	(2.942)	6.454	9.479
Facilities	10%	127.730	(35.120)	92.610	1.707
Vehicles	20%	95.609	(65.856)	29.753	145.325
Software and hardware	20%	17.546	(2.531)	15.015	131
Improvements	4%	31.070	(1.342)	29.728	17.094
Land	-	62.265	-	62.265	64.564
Property, plant and equipment in process	-	53.170	-	53.170	94.013
Right of telephone use	-	22	-	22	14
Planting in progress	-	1.029	-	1.029	764
		1.463.895	(331.793)	1.132.102	1.283.743

14. LOANS AND FINANCING

Types	Index	Rates (p.a.)	2009	2008
ACC(Advances on Exchange Contracts)	US$	12,00%	407.456	236.117
BNDES Finame	Long Term TJLP	3,50%	57.138	104.265
Working Capital	PRE	18,00%	560.194	230.502
Lease	PRE	18,10%	13.282	13.150
Prepayment	US$	Libor + 2,0%	248.614	236.489
Bonds	US$	9,88%	1.021.327	1.026.847
Derivatives to be realized			145.611	
Total			2.453.622	1.847.370
Current Liabilities			1.891.433	528.377
Non-current Liabilities			562.189	1.318.993

In 2007 and 2008, the Company continued its strategy of obtaining foreign financing and extension of the debt profile. New pre-payment export operations were realized to a total amount of US$150,000.000, of which US$100,000,000 were for a period of three years, with a 12 month grace term. The average rate was at Libor plus 1,75% a year. On 31 January 2007, the Company issued bonds on the international market, to the amount of US$225,000.000, for a period of 10 years. On 15 May 2008, the Company issued a new bond on the international market, to the amount of US$300,000.000, for a period of seven years.

Finame and Lease financing is guaranteed by statutory lien of the fixed assets which were financed. The other financing is guaranteed by the directors' collateral signature.

At the Extraordinary Shareholders' General Meeting dated 17 November 2008, a capital contribution was approved on the part of the National Bank of Social Development-BNDES in Independência Participações S.A. (holding), and the loan obtained from JP Morgan for the acquisition of Goiás Carne in June 2007, to the amount of US$100,000.000, equivalent to R$250.000, was transferred from Independência Participações S.A. to Independência S.A.

The long term installments mature as follows:

	2009	2008
2009	-	31.332
2010	21.521	125.603
2011	9.454	33.369
2012	-	22.031
2013	-	79.810
2014	-	-
2015	531.214	586.770
2016	-	-
2017	-	440.078
	562.189	1.318.993

<u>Repurchase of Bonds Issued Abroad</u>

On 21 January 2009 the Company began a public offer to repurchase part of the *bonds* in circulation on the foreign market, with a request for consent to alter the *covenants* on the remaining bonds.

The rationale behind the operation consisted of the fact that the world crisis brought about a fall in the price of the bonds, representing a price indication for negotiation on the secondary market of around 60% of the face value. Faced with this situation, the Company saw the opportunity of substantially reducing its financial liability by obtaining a discount of about 40% on the due value.

To make the operation possible, financings were negotiated on the total amount to be spent if the repurchasing of the bonds were successful.

The settlement of the operation abroad was arranged for 24 February 2009, when the holders of the bonds who agreed to sell, would receive the agreed value.

There was great acceptance on the part of the investors and by the Company. On 20 February 2009, the release of funds by the financial institutions involved in the financing of the operation of repurchase took place and on the same date the funds were sent abroad, so that they would be available for payment to the investors on the prescribed date.

The value of the operation, in Reals, was approximately R$290.000.

In the interim, the Company, which was feeling the effects of the crisis, decided to suspend the repurchase, requesting that the financial institutions involved invert all the operations, repatriating the funds again and canceling the financings negotiated by returning the funds.

It should be noted that the date of settlement of the operation abroad coincided with a national holiday (Carnival) and, due to the few working days till the end of the month of February 2009, and to the complexity of the return of the funds to the financial institutions, the operation was only completed on 3 March 2009.

15. WAGES AND PAYROLL-RELATED COSTS

	2009	2008
Wages payable	7.347	1.182
Provision for vacations and 13th Salary and charges	7.264	33.391
Social Security Contributions available for offset	26.369	4.014
Service Guarantee Fund (FGTS) available for offset	172	1.187
Alimony	18	18
Other	13	4
	41.183	39.796

16. TAX LIABILITIES

	2009	2008
Value-Added Tax (ICMS) available for offset	1.135	12.714
Legal Entity Income Tax -IRPJ	-	15.665
Social Contr. on Net Inc.(CSLL) available for offset	-	3.911
Income tax withheld at source-IRRF	217	670
Rur. Assist. Fund (Funrural) available for offset	10.093	3.832
IRPJ/PIS/CSLL quotas retained from third parties	2.615	1.254
Other	261	297
	14.321	38.343

17. DEFERRED TAXES

	2009	2008
Income tax on revaluation	182.853	197.816
Social security contribution on revaluation	65.823	70.830
	248.676	268.646

Deferred taxes were constituted to the amount registered as revaluation which will be computed after determining the actual profit on the amount at which the revalued goods are realized.

18. PROVISIONS FOR CONTINGENCIES

	2009	2008
Labor claims/processes	12.596	-
Tax contingencies	4.478	-
Civil claims/processes	10.627	-
	27.701	-

19. DERIVATIVE FINANCIAL INSTRUMENTS- RISK MANAGEMENT

19.1 OBJECTIVES AND STRATEGIES

The Company, in the normal course of its operations, is exposed to risks that are managed daily by the Financial Management and monthly by reports appraised by the members of the Executive Board.

Among the risks under analysis, some were subject to hedge operations, as described below:

a. **Exchange variation**: the Company has about 50% of its revenue deriving from exports and 80% of the liability indexed to the dollar.

With exports, the inherent risk is the depreciation of the dollar, which can cause losses through reduction of the value in Reals upon conversion of the exchange values, since pricing of the sale of goods to the foreign market uses a projected exchange rate.

This exchange risk does not apply to external receivables which are used for settlement of funding operations related to exports, such as ACC and Export Pre-payments.

Thus the Derivatives Evaluation Committee established as the *hedge* policy for exports a maximum exposure value of up to 50% of the expected monthly amount for exports.

Regarding the liability in dollars, more than 60% refer to the bonds issue on the foreign market, with maturities in 2015 and 2017. For these cases, it was defined that *hedges* would not be made very far in advance because of the long-term period for settlement of these operations. The remaining 40% refer to ACC and Prepayments, which are settled naturally with their own exchange funds deriving from export. It was therefore established that the liability indexed to the dollar would not be the object of *hedge* exchange operations.

b. Interest rate: Part of the operations of Prepayment that the Company has in course is subject to the floating Libor rate. At the beginning of 2008, it was defined that it would be sufficient to carry out a Libor restraint operation, in order to establish a fixed interest rate for payment of this type of liability.

c. Raw material: In order to guarantee its future slaughter levels and faced with the prospect of difficulties in cattle supply, the Company began forward cattle purchase operations, in which the cattle farmer commits to delivering a certain number of cattle by a certain agreed-upon date. Most of the contracted operations did not establish the purchase price of the cattle, which would be negotiated according to the market on the date of the delivery of the animals to the processing plant. Some cattle farmers, however, opted to fix the price of the ´arroba` of cattle in advance.

As the sale of beef is carried out on the 'spot' market, and the Company has a strategy of not locking in the cost of the raw material while the future selling price floats with the market; all of the operations that were carried out at a fixed price, were locked simultaneously in the BM&F. Thus the value to be paid for the ´arroba` of beef continued to float, eliminating the risk of mismatching with the selling price of the meat in the market.

Another item appraised was the cost of the bonds, which was high in relation to the market. In order to seek a reduction of the relevant impact of interest on Company costs, derivative contracts were used to bring gains which could in turn be incorporated in the operation. For these financial instruments, classification of financial assets/liabilities was adopted, with the fair value measured through profit or loss.

In the first half-year of 2008 we experienced a reduction in the offer of conventional lines of financing, and most of the banks started to make available only operations linked to derivatives, which came embedded with a proposal for interest rate reduction.

Before the world financial crisis, there was a market indication of rising interest rates and of depreciation of the dollar against the Real. In view of this situation, funding of resources coupled with derivatives was discussed and approved, with the objective of reducing the final financial costs of the Company.

19.2 **RESULTS FOR THE FIRST NINE MONTHS OF 2009**

In the first nine months of 2009, the Company always operated derivatives in accordance with the strategies established, looking for the best market moments to withdraw from some open positions. The effective result observed in the period was:

	Resultado
Earnings	74
Losses	(36.730)
Net	(36.656)

This result derived basically from export hedges and from the closing of funding with derivatives.

It should be emphasized that the Company has not operated with derivatives of any nature since the end of February 2009, when it filed for reorganization(judicial recovery), as described in item 1 (operational context). By virtue of this fact, the ´open` operations had their results "frozen" by the institutions. For accounting purposes and in observance of Law no. 11.638/07, the calculation of fair value is demonstrated below, adopting as a premise that the operations are ´open` and that results of months prior to the closing of the half-year incorporate the fair value by the nominal adjustment they would have had.

Applying the criterion of fair value to the ´open` positions at the end of September 2009, we obtained the following results with derivative financial instruments, by type of operation:

RESULT OF DERIVATIVES — 30 September 2009

		ADJUSTMENT (R$ thousands)		
OPERATION	RESULT ASSESSMENT	NEGATIVE	POSITIVE	NET
	Half year effective	(15.396)	74	(15.322)
Funding with derivatives	Assessed at fair value	-	951	951
	Half year effective	(16.658)	-	(16.658)
Hedge for exports	Assessed at fair value	(30.055)	-	(30.055)
	Half year effective	-	-	-
Hedge interest rate	Assessed at fair value	(5.509)	-	(5.509)
	Half-year effective	(4.676)	-	(4.676)
Derivative on *bond*	Assessed at fair value	(110.998)	-	(110.998)
TOTAL		(183.292)	1.024	(182.268)

19.3 ´OPEN` OPERATIONS - FAIR VALUE

Most of the funding with derivatives stopped during the month of October, at a moment when the dollar rate was more favorable. Of the two remaining (operations), there only remained one (swap) which has a face value of R$10.000, with monthly amortizations starting from October 2009 with maturity in September 2010.

The export *hedge* operations´ last expiry date was in July 2009

Of the interest rate hedge operations, there remained the Libor lock (at 4,09%), with maturity in November 2010, with quarterly flow, adequate to the funding.

Of the operations carried out to reduce the bond interest rate (not *hedge*), the Company reinforced the monitoring strategy of derivatives and bought US$75,000.000 for each maturity, taking advantage of favorable moments the market to lock in part of its position to an exchange rate considered comfortable. The conditions and the result can be appraised in item 4.b of this note.

For the determination of Fair Value for the Derivatives we used mark-to-market for the operations, through information available in the database of Bloomberg for the definition of the future curve of the exchange markets, internal interest rate (CDI) and Libor.

Using this criterion, we arrived at the following values:

- For the financial instruments designated as *hedge*:

				MTM (R$ thousands)		9 months/09
Hedge instrument	Value (US$ thousands)	Object of the hedge	Maturity	30/6/2009	30/9/2009	(R$ thousands)
Currency term	14.000	Accounts receivable export	Jul/09	(31.403)	(30.058)	1.345
Swap of restraint of Libor	100.000	Indexed funding Libor three months	Nov/10	(5.654)	(5.509)	145
			Adjust in the Equity	(37.057)	(35.567)	1.490

- For the financial instruments not designated as *hedge*:

Derivative instrument	Value (US$ thousands)	Objective	Maturity	MTM (R$ thousands) 30/6/2009	MTM (R$ thousands) 30/9/2009	9 months/09 (R$ thousands)
Swap with double index factor	10.000	Resource funding	Sep./10	1.609	951	(658)
Currency terms	100.000	Reduction of *bond* interest rates	Mar./09	(38.863)	(38.863)	
Currency terms	100.000	Reduction of *bond* interest rates	Apr./09	(45.115)	(45.115)	
Currency terms	100.000	Reduction of *bond* interest rates	May/09	(27.020)	(27.020)	
			Adjustment in the Result	(109.389)	(110.048)	(658)

The results of the derivative financial instruments designated for hedge were recorded in the shareholders´ equity at a value lower than the respective variation of the item which was object of the hedge, via an accounting entry to the value of R$658.

The derivative financial instruments not designated for hedge were classified as financial assets and liabilities measured at the fair value through profit and loss and their variations were recorded in the result statement of the period, to the amount of R$1.493.

The amount of R$145.611, corresponding to the total calculated as Fair Value of the Derivatives was entered in Current Liabilities, as Derivatives to be realized:

19.4 FUTURE RESULTS - PROJECTED SCENARIOS

Considering the possible exchange oscillations that may affect the operations of ´open` derivative financial instruments, we present three scenarios below, the occurrence of the first being judged by the Administration as probable and the other two skewed by at least 25% and 50% each:

a. *Hedge* for exports

Bank	Notional (US$ thousands)	Exposure (US$ thousands)	Month	Exchange Sold	Adjustment (R$ thousands) for dollar		
					0,00	2,50	5,00

Barclays	2.500	5.000	March	1,8000	(3.061)	(3.061)	(3.061)
	2.500	5.000	April	1,8000	1.500	1.500	1.500
	2.500	5.000	May	1,8000	1.500	1.500	1.500
	2.500	5.000	June	1,8000	1.500	1.500	1.500
	2.500	5.000	July	1,8000	1.500	(1.000)	(3.500)
			PROJECTION		2.940	440	(2.061)
Barclays	2.500	5.000	March	1,6930	(3.596)	(3.596)	(3.596)
	2.500	5.000	April	1,6930	965	965	965
	2.500	5.000	May	1,6930	965	965	965
	2.500	5.000	June	1,6930	965	965	965
	2.500	5.000	July	1,6930	965	(1.535)	(4.035)
			PROJECTION		265	(2.236)	(4.736)
Deutsche	2.000	4.000	March	1,6950	(2.907)	(2.907)	(2.907)
	2.000	4.000	April	1,6950	(2.162)	(2.162)	(2.162)
	2.000	4.000	May	1,6950	(1.810)	(1.810)	(1.810)
	2.000	4.000	June	1,6950	(968)	(968)	(968)
	2.000	4.000	July	1,6950	780	(1.220)	(3.220)
			PROJECTION		(7.068)	(9.068)	(11.068)
TOTAL	7.000	14.000	March	1,7318	(9.563)	(9.563)	(9.563)
	7.000	14.000	April	1,7318	303	303	303
	7.000	14.000	May	1,7318	655	655	655
	7.000	14.000	June	1,7318	1.497	1.497	1.497
	7.000	14.000	July	1,7318	3.245	(3.755)	(10.755)
			PROJECTION		(3.864)	(10.864)	(17.864)

b.Libor (Lock in)

BANK	Date	Value (US$ thousands)	Fixed Libor	Adjustment (R$ thousands) for rate at		
				0,0%	2,5%	5,0%
Citibank	May/09	77.778	4,09%	(1.414)	(550)	315
	Aug/09	66.667	4,09%	(1.212)	(471)	270
	Nov/09	55.556	4,09%	(1.010)	(393)	225
	Feb/10	44.444	4,09%	(808)	(314)	180
	May/10	33.333	4,09%	(606)	(236)	135
	Aug/10	22.222	4,09%	(404)	(157)	90
	Nov/10	11.111	4,09%	(202)	(79)	45
	PROJECTION			(5.656)	(2.199)	1.258

c. <u>Currency forward</u>

Bank	Month /Year	Notional (US$ thousand)	Exposure (US$ thousand)	Exchange position		Adjustment (R$ thousands) for dollar at		
				Sold	Bought	1,50	2,00	2,50
JPMorgan	March /09	50.000	50.000	1,90 (V)	2,35 (C)	(22.619)	(22.619)	(22.619)
		premium				1.050	1.400	1.750
	April /09	50.000	50.000	1,90 (V)	2,37 (C)	(23.441)	(23.441)	(23.441)
					premium	1.125	1.500	1.875
	May/09	50.000	50.000	1,90 (V)	2,38 (C)	(24.158)	(24.158)	(24.158)
		premium				1.200	1.600	2.000
	PROJECTION					(66.842)	(65.717)	(64.592)
Barclays	March /09	25.000	25.000	1,90 (V)	2,24 (C)	(8.571)	(8.571)	(8.571)
	April /09	25.000	25.000	1,90 (V)	2,26 (C)	(8.977)	(8.977)	(8.977)
	May/09	25.000	25.000	1,90 (V)	2,27 (C)	(9.321)	(9.321)	(9.321)
		premium				844	1.125	1.406
	PROJECTION					(92.867)	(91.461)	(90.055)
Citibank	March/09	25.000	25.000	1,90 (V)	-	10.000	(2.500)	(15.000)
	April/09	25.000	25.000	1,90 (V)	-	10.000	(2.500)	(15.000)
	May/09	25.000	25.000	1,90 (V)	-	10.000	(2.500)	(15.000)
		premium				844	1.125	1.406
	PROJECTION					(62.024)	(97.836)	(133.649)
TOTAL	March /09	25.000	25.000	1,90 (V)		10.000	(2.500)	(15.000)
		75.000	75.000	1,90 (V)	2,32 (C)	(31.190)	(31.190)	(31.190)
		premium				1.050	1.400	1.750
	April /09	25.000	25.000	1,90 (V)		10.000	(2.500)	(15.000)
		75.000	75.000	1,90 (V)	2,33 (C)	(32.418)	(32.418)	(32.418)
		premium				1.125	1.500	1.875
	May /09	25.000	25.000	1,90 (V)		10.000	(2.500)	(15.000)
		75.000	75.000	1,90 (V)	2,35 (C)	(33.479)	(33.479)	(33.479)
		premium				2.888	3.850	4.813
	PROJECTION					(62.024)	(97.836)	(133.649)

d. Swap 134% CDI x 90% CDI or exchange variation + 2% p.a.

Bank	Date	Value (R$ thousands)	CDI Rate	Exchange coupon	Adjustment (R$ thousands) for dollar at		
					1,50	2,00	2,50
Modal	Mar/09	10.000	90,0%	2,0%	(0,17)	(0,17)	(0,17)
	Apr/09	10.000	90,0%	2,0%	0,04	0,04	0,04
	May/09	10.000	90,0%	2,0%	0,03	0,03	0,03
	Jun/09	10.000	90,0%	2,0%	0,03	0,03	0,03
	Jul/09	10.000	90,0%	2,0%	0,03	0,03	0,03
	Aug/09	10.000	90,0%	2,0%	0,03	0,03	0,03
	Sep/09	10.000	90,0%	2,0%	0,06	0,06	0,06
	Oct/09	10.000	90,0%	2,0%	22,3	(1.175,4)	(3.992,1)
	Nov/09	9.167	90,0%	2,0%	41,3	(980,3)	(3.559,2)
	Dec/09	8.333	90,0%	2,0%	56,9	(763,9)	(3.096,0)
	Jan/10	7.500	90,0%	2,0%	68,9	(570,0)	(2.657,3)
	Feb/10	6.667	90,0%	2,0%	77,3	(404,5)	(2.250,3)
	Mar/10	5.833	90,0%	2,0%	81,9	(267,2)	(1.874,8)
	Apr/10	5.000	90,0%	2,0%	82,8	(147,0)	(1.516,7)
	May/10	4.167	90,0%	2,0%	79,8	(54,7)	(1.189,8)
	Jun/10	3.333	90,0%	2,0%	72,7	12,1	(890,6)
	Jul/10	2.500	90,0%	2,0%	61,4	51,5	(621,5)
	Aug/10	1.667	90,0%	2,0%	45,6	45,6	(381,8)
	Sep/10	833	90,0%	2,0%	25,2	25,2	(174,4)
	PROJECTION				526,7	(739,0)	(8.899,8)

20. SHAREHOLDERS EQUITY

a. Capital Stock

The subscribed and paid up capital stock on 30 September 2009 is R$940.295 (on 30 September 2008, R$690,295), represented by 99,614,977 shares (on 30 September 2008, 69.151.854 shares).

b. Asset and Liability variation adjustment

The Company created the accounts subgroup denominated “Asset and Liability variation adjustment”, in which the exchange variations of the financial and derivative instruments were recorded.

21. FINANCIAL REVENUE(EXPENSES), NET

	2009	2008
Active Exchange Variance on Loans	228.247	85.651
Active Exchange VarianceVariação on Contracts	423.427	135.417
Earnings from Derivatives	60.871	40.335
Revenue from Debt Waiver	19.487	-
Fines and interest on payments	(19.098)	-
Provision for Exchange Variance Losses	(211)	(34.615)
Interest paid or incurred	(62.900)	(49.627)
Provision for interest on Contracts	(83.110)	(44.581)
Exchange Variance on Contracts	(61.560)	(302.639)
Exchange Variance on Loans	(83.197)	(198.277)
Losses from Derivatives	(83.013)	(51.634)
Discounts given	(6.185)	(3.993)
Other operating revenue (expenses)	(12.116)	(631)
	320.642	(424.594)

22. OTHER OPERATING EXPENSES, NET

	2009	2008
Provision for building inventory	(1.692)	(137)
Provision for contingencies	(27.701)	-
Unrealized ICMS charges write-off	(41.399)	-
Losses from industrial overcapacity	(86.353)	(2.742)
Expenses from allocation of leases	(9.425)	-
Expenses from sale of fixed assets, net	(10.348)	178
Other operating expenses, net	(1.051)	533
	(177.969)	(2.168)

23. EXTRAORDINARY ITEMS

In the income statement on 30 September 2008, under “extraordinary items”, the Company separately consigned values related to recognition of the IPI Premium-Credit and Funrural installments, plus the reversion of certain amounts from this fund, as shown below;

Description	30/9/2008
Adjustment for recognition do IPI Premium Credit	184.000
Adjustment for recognition of expenses from Funrural installments and contingencies	(64.549)
Adjustment for reversion of amounts paid in Funrural installments	(7.382)
Net Effect	112.069

24. INSURANCE COVERAGE (UNAUDITED)

It is Company practice to have insurance cover on property, plant and equipment and inventories subject to risk, for amounts judged sufficient to cover any losses, in accordance with the nature of the activities and the consultants' advice on insurance.

25. INCOME TAX AND SOCIAL SECURITY CONTRIBUTIONS

Income tax and the social security contributions are calculated using the current rates, according to legislation in effect.

Calculations of income tax and social security contributions, as well as their respective declarations, when demanded, are subject to review on the part of the fiscal authorities for variable statutory periods in relation to the respective dates of payment or income tax returns.

26. SUBSEQUENT EVENTS

On 20 October 2009. it was announced in conjunction with the controlled company Nova carne Industria de Alimentos Ltda., that activities at the General Assembly of Creditors("AGC") were resumed on 19 October and on this occasion, it was jointly decided by those creditors present that by 29 October all dealings and negotiations concerning the Reoganization(Judicial Recovery) Plan for both the companies would be finalized so that the final version could be available on the Company site(www.independência.com.br) on 30 October 2009.

November 5 2009, at the Convention Center of the Hotel Transamerica, located in Avenida das Nações Unidas,18.591, Santo Amaro, São Paulo-SP was decided on as the date and place for the next General Assembly of Creditors to be held, in order to approve the Reorganization Plan.

On November 5 2009, as discussed by its creditors in the General Assembly of Creditors, the Modified and Consolidated Reorganization Plan ("Plano Consolidado") was approved, with acceptance by more than 98% of the creditors and about 70% of the credits present at the assembly.

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