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A Weekly Review of Business Opportunities

SYNGENTA INVESTS US\$20 MILLION IN CHILE

The stable, arid climate of Azapa Valley, in northern Chile, is the region chosen by Swiss company Syngenta to set up its largest seed research center in Latin America. This institution will centralize the company's world seed technology development, including the seeds that will be brought to Brazil in the next few years. By 2013 the crop research center will receive an investment of US\$20 million, nearly US\$7 million of which have already been invested, according to Horacio Busanello, President of Syngenta Latin America. The structure is four or five times bigger than other seed research centers of the company. Syngenta expects to invest US\$1 billion in research in 2009. The budget by country has not been informed by the company, but this year a new research center has opened in Brazil, in Lucas do Rio Verde, Mato Grosso state, and another is to be built in Brazil in 2010. *Source: Invertia.*

PERDIGÃO'S REQUEST TO SELL SHARES FOR REVIEW

Perdigão has put for review a request to sell voting shares for up to 4 billion reais after the takeover of Sadia. The company filed the request on June 05 in Brazil's investment banking association, known as Anbid. Since August last year, the organization conducts the previous review of the prospects of the sales of negotiated securities before final approval by Brazil's securities commission (CVM). The company is moving fast because it intends to complete the sale before the summer break in the northern hemisphere. The aim is to sell the shares by the end of July. There is a secure demand for nearly half of the 4 billion reais. The Brazilian National Development Bank (BNDES) may also buy shares. The resources may be used to improve the capital structure of BRF-Brasil Foods, the company formed by Perdigão's takeover of Sadia. The two companies together will have a turnover of around 22 billion reais per year and gross borrowing of 15 billion reais, resulting from by Sadia risky derivative contracts in 2008. *Source: Valor Econômico.*

INDEPENDÊNCIA CLOSSES FOUR UNITS

Meat packer Independência said on June 10 that it closed its plants in Pontes e Lacerda, Colíder and Juína, Mato Grosso state, and suspended slaughter, boning and logistics activities in the plant of Nova Andradina, Mato Grosso do Sul state. With this decision, the company announced the dismissal of approximately 1,100 workers and the relocation of some workers (it did not specify how many) to other facilities. The document also informs that these actions are part of an ongoing program to adapt Independência operations to the current market situation. With a debt of more than 3 billion reais, Independência announced on March 2 that it had filed for judicial reorganization, which request was granted in May by the Cajamar court (São Paulo state), where the company is based. In March it also announced the termination or suspension of operations in 14 plants, two of which, Janaúba (Minas Gerais state) and Rolim de Moura (Rondônia state), have resumed activities. *Source: Agência Estado.*

MARFRIG-BERTIN MERGER FACES DIRECTOR AND DOLLAR ISSUES

Bertin has not offered shares at the Stock Exchange, but has gained a key partner, the equity arm of state development bank BNDES (BNDESPar), in the first half of 2008 and strategically acquired a desirable asset, dairy company Vigor, in October 2007. It was felt that in a moment of crisis, which made Bertin close 2008 with a loss of 681 million reais, the family should intervene. The difficulties, also due to the scarcity of cattle in the market, led Bertin to start talks with its competitor Marfrig and consider a potential merger. Both are highly indebted due to the appreciation of the dollar, as a result of the crisis, and the acquisitions. The transaction, considered a strengthening action at a moment of uncertainty in the economy, would involve a takeover (fostered by BNDES) of Bertin by Marfrig. *Source: Valor Econômico.*

SADIA SELLS STAKE IN RUSSIAN PLANT

Sadia has announced it sold a 60% stake in a meat processing plant in Kaliningrad, Russia, to its Russian partner Miratorg, for US\$77.5 million. The decision to sell the asset was made after the losses on currency derivatives in September 2008. Sadia's sale of the facility, intended to increase funds and improve cash flow, was agreed before the Perdigão transaction resulting in the creation of BRF-Brasil Foods. Thus, this deal does not change the conditions established for the acquisition of Sadia by Perdigão and for the full merger of the two companies. In addition to the losses on derivatives, the decline in the Russian economy caused by the international crisis has contributed to Sadia's sale of the facility, which opened in late 2007, started commercial operations early this year and received an investment of US\$48 million by the Brazilian company. *Source: Valor Econômico.*