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**M. DIAS BRANCO S.A. INDÚSTRIA E COMÉRCIO DE ALIMENTOS**

Publicly-held Company  
Corporate Taxpayers Id. (CNPJ): 07.206.816/0001-15  
Company Registry (NIRE) No.: 2330000812-0

**MATERIAL FACT**

M. DIAS BRANCO S/A INDÚSTRIA E COMÉRCIO DE ALIMENTOS (the "Company"), in compliance with CVM Instruction 358/02, hereby informs its shareholders, the market and society that, on this date, its subsidiary ADRIA ALIMENTOS DO BRASIL LTDA. acquired all the shares of INDÚSTRIA DE ALIMENTOS BOMGOSTO LTDA. ("VITARELLA"), a company headquartered at Rodovia BR-101, Sul, Km 84, Jaboatão dos Guararapes, Pernambuco State, Brazil.

The amount paid for the acquisition was R\$ 595,500,000.00 (five hundred and ninety five million and five hundred thousand reais), payable in 5 (five) years and an installment, to be determined, not greater than R\$ 107,000,000.00 (one hundred and seven million reais), calculated based on the balance sheet specially prepared for this purpose with the base date as March 31, 2008. The acquisition will be submitted for ratification by the Extraordinary General Meeting of the shareholders convened for this purpose, under the terms of Paragraph 1, Article 256 of Law 6404/76, and the approval of the *Conselho Administrativo de Defesa Econômica* (the Brazilian antitrust agency).

The acquired company began operations in 1993 and has been producing and selling pasta and cookies at its plant located at Pernambuco, under the brands VITARELLA and TRELOSO, among others. At the end of February 2008, it held 5.5% of the cookies market and 2.9% of the pasta market in Brazil in terms of volume (AC Nielsen, Jan-Feb 2008).

The operation is part of the Company's strategy to actively participate in the industry consolidation process and expanding its nationwide leadership in the cookies and pasta segments, with its share in the segments going up to 19.3% and 21.3% respectively (AC Nielsen, Jan-Feb 2008). Besides, this operation will add value through efficiency gains in the mills and at the Company's vegetable fat production unit.

M DIAS BRANCO will hold meetings open to shareholders, investors and analysts on April 8 and 9, from 9 AM to 6 PM, at Sala Ametista, Hotel Blue Tree Towers, located at Av. Brigadeiro Faria Lima nº 3989, São Paulo, for further information about the transaction. Those interested in participating must call Investor Relations at (+55 85) 4005 5435 to book their presence.

Eusébio-CE, April 7, 2008.

Geraldo Luciano Mattos Júnior  
Vice President of Investments and Controllershship  
Investor Relations Officer

