



MATERIAL FACT

J BS enters into an agreement to acquire the McElhaney feedyard in Arizona

JBS S.A. ("JBS" or "Company") informs its shareholders and the market in general, under the terms of the CVM Instruction nº 358 of January 3rd 2002, on this date it has entered into an agreement to acquire through its US subsidiary – JBS FIVE RIVERS CATTLE FEEDING LLC – the McElhaney Feedyard in Welton, Arizona.

This feedyard has a onetime capacity to feed 130,000 head of cattle and is strategically located in the region of the JBS production facility in Tolleson also in the State of Arizona. The transaction which includes the purchase of 100% of the asset including yards and feed mill is valued at USD24 million.

Wesley Batista said in a statement: "We are very pleased with the proposed acquisition of this state of the art installation through which we can liaise with local producers and ranchers to provide feed service for their cattle and customize the animal diet to suit the needs of our many customers not only in the US but around the world. As I have said previously, we are strong believers in the US livestock community and we will continue our efforts to bring efficiencies to the sector for the benefit of all".

The transaction is subject to the customary regulatory approvals.

São Paulo, June 30, 2010

Jeremiah O'Callaghan
Investors Relations Officer

This release contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of JBS. These are merely projections and, as such, are based exclusively on the expectations of JBS' management concerning the future of the business and its continued access to capital to fund the Company's business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors and risks disclosed in JBS' filed disclosure documents and are, therefore, subject to change without prior notice.