



## Material Fact

**JBS S.A.**  
**CNPJ No. 02.916.265/0001-60**  
**NIRE No. 35.300.330.587**  
**Authorized Capital Publicly Held Company**

### MATERIAL FACT

JBS S.A. ("JBS" or "Company"), in accordance with the provisions of CVM Ruling 358/02, as amended, informs its shareholders and the market at large that the merger of its wholly-owned companies Bertin S.A. and JBS Couros Ltda. into the Company was approved at the extraordinary shareholders' meeting of JBS held on December 31, 2009.

The merger of Bertin into the Company, which has occurred after the prior approval of the merger of Bertin' shares into the Company at the extraordinary shareholders' meeting held on December 29, 2009 ("Dec. 29, 2009 Meeting"), represents an important step for the effectiveness of the integration of the operations of Bertin and JBS, as per the Material Facts published on September 16, 2009, October 22, 2009, December 7, 2009, December 14, 2009, December 15, 2009 and December 23, 2009. As a result of the corporate reorganization that has preceded the merger of Bertin into the Company, also disclosed in the Material Facts published on September 16, 2009, October 22, 2009, December 7, 2009, December 14, 2009 and December 15, 2009, the equity control of JBS remains with the Batista Family, through FB Participações S.A., which is the owner of shares representing approximately 60% of the Company's corporate capital.

Simultaneously, the Company had the satisfaction to successfully conclude, through its subsidiary JBS Holdings USA, Inc., the acquisition of the equity control of the US company Pilgrim's Pride Corporation, for USD 800 million, paid in cash, as disclosed in the December 28, 2009 Material Fact.

In this context, and as also approved at the Dec. 29, 2009 Meeting, the issuance of debentures in the total amount of R\$ 3,479,600,000.00 (equivalent to USD 2 billion) has occurred. Such capitalization was supported by BNDES Participações S.A. - BNDESPAR, which has undertaken the firm commitment to subscribe up to the totality of the debentures, as per the December 14, 2009 and December 23, 2009 Materials Facts and the December 29, 2009 Notice to Shareholders.

All these transactions are inserted within the diversification and expansion strategy of JBS, aiming at the creation of a world leader in the animal protein sector and the reaffirmation of the position of Brazil in a highly competitive and globalized market.

**São Paulo, December 31, 2009**

**Jeremiah O'Callaghan**  
**Investors' Relations Officer**