



## Unification of operations of Bertin S.A. (“Bertin”) and JBS

JBS S.A.

CNPJ No. 02.916.265/0001-60

NIRE No. 35.300.330.587

Authorized Capital Publicly Held Company

### MATERIAL FACT

1. The management of JBS S.A. (“JBS”), pursuant to the announcement made in the Material Fact dated September 16, 2009, informs the public that it received a communication, on the date hereof, by the controlling shareholders of JBS, J&F and ZMF, that the steps necessary for the unification of operations of Bertin S.A. (“Bertin”) and JBS remain on course.
2. Notwithstanding the fact that the definitive structure of the integration of the operations of Bertin and JBS has not been defined, and in light of the expressive nature of this transaction, and with the desire to comply with the highest standards of Corporate Governance, the management of both Bertin e JBS find it appropriate and recommend that the final determination of the exchange ratio, for the purposes of a merger of Bertin and JBS, or a merger of shares involving Bertin and JBS, as per the structure to be adopted, shall occur in accordance with the proceedings suggested in the CVM Normative Opinion No. 35/08 (“PO 35”).
3. Therefore, the managers of JBS inform that, at a Board of Directors’ meeting held on the date hereof, the following members were appointed to integrate, respective to JBS, the Independent Special Committee referred to in the PO 35, consisting of non-managers of the company, all independent and with a notorious technical capacity, provided that such committee was formed in accordance with the purposes of Article 160 of Brazilian Law No. 6,404, of 1976, as per item 5, during this transition phase, (“JBS’ Committee”): Messrs. Omar Carneiro da Cunha, José Cláudio Rego Aranha and Wallim Vasconcellos. Such Committee has the sole and exclusive purpose of analyzing the conditions of an association of Bertin and JBS, or a merger of shares involving Bertin and JBS, as per the structure to be accepted, submitting its recommendations to the Board of Directors of JBS, in accordance with the orientations established in PO 35.
4. Likewise, considering the orientation established in PO 35, consisting of non-managers of the company, all independent and with a notorious technical capacity, and provided that such committee was formed in accordance with the purposes of Article 160 of Brazilian Law No. 6,404, of 1976, the management of JBS informs that it was communicated, on the date hereof, by the management of Bertin, that the following members were appointed to the Independent Special Committee referred to in PO 35 respective of Bertin (“Bertin’s Committee”): Messrs. Eleazar de Carvalho Filho, José Pio Borges de Castro Filho and Emilio Humberto Carazzai Sobrinho.
5. Prior to the final delivery of a report by the members of the respective Committees, the Bylaws of JBS shall be modified in order to contemplate the rules applicable to the creation, designation, and functioning of an Independent Special Committee, as established in PO 35. In this regard, the Board of Directors of JBS has also approved, on the date hereof, the submission of a proposal of modification of the Articles of Association of JBS to a general shareholders’ meeting of JBS to be opportunely convened.
6. As already informed in the September 16, 2009 Material Fact, the obligation of the current controlling shareholders of JBS to conclude the transaction involving the association of the operations of Bertin and JBS is subject to (i) the obtention of a USD 2.5 billion capitalization in JBS USA Holdings, in order to avoid any impact in the current indebtedness level of JBS; (ii) the approval of antitrust authorities in Brazil and abroad, as applicable; and (iii) customary conditions, such as the inexistence of material adverse effect on the assets to be contributed, and the conclusion, in a satisfactory manner, of the due diligence of Bertin.
7. It is confirmed that upon the consummation of the transaction, whichever structure is chosen for the effective combination of the operations of Bertin and JBS, the current controlling shareholders of JBS and Bertin shall hold indirect equity participation in JBS, through a new holding (“New Holding”), provided that the control of the New Holding shall be exercised, in any circumstance, by the current controlling shareholders of JBS. The definition of the definitive equity participation of the current controlling shareholders of JBS and Bertin in the New Holding shall consider other businesses which may possibly be contributed by the parties to the New Holding and also liquidity mechanisms which may possibly be attributed to the current controlling shareholders of Bertin.
8. The managers of JBS believe that the integration of the operations of Bertin and JBS is a transaction that will be advantageous to the shareholders of JBS, creating a company that will be the world leader in the animal protein sector and reaffirming the position of Brazil in a highly competitive and globalized market.

São Paulo, October 22, 2009.

**Jeremiah O'Callaghan**  
**Investors' Relation Officer**

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