



Acquisition of Pilgrim's Pride

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

MATERIAL FACT

JBS ANNOUNCES THE ACQUISITION OF PILGRIM'S PRIDE CORPORATION FOR APPROXIMATELY USD 2.8 BILLION

JBS S.A. ("JBS" or the "Company") hereby informs its shareholders and the market in general, pursuant to CVM Ruling No. 358, of January 3, 2002, as amended, the following:

1. On the date hereof, JBS has entered into a Stock Purchase Agreement ("SPA") through its subsidiary JBS USA Holdings, Inc. ("JBS USA"), whereby, through the subscription of newly issued shares, JBS USA will hold shares representing 64% of the total and voting capital stock ("Shares") of Pilgrim's Pride Corporation ("Pilgrim's Pride"). Pilgrim's Pride is a company headquartered in Pittsburgh, Texas, United States of America, operating in the raising, harvesting, processing and commercializing of poultry meat. If consummated, the transaction described herein will represent a landmark step in the diversification and expansion strategy of JBS.
2. Pilgrim's Pride is currently under a judicial recovery proceeding in the U.S. Bankruptcy Court for the Northern District of Texas ("Bankruptcy Court"), under the terms of Chapter 11 of the United States Bankruptcy Code. The transaction reported herein is supported by the reorganization plan ("Reorganization Plan") submitted by Pilgrim's Pride to the Bankruptcy Court.
3. The negotiation has considered an Enterprise Value of approximately USD 2.8 billion. JBS USA will initially detain 64% of the capital stock of Pilgrim's Pride and, as a result, the former shareholders of Pilgrim's Pride will hold the remaining capital stock, corresponding to 36%.
4. The conclusion of the transaction established in the SPA is subject to customary conditions, including the approval of antitrust authorities and the final approval of the Reorganization Plan by the Bankruptcy Court. Upon its conclusion, the transaction will count on credit facilities sufficient to finance a debt at approximately USD 1.5 billion. The transaction reported herein is expected to be consummated in December, 2009.
5. Pilgrim's Pride has 33 processing plants in the United States of America, 3 processing plants in Mexico and 1 processing plant in Puerto Rico, and employs approximately 41 thousand workers. On the date hereof, Pilgrim's Pride is one of the largest poultry meat companies in the USA, with a significant presence also in Puerto Rico and Mexico, with exports to over 80 countries. Pilgrim's Pride has a capacity to process approximately 9 billion pounds (approximately 4.1 million tons) of chicken per year. In the 2008 fiscal year, Pilgrim's Pride reported net revenues of approximately USD 8.5 billion.
6. The Company is in an advanced process of negotiating a USD 2.5 billion capitalization through private subscription in JBS USA to maintain JBS' leverage at its current levels. Such transaction shall result in a participation of, at most, 26.3% of the capital of JBS USA post-capitalization. Nevertheless, the acquisition of Pilgrim's Pride is not conditioned upon the abovementioned capitalization.
7. JBS will hold a teleconference with investors and analysts on September 16, 2009, at 3:00 pm, (+1 877 554 2421 code 30730615), and at 11:00 am with journalists, (+55 numbers will be available on the investor relations website), to present such transaction with more details, with live broadcast by the Internet, on www.jbs.com.br/ir.
8. The financial advisors of JBS at all stages of this transaction were Rothschild and Rabo Securities USA, Inc. The legal advisor in the transaction was Shearman & Sterling LLP.

São Paulo, September 16, 2009.

Jeremiah O'Callaghan
Investors Relations' Officer

