



Foundation of JBS Couros Ltda

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

MATERIAL FACT

JBS S.A. (JBSS3) informs its shareholders and the market in general that the Board of Directors of the Company in a meeting on August 11, 2009 approved the foundation of JBS Couros Ltda (JBS Couros) and this constitutes the entry of the Company into the industrialization, purchase, sale, import and export of bovine hides and leather.

The Board also approved the capitalization of JBS Couros in up to R\$50 million (fifty million real) for the purpose of financing the initial investments of JBS Couros.

São Paulo, August 27, 2009

Jeremiah O'Callaghan
Investors Relation Director