



## **Material Fact - JBS S.A. Acquisition of National Beef is Terminated**

**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. Acquisition of National Beef is Terminated**

JBS S.A. ("JBS" or the "Company") hereby informs its shareholders and the market in general that it has terminated the acquisition process of National Beef Packing Company, LLC ("National Beef") effective February 23rd 2009. All related litigation with the Department of Justice will also be terminated.

JBS announced the acquisition of National Beef on March 4th, 2008. The Department of Justice of the United States Government filed a suit to block the deal on October 20th 2008 on competition grounds. JBS endeavored to encounter a solution with the parts involved but in the absence of satisfactory conditions decided not to follow on with the acquisition.

The Company, a world leader in beef production, will continue to pursue further efficiencies at all its other units within the US totaling 8 cattle slaughter plants with a daily capacity of 28,100 head, 3 pork slaughter plants with a daily capacity of 47,900 head, a case-ready plant and a lamb slaughter plant as well as related operations in Australia, Italy, Argentina and Brazil where the headquarters are located. The Company also operates 11 cattle feed yards in six different US states.

#### **About JBS S.A.**

JBS S.A. is currently the world's largest beef producer and exporter with a daily slaughter capacity of 65 thousand head of cattle per day and the largest global exporter of processed beef. The company's operations include 22 plants located in 9 Brazilian states, 6 plants located in 4 Argentine provinces, in addition to 16 plants in the USA, 9 in Australia and 10 in Italy. Additionally, JBS S.A. is the third largest pork producer in the USA, with a slaughter capacity of 47,9 thousand head per day. Its brands "Friboi", "Swift", "Maturatta", "Cabana las Lilas", "Organic Beef Friboi", "1855", "Anglo", "Mouran", "Plata", "Inalca", "Montana", "Ibise" and "Packerland" are widely recognized as symbols of quality. More information about JBS S.A can be found at [www.jbs.com.br/ir/](http://www.jbs.com.br/ir/).

**São Paulo, February 20, 2009**

**Jeremiah O'Callaghan**  
**Investors Relation Director**

*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.*