



Beginning of the activity of cattle confinement

JBS S.A.
CNPJ # 02.916.265/0001-60

RELEVANT FACT

JBS S.A., in accordance to paragraph 4 of article 157 of Law # 6.404/76 and to CVM Instruction # 358/02, informs its respective shareholders and the market in general that the Company has entered into the activity of cattle confinement, as deliberated in the minutes of the Board of Directors meeting held on 06.04.07.

Operations will be conducted in a recently acquired rural property located in the city of Castilho, state of São Paulo, with the necessary infrastructure and an annual capacity to fatten up to 150 (one hundred and fifty) thousand animals.

The transaction amounted to R\$ 30,000,000.00 (thirty million reais).

JBS S.A., through this transaction, reaffirms its long term commitment to the beef industry, which generates significant revenues and is of strategic importance to our country. With this important step, the Company further strengthens its market leadership.

São Paulo, June 5, 2007

JBS S.A.
Sérgio Longo
Director of Finance and Investor Relations