



## Agreement and Plan of Merger

**JBS S.A.**  
**CNPJ 02.916.265/0001-60**  
**NIRE 5.300.330.587**  
**Authorized Capital Publicly-held Company**

J&F Participações S.A. ("J&F"), controlling shareholder of JBS S.A. ("JBS" or "Company"), announces on this date to JBS that:

1. J&F entered into an Agreement and Plan of Merger ("Agreement") aiming the acquisition, by means of its wholly-owned subsidiaries J&F Acquisition Co., J&F I Finance Co. and J&F II Finance Co., companies headquartered in Delaware, United States of America, of the share control of Swift Foods Company ("Swift"), a company headquartered in Delaware, United States of America. The conclusion of the acquisition is subject to the compliance with usual precedent conditions in business of such nature, among which the approval by governmental authorities abroad. The completion of the operation is expected to occur around July, 2007.
2. The Agreement sets forth the possibility of granting the rights and obligations of J&F for JBS, under the same terms and conditions, until the completion of the operation.
3. J&F will acquire Swift taking into account an enterprise value of approximately US\$1.4 billion.
4. It is not J&F's intention, nor of its controlling shareholders, to maintain a beef business parallel to JBS, reason for which the integration of JBS' activities with Swift's shall occur as soon as possible;
5. The acquisition was initially carried out by J&F, since JBS will have to adequate its capital structure to the obligations and restrictions of financial agreements in force.
6. The integration will be conducted in such manner to preserve the interests of all shareholders, creditors, employees and partners of JBS, by adding value to the Company's business, and accordingly, benefiting all interested parties.
7. The integration will result in the creation of the world's leading beef producer and the largest Brazilian company in the food industry.
8. J&F's operation was advised by Rothschild, in its financial aspects, by the law firms Greenberg Traurig LLP and Vellozo, Giroto & Lindenbojm, in its legal aspects.

JBS will hold a meeting with investors, analysts and journalists on May 29, 2007, at 9h30 am, at the Company's headquarters to present and discuss the operation. Those interested in participating in the meeting may also have access to the meeting via conference call (11 4688.6301 – code JBS), with a live broadcast via the Internet, on the Website [www.jbs.com.br/ri](http://www.jbs.com.br/ri).

São Paulo, May 29, 2007

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