



Approval of the Capital Increase

Date, Time and Venue: July 14, 2011, at 2:30 p.m., at the headquarters of JBS S.A. ("Company"), located at Av. Marginal Direita do Tietê, 500, Vila Jaguara, CEP 05118-100, in the city and state of São Paulo.

Call Notice and Attendance: The Call Notice was waived due to the presence of all members of the Company's Board of Directors.

Presiding: Joesley Mendonça Batista, Chairman; and Alexandre Tadeu Seguin, Secretary.

Resolutions: The members of the Board of Directors' unanimously confirmed:

The partial subscription of the capital increase, within the authorized capital limit, approved by the Board of Directors' Meeting of May 17, 2011, in the amount of up to three billion, four hundred and seventy-nine million and six hundred thousand reais (R\$3,479,600,000.00), through the issue of four hundred and ninety-four million, two hundred and sixty-one thousand, three hundred and sixty-three (494,261,363) non-par registered book-entry common shares ("Approved Increase"), of which four hundred and ninety-three million, nine hundred and seventy-two thousand, seven hundred and fifteen (493,972,715) non-par, registered book-entry common shares issued by the Company were subscribed and paid-up, free and clear of any lien or encumbrance. Consequently, the Company's capital increase, within the authorized capital limit, was partially ratified in the amount of three billion, four hundred and seventy-seven million, five hundred and sixty-seven thousand, nine hundred and thirteen reais and sixty centavos (R\$3,477,567,913.60). As a result, the Company's capital stock increased from eighteen billion, eighty-free million, five hundred and forty-four thousand, one hundred and sixty-five reais and eight centavos (R\$18,083,544,165.08) to twenty-one billion, five hundred and sixty-one million, one hundred and twelve thousand, and seventy-eight reais and sixty-eight centavos (R\$21,561,112,078.68) through the issue of four hundred and ninety-three million, nine hundred and seventy-two thousand, seven hundred and fifteen (493,972,715) non-par registered book-entry common shares. The Company's capital stock is now represented by three billion, sixty-one million, four hundred and forty-four thousand, one hundred and ninety-one (3,061,444,191) non-par, registered book-entry common shares. The shares issued as a result of the capital increase are identical to existing shares, being entitled to the same rights as other common shares issued by the Company, pursuant to the Bylaws and the applicable legislation, and are entitled to all the benefits declared by the Company subsequent to this ratification.

Closure and Drawing up of the Minutes: There being no further business to discuss, the floor was offered to anyone who intended to speak and, as no one did, the meeting was adjourned for the time necessary to draw up these minutes, which were then read, approved and signed by all the attending Board members.

Board Members Present: Joesley Mendonça Batista, Wesley Mendonça Batista, José Batista Sobrinho, José Batista Junior, Marcus Vinicius Pratini de Moraes, Natalino Bertin, Valere Batista Mendonça Ramos, Guilherme Rodolfo Laager, Vanessa Mendonça Batista, Guilherme Narciso de Lacerda and Peter Dvorsak.

This is a free English translation of the original minutes drawn up in the Company's records.

São Paulo, July 14, 2011.

Alexandre Tadeu Seguin

