



JBS Exercises Purchase Option of XL Foods in Canada

JBS SA ("Company") communicates to its shareholders and to the market in general that pursuant to the Communication to the Market dated October 17, 2012, a Canadian subsidiary of JBS USA anticipates the completion of the purchase of certain Canadian operations of XL Foods on January 14, 2013.

Under the terms of the agreement, JBS will acquire the following Canadian assets:

- 1 beef packing plant in Brooks (Alberta, Canada) with capacity to process 4,000 head of cattle per day;
- 1 beef packing plant in Calgary (Alberta, Canada) with capacity to process 1,000 head of cattle per day;
- 1 feedlot in Brooks (Alberta, Canada) with a one-time capacity to feed 70,000 head of cattle; and
- 6,600 acres of farmland adjacent to the feedlot in Brooks (Alberta, Canada).

The agreement between JBS and XL Foods further permits an exclusive option to purchase the US operations of XL Foods. JBS awaits regulatory review from US authorities in this case. The US operations will continue to be operated by XL Foods during the option period.

JBS will in no case assume any of XL Foods' debt or liabilities.

JBS will keep the market informed regarding the ongoing actions related to this agreement.

São Paulo, January 09, 2013

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