



JBS Repudiates False Accusations in Greenpeace Report Company Will Take Legal Action to Protect its Interests

JBS S.A.

Corporate Taxpayers' ID (CNPJ/MF) No. 02.916.265/0001-60

Company Registry (NIRE) No. 35.300.330.587

Publicly-Held Company

JBS SA communicates to its shareholders and to the market in general that it was taken by surprise today with the disclosure of a report by the Non Government Organization (NGO) Greenpeace wherein the Company is being accused of collaborating with deforestation and of not complying with previous agreements. The information regarding JBS in the report is false, misleading, incorrect and induces the public to draw erroneous conclusions regarding the reality of the facts. Due to this, the Company will legally challenge Greenpeace and will use all available legal channels to repair the material damage caused to the image of the Company through the disclosure of this incorrect information.

JBS receives the disclosure of this defamatory public report from the ONG with shock since the Company has demonstrated to its clients and to society at large that it has the most advanced and sophisticated systems in the area of sustainability in the beef sector in Brazil.

At the present time, JBS has more than 500 employees directly involved in sustainability activities inside the Company in this country whose commitment reaches far beyond their daily obligations. Actions involve investments in the environment, incentives and development programs for a sustainable beef supply chain, a satellite monitoring system of rural properties within the Amazon biome, pioneering projects registered at the United Nations (UN) to generate carbon credits, ongoing projects to reduce the emission of greenhouse gases (GHG), programs to reduce water usage at production units, selective collection and recycling of residues, production of bio-diesel, the use of renewable energy sources, maintenance of an educational institute to forward social development in the community (Instituto Germinare), among others.

The report published today by Greenpeace demonstrates inconsistent and false information detailed and exposed here below:

Fazenda Flor da Mata

Accusation: Purchase of cattle from a property embargoed by the Brazilian Environmental Institute (IBAMA).

Reply: The last time JBS bought cattle from this property was on July 15, 2011 at a time when the property had no restrictions. This farm was embargoed by IBAMA on December 02, 2011, months after the last transaction with JBS. Upon being embargoed, JBS immediately blocked any transaction with the property.

FALSE ACCUSATION

Fazenda Vento Sul

Accusation: Purchase of cattle from a property embargoed by the Brazilian Environmental Institute (IBAMA).

Reply: This property is not blacklisted by IBAMA.

FALSE ACCUSATION

Fazenda JK Pneus

Accusation: Purchase of cattle from a property embargoed by the Brazilian Environmental Institute (IBAMA).

Reply: This property is not blacklisted by IBAMA.

FALSE ACCUSATION

Fazenda Tesouro Vienense

Accusation: Purchase of cattle from a property embargoed by the Brazilian Environmental Institute (IBAMA).

Reply: The last time JBS bought cattle from this property was on November 25, 2011 at a time when the property had no restrictions. This farm was embargoed by IBAMA on December 28, 2011, weeks after the last transaction with JBS. Upon being embargoed, JBS immediately blocked any transaction with the property.

FALSE ACCUSATION

Fazenda Muiraquita

Accusation: Purchase of cattle from a property embargoed by the Brazilian Environmental Institute (IBAMA).

Reply: This property is not blacklisted by IBAMA.

FALSE ACCUSATION

Fazenda Santa Rita de Cassia

Accusation: Purchase of livestock from a property which maintained employees in conditions similar to slavery

Reply: Fazenda Santa Rita de Cassia, located in the municipality of Juara, Mato Grosso and mentioned on page 10, image 4 of the Greenpeace report is owned by Antonio Rangel de Almeida and not by Fabiano Queiroz as incorrectly informed in the report. The name of Antonio Rangel de Almeida does not show up on any restricted list provided by the Ministry of Labor and Employment (MTE). The property owned by Fabiano Queiroz, mentioned in the report, carries the same name (Santa Rita de Cassia) but is located in the municipality of Novo Monte Verde in Mato Grosso and is embargoed as a supplier to JBS.

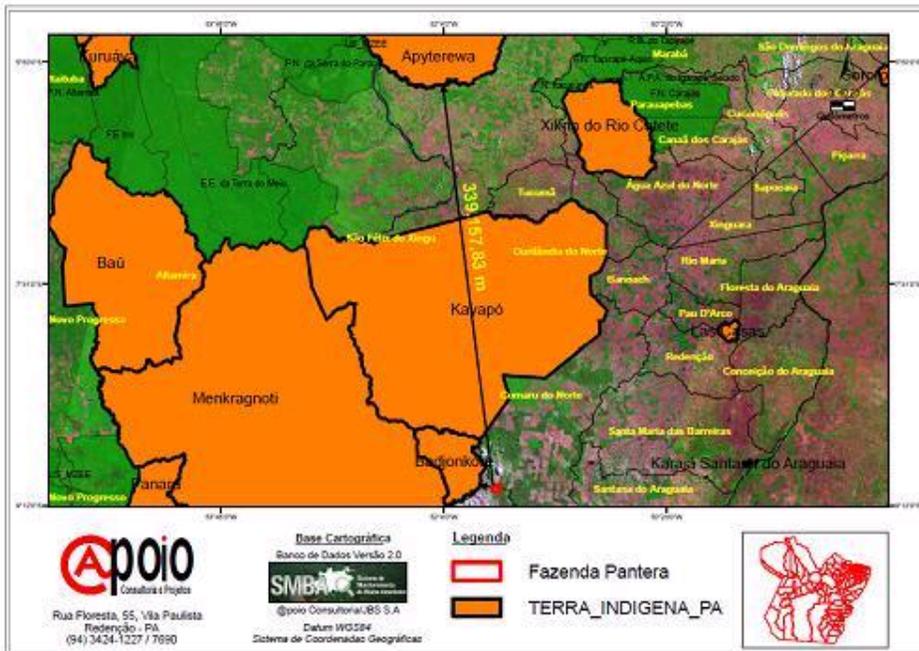
FALSE ACCUSATION

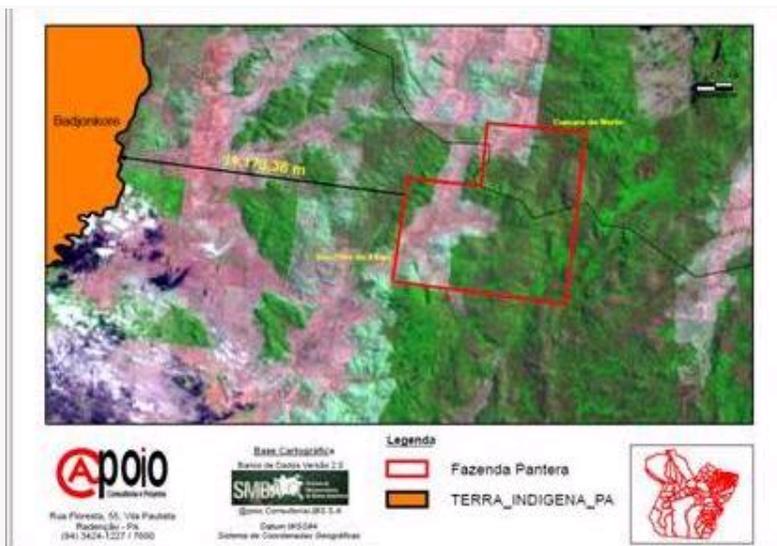
Fazenda Pantanera

Accusation: Acquisition of cattle from a property on the indigenous territory of the Apyterewa tribe in the state of Para.

Reply: Fazenda Pantanera cited in the document as being located inside the indigenous reservation of the Apyterewa is in fact located 339.15 kilometers from the border of this reservation. The indigenous territory nearest Fazenda Pantanera is the Badjonkore reservation whose boundary is 11.13 kilometers from the farm mentioned in accordance with the reference maps of the property. Thus, Fazenda Pantanera is distant from any indigenous land. See maps for reference.

FALSE ACCUSATION





Fazenda Panorama

Accusation: Acquisition of cattle from a property on the indigenous territory of the Maraiwatsede in Mato Grosso.

Reply: This property is not a registered and approved supplier to JBS.

FALSE ACCUSATION

Other properties alleged to be located on indigenous lands

With reference to the other 9 rural properties mentioned in the report issued by Greenpeace and identified as being within the Maraiwatsede reservation, JBS has geographic reference points for all these properties outside of indigenous land.

Here it is important to bear in mind that the agreement done with Greenpeace contemplates that properties should be embargoed only after unquestionable proof that they are located within indigenous reservations. To date, JBS received a single notification from the Federal Public Prosecutor and all rural properties mentioned in this notification are embargoed by the Company.

FALSE ACCUSATION

Pampeano Alimentos

Accusation: JBS supplied canned meat products to customers in Holland and in the UK from its production unit Pampeano Alimentos (SIF 226) in Bage (RS) using raw material from its production unit in Barra do Garças, Mato Grosso in accordance with information on page 6 of the report and also illustrated in the image on page 10 of the same report

Reply: The production unit Pampeano Alimentos does not belong to JBS. It is owned by Marfrig Alimentos. JBS supplies raw material to this unit from its plant in Barra do Garças and also from other plants as mentioned in the report.

FALSE ACCUSATION

Indirect livestock suppliers

JBS has a commercial relationship with ranchers that participate in the final phase of finishing cattle and these are the properties that are monitored by the Company. The complete monitoring of indirect suppliers, ranchers that provide young cattle to finishers, by JBS or by another producer in the sector will only be possible when there is a complete traceability system in Brazil which would identify and monitor cattle from calving to their adult age. Here it is important to point out that item 1.c of the agreement between JBS and Greenpeace contemplates the re-evaluation of this point due to the complexity of the subject.

JBS will continue to cooperate with public entities, NGOs and research institutes to incentivize and develop a feasible traceability system, applicable to the whole cattle supply chain in Brazil.

Conclusions

Based on the clarity of the points raised here, JBS believes that the document disclosed by Greenpeace today does not in any way enhance discussions around issues related to sustainability in the beef supply chain in Brazil. The accusations are false, frivolous, unfounded and do not demonstrate the required impartiality on the part of Greenpeace to advance discussions around a theme of such relevance.

JBS hereby reaffirms its commitment towards advancing initiatives in the social and environmental field and is always open to dialogue with a view towards building an economically feasible society which is environmentally correct with social justice.

São Paulo, June 6, 2012.

Jeremiah O'Callaghan
Investor Relations Officer