



Increase in Shareholder Participation

JBS SA (JBSS3) ("Company") communicates to its shareholders and to the market in general, in compliance with Article 12, sub-item 6 of the CVM regulation number 358/2002, that the BNDES (Brazilian Development Bank) Participacoes S.A. – BNDESPAR, a shareholder at JBS, informed the Company in compliance with the formality of Article 12, sub-item 1 of the same regulation and as a result of the capitalization of the amount representing the Convertible Debentures communicated to the market through a Material Fact dated May 18, 2011 and ratified by the Company's shareholders and debenture holders on June 03, 2011 that its participation in the social capital of the Company increased from approximately 17% to 30.4%.

This capitalization does not in any way alter the controlling structure nor the administration of the Company.

São Paulo, 12th of August, 2011.

Jeremiah O'Callaghan
Investor Relations Officer