



Notice to Shareholders - Right of Withdrawal

JBS S.A. ("Company") hereby informs its shareholders that the amount actually subscribed for the capital increase approved within the limitations of the Company's authorized capital at the Boards of Directors Meeting held on May 17, 2011, of up to three billion, four hundred and seventy nine million and six hundred thousand reais (R\$ 3,479,600,000.00), upon the issuance of up to four hundred ninety four million, two hundred and sixty one thousand and three hundred and sixty three (494,261,363) new ordinary shares ("Approved Capital Increase") was of three billion, four hundred and seventy seven million, five hundred and sixty seven thousand, nine hundred and thirteen reais and sixty cents (R\$ 3,477,567,913.60) ("Subscribed Capital Increase"). Hence, the amount actually subscribed was two million, thirty two thousand million, eighty six reais and forty cents (R\$ 2,032,086.40) less than the amount approved at the Board Meeting mentioned above:

Since the Subscribed Capital Increase was lower than the Approved Capital Increase, the shareholders which have exercised their right to subscribe the new shares shall have the right to withdraw from their subscription of shares according to terms and procedures below:

Withdrawal Period: The shareholders who have exercised their right to subscribe shares may withdraw during a five (5) business days period, from July 7, 2011 to July 13, 2011. The shareholders who exercised their right to subscribe shares until July 5, 2011 shall have the right to withdraw from their subscription.

Payment of the Amount Withdrawn: The shareholders who choose to withdraw their right to subscribe shares shall receive the amount paid for the subscribed shares without interest or monetary adjustment within two (2) days from the end of the withdrawal period mentioned above.

Form of Withdrawal: The shareholders who wish to withdraw shall send a written notice to the Company, informing the number of shares subscribed and their intention to withdraw from their subscription of shares. These shareholders shall also send the following documents to the Company within the period below: Individuals: certified copy of the identity card, taxpayer registration (CPF) and proof of residence. Legal Entities: certified copy of the last restated Articles of Association or By-laws, taxpayer registration (CNPJ), corporate documents granting powers of representation, identity card, taxpayer registration (CPF) and proof of residence of the company's representative. Shareholders living abroad may be required to present additional representation documents. In case of representation by power of attorney, a public power of attorney shall be presented. Shareholders which shares are held by BM&FBOVESPA shall exercise their right to withdraw from the subscription of the capital increase through their depository agent.

Homologation: After the end of the withdrawal period, a Board of Directors Meeting shall be called to confirm the subscription and payment of the subscribed shares, and to ratify the capital increase.

São Paulo, July 6, 2011.

Jeremiah O'Callaghan
Investor Relations' Officer

