



Notice to Debenture Holders

JBS SA ("Company") hereby informs its debenture holders about the approval of the "Private Instrument of First Amendment to the First Issuance of Debentures Convertible into Shares, with Swap Clause, issued by JBS S.A." ("Amendment"), pursuant to the decision taken at the general meeting of debenture holders held on the date hereof. Under the terms of the Amendment, the debenture holders are entitled to use the amount corresponding to their debentures for the payment of shares issued by the Company under the capital increase approved at the Board of Directors Meeting held on May 17, 2011 ("Capital Increase"). The Company may, at its sole discretion, redeem the debentures that were not used in the Capital Increase for their Face Value (Valor Nominal Unitário), as defined in the Amendment. Therefore, the debenture holders shall observe the following conditions to exercise their rights:

Use of Credit for the Capital Increase – The debenture holders shall have the right to subscribe the capital increase in the amount of their corresponding credits, subject to the exercise of right of the shareholders of the Company to subscribe shares. In case the credits used for the payment of shares result on the right of the debenture holder to receive a fraction of shares, the Company shall pay the corresponding amount to the debenture holder, in local currency, within three (3) business days. The credits shall be calculated by dividing the amount of the credit of the debenture holder by the price per share issued, as approved at the capital increase.

Period for the Use of Credits for the Capital Increase - The debenture holders who wish to exercise the right provided for in the Amendment to use their credits for the payment of shares under the capital increase shall send a written notice to the Company within up to twenty (20) days from the date hereof (from June 4, 2011 to June 23, 2011) stating the number of debentures they hold, the total amount of credit they hold and their intention to take part in the Capital Increase. Such debenture holders shall also send the Company the following documents during the period mentioned above: Individuals: certified copies 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, of the identity card, taxpayer registration (CPF) and proof of residence of the company's representative. Foreign investors may be required to submit additional documents regarding their representation. In case of representation by power of attorney, a power of attorney granted before a public notary shall be required.

Update of Debenture Holders' Information - The debenture holders which information is not updated with Banco Bradesco's shall contact such bank to update their information for the subscription of the Capital Increase and, if applicable, to receive the credit arising from the redemption of their debentures.

Right of Current Shareholders to Subscribe Shares - Subject to the exercise of the right of the shareholders to subscribe shares of the Company, pursuant to Article 171 of Law 6,404/76 and the Notice to Shareholders released on the date hereof, the debenture holders may receive the amount in cash corresponding to the amount of the credit used in the capital increase, instead of receiving the corresponding number of shares issued by the Company.

Redemption of Debentures - Under the terms of the Amendment, the debentures which are not used for the payment of new shares in the Capital Increase may be redeemed by the Company for their Face Value (Valor Nominal Unitário), subject to the conditions of the Amendment.

Issuance Price – Each new ordinary share to be subscribed shall be issued for seven reais and four cents (R\$ 7.04).

Rights of the Shares Subscribed - Upon the homologation of the capital increase by the Board of Directors the new ordinary shares shall be entitled to the same rights granted to the ordinary shares currently outstanding.

Homologation - The amount of the capital increase shall correspond to the exact amount of the credit represented Debentures used in the Capital Increase, which may be part or the total amount of the Debentures. Thus, no shares will remain to be subscribed. After the subscribers

of the Capital Increase make the corresponding payment, a Board of Directors meeting shall be called to confirm the subscription and payment of the shares related to the Capital Increase and to ratify the partial or full increase of the capital stock.

São Paulo, June 3, 2011.

Jeremiah O'Callaghan
Investidor Relations' Officer

JBS S.A. © 2009 Todos os direitos reservados