



Notice to the Market - INALCA JBS

JBS S.A. (JBSS3) communicates to its shareholders and to the market in general that on August 02, 2010 the Company filed a request at the International Chamber of Commerce (ICC) in Paris requesting the Chamber's arbitration to solve pending corporate governance issues at Inalca JBS, which is 50% owned by JBS S.A.

This filing at the ICC is in continuation of the injunction filed with the Italian Judicial Authorities as communicated to the market by the Company in a Material Fact published on July 07, 2010 and is directly related to the full compliance of the terms and conditions of the contract signed between JBS S.A. and the Cremonini Group upon the foundation of Inalca JBS and specifically to the clauses which refer to transparency and good Corporate Governance practices.

São Paulo, August 04, 2010

Jeremiah O'Callaghan
Investors Relations Officer

About JBS S.A.

JBS S.A. is currently the world's largest protein producer and exporter having a daily harvesting capacity of 90.3 thousand head of cattle, 48.5 thousand head of pork, 7.6 million birds and 24.5 thousand head of lamb. The company's operations includes 140 production plants, 61 located in Brazil, 6 in Argentina, 2 in Paraguay, 50 in the USA, 3 in Mexico, 10 in Australia, 8 in Italy and 1 in China, Russia and Uruguay. Additionally JBS S.A. has feedlot operations in the USA, Australia, Brazil and Italy, with a onetime capacity to feed 1.05 million head of cattle, a tannery business with capacity to process 154,500 M2 of hides per day and a dairy production capacity of 1,266 tons/day. JBS' net revenues in 2009 were R\$ 34.3 billion.. The Company employs about 125 thousand people and its brands "Friboi", "Swift", "Swift and Company", "La Herencia", "1855 Swift Premium", "Maturatta", "Cabaña Las Lilas", "Organic Beef Friboi", "Anglo", "Mouran", "Plata", "King Island", "Beef City", "AMH", "Inalca", "Montana", "Ibise", "Gold Kist", "Vigor", "Leco" and "Bertin" are widely recognized as symbols of quality. More information about JBS S.A. is available at www.jbs.com.br/ir.