



Notice to the Market

JBS S.A. ("JBS" or "Company") informs its shareholders and the market in general that the company has been notified by the Ministry of Agriculture that American authorities detected the presence of Invermectin (a common medicine given to livestock to combat vermin) above the maximum residue level under American rules in part of its industrialized products at the Lins plant. As a consequence, the company is promoting a recall of these products and sending them back to Brazil. Additionally, US authorities have suspended approval for Lins plant to export to that market, until the issue has been clarified.

The company informs that it will be analyzing the products and that it will take the appropriate measures to solve this problem. As for the financial impact, the Company believes that it tends to be immaterial, given that the Company can access the American market via other plants and use the Lins platform to serve other markets.

São Paulo, May 20, 2010

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