



Notice to Shareholders

JBS S.A. ("JBS" or "Company"), in addition to the Notice to Shareholders of JBS issued on December 29, 2009 relating to the investment in the Company by BNDES Participações S.A. – BNDESPAR ("BNDESPAR"), through subscription of up to the totality of the subordinated debentures of the first private issue of the Company, mandatorily exchangeable for sponsored level II or III Brazilian depository receipts representing voting common shares issued by JBS USA Holdings, Inc. ("BDRs"), or mandatorily convertible into shares of the Company ("Debentures"), hereby communicates to its shareholders as follows:

Persons located in the United States of America (the "United States") or who are U.S. persons (as defined in Regulation S under the 1933 Securities Act ("Regulation S")), including individuals or corporations with addresses in the United States or persons that trade securities or act as agents on behalf of such persons, will not be permitted, under any circumstance, to exercise preemptive rights for the subscription of Debentures or subscribe for or acquire Debentures in any other manner. Shareholders with doubts about whether they, any of their agents or any corporations or other legal entities affiliated with them are Persons located in the United States or U.S. Persons, as defined in Regulation S, should consult their legal counsel.

Neither the Debentures, the shares of common stock of JBS USA Holdings, Inc. that may be exchanged therefor or the shares of common stock of JBS into which the Debentures may be converted have been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as those terms are defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and other applicable securities laws. Accordingly, the Debentures are being offered and sold only outside the United States in reliance upon Regulation S to non-U.S. persons, who are required to make certain representations to JBS S.A. prior to subscribing for the Debentures.

In view of the foregoing, each subscriber of Debentures will be deemed to have acknowledged, represented to and agreed with JBS and each of its affiliates as follows:

- (1) It understands and acknowledges that the Debentures have not been and will not be registered under the Securities Act or any other applicable securities law and are being offered in transactions not requiring registration under the Securities Act.
- (2) It understands and acknowledges that the Debentures, as set forth in the relevant "*Instrumento Particular de Escritura da 1ª Emissão de Debêntures Conversíveis em Ações e com Cláusula de Permuta, Emitidas pela JBS S.A.*", issued on December 29, 2009 ("Debenture Deed"), cannot be transferred by the subscriber to any other person.
- (3) It understands and acknowledges that the common shares of JBS USA Holdings, Inc., in the form of Brazilian depository receipts, or the common shares of JBS S.A., as the case may be, receivable by holders of Debentures under the terms set forth in the Debenture Deed, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act and any other applicable securities laws or pursuant to an exemption therefrom and, in each case, in compliance with the conditions for transfer set forth below.
- (4) It is a non-U.S. person and is purchasing the Debentures in an offshore transaction in accordance with Regulation S under the Securities Act.
- (5) It acknowledges that neither JBS nor any of its affiliates, nor any person representing JBS or any of its affiliates, has made any representations to it with respect to the offering or sale of any Debentures. Accordingly, it acknowledges that no representation or warranty is made by JBS or any of its affiliates as to the accuracy or completeness of any materials provided in connection with the offering of the Debentures, and it has had access to such financial and other information concerning the Debentures as it has deemed necessary in connection with its decision to subscribe therefor.
- (6) It is purchasing the Debentures for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell the Debentures pursuant to a valid exemption from registration available under the Securities Act.
- (7) It agrees on its own behalf and on behalf of any investor account for which it may be subscribing for the Debentures, that (a) it will comply with the restrictions on transfer relating to the Debentures and the shares of common stock of JBS USA Holdings, Inc. described in the Debenture Deed and (b) with respect to the shares of common stock of JBS USA Holdings, Inc. or JBS that may be received in respect of the

Debentures under the terms and conditions set forth in the relevant Debenture Deed, which it agrees that it has received and reviewed, such shares may only be offered or sold pursuant to registration under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act and in accordance with the terms of the Debenture Deed. Each subscriber acknowledges that JBS or any of its affiliates reserve the right prior to any offer, sale or other transfer to require the delivery of an opinion of counsel, certifications and/or information satisfactory to JBS or any of its affiliates, as the case may be.

Each subscriber shall acknowledge that each Debenture will contain a legend substantially to the following effect:

THIS DEBENTURE IS NOT TRANSFERABLE TO ANY OTHER PERSON, PURSUANT TO THE TERMS SET FORTH IN THE DEBENTURE DEED.

ANY COMMON SHARES INTO WHICH THIS DEBENTURE MAY BE EXCHANGED OR CONVERTED HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. COMMON SHARES OF JBS USA HOLDINGS, INC. RECEIVED IN EXCHANGE FOR THIS DEBENTURE ARE SUBJECT TO THE HOLDING AND TRANSFER RESTRICTIONS SPECIFICALLY SET FORTH IN THE DEBENTURE DEED. IN ADDITION TO THE SECURITIES LAW RESTRICTIONS OTHERWISE SET FORTH IN THIS LEGEND, NEITHER SUCH COMMON SHARES NOR ANY INTEREST OR PARTICIPATION THEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION.

THE HOLDER OF THIS DEBENTURE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT IS A NON-U.S. PERSON AND IS ACQUIRING THIS DEBENTURE IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATIONS UNDER THE SECURITIES ACT AND (2) AGREES THAT THIS DEBENTURE IS NOT TRANSFERABLE TO ANY OTHER PERSON, AS SET FORTH IN THE DEBENTURE DEED, AND THAT THE COMMON SHARES INTO WHICH THIS DEBENTURE MAY BE EXCHANGED OR CONVERTED MAY BE OFFERED OR SOLD ONLY TO NON-U.S. PERSONS IN TRANSACTIONS THAT OCCUR OUTSIDE THE U.S. IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT OR PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN ADDITION TO THE RESTRICTIONS SET FORTH IN THE DEBENTURE DEED.

(8) It acknowledges that JBS and its affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and represents that if any acknowledgements, representations, warranties and agreements deemed to have been made by the subscriber of the Debentures are no longer accurate, it shall promptly notify JBS. If it is acquiring any of the Debentures as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations, warranties and agreements on behalf of each such account.

(9) It confirms that neither JBS nor any of its affiliates, nor any person acting on behalf of any such entity has made an offering of the Debentures by, and it has not been made aware of the offering of the Debentures by, any form of general solicitation or general advertising in the United States.

(10) It confirms its understanding that, for Securities Act compliance purposes, in the event that Debentures are exchanged for BDRs, pursuant to the terms of the Debenture Deed, such BDRs shall be initially deposited with a custodian, on behalf of the Debenture holders entitled to receive such BDRs, for a period of 195 days following the "Liquidity Event", as defined in the Debenture Deed. During such period, (A) the custodian shall be obliged to maintain the BDRs on behalf of the Debenture holders, being prohibited to transfer the ownership, loan or any form of assignment of the BDRs; (B) the Debenture holders, at that time BDR holders, may exercise all rights inherent to the BDRs (except for any right to transfer or assign the BDRs), including, without limitation, the voting rights and the receipt of Profits (as defined in the Debenture Deed); and (C) the custodian shall be obliged to make the BDRs available to the Debenture holders on the first business day after the end of the period established above.

This notice to shareholders does not constitute a sale or offer of Debentures in the United States or to any U.S. person. Neither the Debentures nor the preemptive rights can be offered or sold in the U.S. without registration or an applicable exemption from registration under the terms of the Securities Act.

This release contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of JBS. These are merely projections and, as such, are based exclusively on the expectations of JBS's management concerning the future of the business and its continued access to capital to fund the Company's business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors and risks disclosed in JBS's filed disclosure documents and are, therefore, subject to change without prior notice.