



## Tax Reduction in the Brazilian beef sector

JBS S.A.  
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NIRE 35.300.330.587  
Authorized Capital Publicly Held Company

### NOTICE TO THE MARKET

#### Tax Reduction in the Brazilian beef sector

JBS S.A. (JBSS3 and JBSAY) informs its shareholders and the market in general that the Brazilian Federal Government today published a decree in its Official Journal which exempts the whole beef chain from paying a local tax known as PIS/Pasep and Cofins which represented 9.25% of gross sales on the domestic Brazilian market. This decree will be valid as of November 01, 2009.

JBS believes that this exemption represents a very positive move on the part of the Brazilian Authorities and benefits the whole production chain from ranchers to consumers through the processing sector making beef and beef products available to a greater public.

São Paulo, October 14, 2009.

Jeremiah O'Callaghan  
Investors Relations Director

#### About JBS S.A.

JBS S.A. is currently the world's largest beef producer and exporter with a daily harvesting capacity of 73,900 head of cattle and the largest global exporter of processed beef. The company's operations include 25 plants located in 9 Brazilian states and 6 plants located in 4 Argentine provinces, in addition to 16 plants in the US, 10 in Australia and 8 in Italy. Additionally, JBS S.A. is the third-largest pork producer in the US, with a harvesting capacity of 48,500 head per day. In 2008, JBS S.A. generated net revenue of R\$30.3 billion. 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" and "Ibise" are widely recognized as symbols of quality. More information about JBS S.A. is available at [www.jbs.com.br/ir/](http://www.jbs.com.br/ir/).

*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' 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' filed disclosure documents and are, therefore, subject to change without prior notice.*