



## Subscription of New Shares

**JBS S.A.**  
**Publicly Held Company**  
**Corporate Taxpayers ID (CNPJ/MF) 02.916.265/0001-60**  
**Company Registry (NIRE) 35.300.330.587**

### Notice to Shareholders

We hereby inform shareholders that JBS S.A., pursuant to applicable law and the Company's bylaws, will increase its share capital, currently R\$1,945,580,962.12 (one billion, nine hundred forty-five million, five hundred eighty thousand, nine hundred sixty-two reais and twelve cents), to R\$4,495,580,968.94 (four billion, four hundred ninety-five million, five hundred eighty thousand, nine hundred sixty-eight reais and ninety-four cents), through an increase therefore of R\$2,550,000,006.82 (two billion, five hundred fifty million, six reais and eighty-two cents) via the issue for private subscription of 360,678,926 (three hundred sixty million, six hundred seventy-eight thousand, nine hundred twenty-six) new registered, book-entry common shares with no par value, as approved at the Extraordinary Shareholders' Meeting held on April 11, 2008. The 360,678,926 (three hundred sixty million, six hundred seventy-eight thousand, nine hundred twenty-six) new shares are identical in all aspects to existing shares, and current shareholders are assured preferential rights in the subscription of new shares, pursuant to Article 171 of Law 6,404 of December 15, 1976, as amended ("Law 6,404/76"). The period for the exercise of preferential rights in the acquisition of new shares by shareholders as such on April 11, 2008 commences on April 14, 2008, with the subscription subject to the following conditions:

#### I. Value of the Capital Increase

1.1. R\$2,550,000,006.82 (two billion, five hundred fifty million, six reais and eighty-two cents).

#### II. Quantity and Type of Stock to be Issued

2.1. 360,678,926 (three hundred sixty million, six hundred seventy-eight thousand, nine hundred twenty-six) new registered, book-entry common shares with no par value.

#### III. Registration Date and Subscription Proportion

3.1. Shareholders holding shares issued by the Company on April 11, 2008 will have preferential rights in the subscription of the capital increase for shares identical to the ones they hold in the proportion of 0.340008484 (zero point three four zero zero zero eight four eight four) new registered, book-entry common shares with no par value for each 1 (One) common share they hold, for a percentage of 34.0008484% (thirty four point zero zero zero eight four eight four percent).

#### IV. Trading Ex Subscription Rights

4.1. Shares acquired as of April 14, 2008, inclusive, do not entitle the acquiring shareholders to the right to subscribe to shares in this capital increase. Shares issued by JBS S.A. will trade ex subscription rights starting on April 14, 2008.

#### V. Issue Price

5.1. The issue price of each of the new common shares is R\$7.07 (seven reais and seven cents) per share and was determined based on the average, weighted for the trading volume, of the closing price of the common shares issued by the Company in the 120 (one hundred twenty) trading sessions on the São Paulo Stock Exchange (Bovespa) between August 16, 2007 and February 15, 2008, inclusive, pursuant to Article 170, Paragraph 1, Item III of Law 6,404/76, as approved at the meeting of the Company's Board of Directors held on March 4, 2008.

#### VI. Dividends

6.1. The shares issued following the approval and effective ratification of the capital increase by the Company's Extraordinary Shareholders' Meeting will be entitled to receive in full the dividends relative to fiscal year 2008, which began on January 1.

#### VII. Period for the Exercise of Preferential Subscription Rights

7.1. The period for the exercise of preferential rights in the subscription of shares shall commence on April 14, 2008 and extend until May 13, 2008, inclusive.

#### **VIII. Transfer of Preferential Subscription Rights**

8.1. Preferential subscription rights may be freely transferred by shareholders.

#### **IX. Subscription of Shares and Trading of Subscription Rights**

9.1. The holders of shares in the Company may solicit from the brokerage of their preference the respective subscription or complete the respective subscription orders, which may be requested at any branch of Banco Bradesco S.A., the depositary agent for the Company's book-entry shares, within the period that starts on April 14, 2008 and extends until May 13, 2008, inclusive.

9.2. Shareholders wishing to trade their subscription rights during the period for the exercise of preferential rights may do so, for which shareholders should solicit the respective transfer of rights order, which will be issued by Banco Bradesco S.A., the depositary agent of the book-entry shares, or instruct their brokerage to carry out the trade directly on the stock exchange.

9.3. Once the transfer of rights order is issued and the rights effectively sold, the corresponding statement on the back of the transfer of rights order must be signed and duly notarized.

9.4. Shareholders should manifest their interest in reserving any unallocated shares on the corresponding subscription order.

#### **X. Form of Payment**

10.1. Payment must be made in cash in local currency upon subscription of the shares.

#### **XI. Procedure for Unallocated Shares**

11.1. Once the period for the exercise of preferential subscription rights has elapsed, shareholders that manifested interest in reserving unallocated shares on the subscription order shall have a period of 5 (five) days following the calculation of the unallocated shares to be informed by Banco Bradesco S.A. to subscribe to the unallocated shares. If the procedure of dividing the unallocated shares is not concluded on the first allocation of unallocated shares, any balance of unallocated shares will be sold on the stock exchange, in favor of the Company, pursuant to Article 171, Paragraph 7, Item "b" of Law 6,404/76.

#### **XII. Other Relevant Conditions**

12.1. Notwithstanding the procedures for the exercise of preferential subscription rights provided for by Article 171 of Law 6,404/76, as it becomes necessary, a rights offer will also be made to the Company's qualified investors that do not reside in Brazil, pursuant to U.S. regulations 144-A and Regulation S.

#### **XIII. Documentation for Subscribing to Shares and Transferring Rights**

13.1. Individuals: Identification document, individual tax payers' card issued by the Ministry of Finance (CPF) and proof of residence.

13.2. Legal Persons: Articles of Incorporation or Bylaws and the Minutes of the Shareholders Meeting that elected the acting administrators, duly registered at the jurisdictional organ of National Commercial Registration Department, and proof of address.

13.3. In the case of representation by proxy, the respective power-of-attorney instrument, with signatures duly notarized, must be presented.

#### **XIV. Service Locations**

14.1. At securities brokers and branches of Banco Bradesco S.A.

#### **XV. Ratification**

15.1. Following the effective subscription of shares and paying in of this capital increase, a new Extraordinary Shareholders' Meeting will be convened to ratify the increase in the capital of JBS S.A.

#### **XVI. Physical Settlement**

16.1. The physical settlement of the shares issued will be made at Banco Bradesco S.A. within 2 (two) business days after ratification of the capital increase.

São Paulo, April 11, 2008

**JBS S.A.**

**Sérgio Longo**

