



Complemento à Ata de Reunião Extraordinária realizada no dia 27/06/2007

NOTICE TO THE MARKET

São Paulo, 29 de junho de 2007

In complement and to clarify the minutes of the Extraordinary Board of Directors meeting of JBS S.A. ("JBS") held on 06.27.07 and the Relevant Fact published on this date, the administration of JBS informs its shareholders of the following:

Considering: (i) the approval, through Decision Dir. 067/2007 - BNDESPAR, dated 6.26.2007, of the operation in which BNDES Participações S.A. – BNDESPAR ("BNDESPAR"), on one side, and J&F Participações S.A. ("J&F") and/or ZMF Fundo de Investimento em Participações ("ZMF"), on the other side, agreed to make an investment in the Company of up to R\$1,853,833,020.00 (one billion, eight hundred and fifty three million, eight hundred and thirty three thousand and twenty reais), being up to R\$1,463,552,345.17 (one billion four hundred and sixty three million five hundred and fifty two thousand, three hundred and forty five reais and seventeen centavos) to be made by BNDESPAR and up to R\$390,280,674.83 (three hundred and ninety million, two hundred and eighty thousand, six hundred and seventy four reais and eighty three centavos) to be made by J&F and/or ZMF; (ii) the total investment committed by BNDESPAR, on one side, and J&F and/or ZMF, on the other side, is superior to the capital increase proposal by the Company, of 200,000,000 (two hundred million) shares, as stated on the Call Notice for the Extraordinary Shareholders Meeting to be held on 6.29.2007, at 10:00, published on the editions of 6.13.07, 6.14.07 and 6.15.07 of the Valor Econômico newspaper – National Edition and of the Diário Oficial do Estado de São Paulo; and (iii) the additional proceeds committed by BNDESPAR, on one side, and J&F and/or ZMF, on the other side, will be of extreme importance for the acquisition of the controlling interest of Swift Foods Company ("Swift") and will be used to optimize the capital structure of Swift after the effective acquisition and to finance its working capital, improving, consequently, the leverage of the Company after the incorporation of the shareholding interest of Swift to its asset; the Board of Directors of the Company approved, in a meeting held on this date, a capital increase of 27,400,000 (twenty seven million and four hundred thousand) shares, within the authorized limit, so that the investment of BNDESPAR, on one side, and J&F and/or ZMF, on the other side, may be fully executed in a total capital increase 227,400,000 (two hundred and twenty seven million and four hundred thousand) shares at an issue price of R\$8,1523 (eight reais point one five two three) per share.

All terms and conditions, which include the issue price, questions related to the subscription, exrights negotiations, dividends, period for the exercise of preference rights by the shareholders in the subscription, possibility of assignment of preference rights in the subscription, dismissal of the obligation to execute a public offering for the acquisition of shares, form of payment, procedures for remaining shares and homologation of the capital increase, and all other legal aspects, will be identical to the terms and conditions of the capital increase of 200,000,000 (two hundred million) shares that is included in the agenda of the Extraordinary Shareholders Meeting that will be held on 6.29.2007, at 10:00. Therefore, the shareholders of the Company, for the purposes of the approved capital increase within the authorized limit, should use as reference, *mutatis mutandis*, without exception, all terms and conditions included in the Call Notice for the Extraordinary Shareholders Meeting to be held on 6.29.2007, at 10:00, published on the editions of 6.13.07, 6.14.07 and 6.15.07 of the Valor Econômico newspaper – National Edition and of the Diário Oficial do Estado de São Paulo.

Preference right in the subscription of the proposed capital increase: Since the effectiveness of the capital increase approved in the Board of Directors meeting held on this date is conditioned to the approval of the acquisition of Swift and the capital increase of the Company in an additional 200,000,000 (two hundred million shares) by the Extraordinary Shareholders Meeting called for 6.29.2007, the calculation of the proportion to exercise the preference right shall be done considering the approved capital increase of 27,400,000 (twenty seven million and four hundred thousand) shares and the capital increase of 200,000,000 (two hundred million) shares to be deliberated on the Extraordinary Shareholders Meeting of 6.29.2007, resulting, therefore, in a total capital increase of 227,400,000 (two hundred and twenty seven million and four hundred thousand) shares. This way, the current shareholders of the Company will have preference in the subscription of the capital increase in the proportion of 0.2675294118 new common shares, nominative and without nominal value, for each 1 (one) common share they own, resulting in a percentage of 26,75294118%. The issue price will be determined based on the weighted average by the negotiated volumes of the closing stock quotes registered at the Bolsa de Valores de São Paulo during the period from April 20, 2007 until June 1, 2007, added of a goodwill of R\$ 0.50 (fifty centavos) per share, or an issue price of R\$ 8.1523 (eight point one five two three reais) per share, under the terms of article 170, paragraph 1, incise III, of Law # 6.404 of December 15, 1976. Shares acquired as of 6.30.2007, inclusively, will not have the right of subscription by the acquirer. As of July 2, 2007, shares issued by JBS S.A. will be negotiated ex-subscription.

The Administration of JBS has worked so that all steps of this important acquisition are always taken with the best interest for the Company and its shareholders, and renews, by way of this Notice to the Market, its transparency commitment to all investors.

São Paulo, June 28, 2007

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