



Communication to the Market

JBS SA ("Company") informs its shareholders and the market in general that its commercial office in Belgium - JBS Toledo - was today, February 18, informed that meat produced by the German Company Schypke, and marketed by JBS Toledo was alleged to contain traces of equine DNA.

JBS clarifies that the Company Schypke, a traditional German manufacturer of processed meat products, is not in any way part of the JBS Group.

To add flexibility and a just-in-time service to some of its European clients and as a precaution against possible future legal, trade or sanitary barriers, JBS Toledo developed in conjunction with its customer base alternative lines of additional supply from European sources. JBS Toledo's clients actively participated in the selection process, auditing and approving prospective European suppliers. In this specific case, from the outset of supply, all operational and logistical processes were carried out by the German supplier who delivered the product to the final client.

JBS Toledo informs the market that it has suspended all its contracts with Schypke and will not market European meat until confidence is restored in the European beef supply chain.

No case of co-mingling of species has been identified in products produced in or at JBS factories. As a sign of confidence from its customer base, no supply contracts have been suspended or interrupted and products are being delivered as contracted from the Company's own production facilities.

JBS will take all necessary legal measures to assure that no losses will be incurred as a consequence of this isolated occurrence and will continue to serve its customers with quality products, generating value to shareholders and stakeholders alike.

São Paulo, February 18, 2013

**Jeremiah O'Callaghan
Investor Relations Director**