



## Approval – Bond Issue

Date, Time and Venue: January 25, 2012, at 12:00 p.m., at the headquarters of JBS S.A. ("Company"), located at Avenida Marginal Direita do Tietê, 500, Bloco I, 3º andar, Vila Jaguara, CEP 05118-100, in the City and State of São Paulo.

Call Notice and Attendance: The call notice was sent to the members of the Board of Directors via email. The majority of the members of the Company's Board of Directors attended the meeting, so there was the necessary quorum. The members of the Board of Directors who did not attend the meeting agreed, in writing, with the holding of the meeting and the resolutions taken.

Presiding: Joesley Mendonça Batista, Chairman; and Laura de Silva Alvares Affonso, Secretary.

Agenda: (i) to analyze, discuss and vote on the proposal for the provision by the Company of collateral to JBS USA, LLC and JBS USA Finance, Inc. ("Issuers"), which will issue debt notes ("Notes") abroad, to be offered to qualified institutional investors, resident and domiciled in the United States of America, based on the regulation issued by the Securities and Exchange Commission, specifically, Rule 144A and, in other countries, except Brazil, based on Regulation S ("Issue"); and (ii) to authorize the Company's officers to take all the necessary measures to implement the resolution in item (i) above.

Resolutions: After analyzing and discussing the matters on the agenda, the members of the Board of Directors unanimously resolved to: (i) approve the provision by the Company of unconditionally and irrevocable collateral to the Issuers, who will issue Notes abroad, totaling seven hundred million dollars (US\$700,000,000.00), to be offered to qualified institutional investors, with the following characteristics: (a) the Notes will be remunerated at eight point two five percent (8.25%) p.a., and will mature on February 1, 2020; and (b) after deducting all expenses related to the Issue, the net proceeds from the Note issue, totaling approximately six hundred and eighty million dollars (US\$680,000,000.00) ("Funds") will be allocated to an intercompany loan totaling approximately five hundred million dollars (US\$500,000,000.00) to JBS USA Holdings Inc., which will transfer the funds from this intercompany loan to the Company, so that the Company and its subsidiaries can pay short- and medium-term debt and use these funds for corporate purposes in general. Part of the Funds can also be used in an intercompany loan to JBS USA Holdings Inc. to finance the acquisition of an interest in the IPO of Pilgrim's Pride Corporation and to pay all the taxes due as a result of the intercompany loan to the Company. The remaining Funds may be used by the Issuers to settle the outstanding loans from the ABL Revolving Facility and for corporate purposes in general; and (ii) authorize the Company's officers to enter into all and any instruments to formalize the hereby approved collateral, as well as to take all the necessary measures to execute the Issue.

The members of the Board of Directors also declared that the obligations arising from the Issue: (i) do not affect the ability of the Company and its subsidiary (JBS Finance II Ltd.) to comply with the liabilities assumed related to the issue of notes in 2010 by JBS Finance II Ltd., in the total amount of nine hundred million dollars (US\$900,000,000.00), subject to interest of 8.25% and maturing in 2018; (ii) will not cause or give rise to any fact materially adverse to the assets, business and transactions of JBS S.A. or their direct or indirect subsidiaries that may harm (x) the rights of the Company's creditors, or (y) the Company's obligations with its respective creditors; and (iii) are in compliance with the covenants and obligations arising from the issue described in this paragraph, as they are part of the debt rebalancing program.

Closure and Drawing up of the Minutes: There being no further business to discuss, the floor was offered to anyone who intended to speak and, as no one did, the meeting was adjourned for the time necessary to draw up these minutes, which were then read, approved and signed by all the attending Board members. Members Attending the Meeting: Joesley Mendonça Batista, Wesley Mendonça Batista, José Batista Sobrinho,

José Batista Junior, Marcus Vinicius Pratini de Moraes, Natalino Bertin, Valere Batista Mendonça Ramos, Guilherme Rodolfo Laager, Vanessa Mendonça Batista, Guilherme Narciso de Lacerda and Peter Dvorsak.

This is a free English translation of the extract from the original minutes drawn up in the Company's records.

São Paulo, January 25, 2012.

Laura de Silva Alvares Affonso  
Secretary