

Corporate Profile

History

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JBS S.A. ("Company") is one of the world's largest and leading producers of beef and beef by-products. The Company's products include fresh and chilled beef, processed beef and canned vegetables. JBS currently is:

- the largest beef producer in Latin America in terms of daily slaughtering capacity, with a daily slaughtering capacity of 22.600 head of cattle;
- the second largest exporter of fresh beef and processed beef and the largest exporter of processed beef in the world in terms of net sales revenue in 2006;
- the third largest beef producer in the world in terms of daily slaughtering capacity; and
- the leading beef producer in Brazil in terms of sales volume and net sales revenue in 2006.

The Company's operations include 22 plants located in nine Brazilian states and five plants located in three Argentine provinces. JBS' plants are strategically located in regions with the largest concentration of cattle in Brazil and Argentina, both among the world's leading beef producing and exporting countries.

The strategic and diversified location of its plants provides the Company with operating flexibility, low transportation costs (including to bring cattle to its plants and to transport its products to its clients) and mitigates the potential impact of regional outbreaks of cattle diseases, such as FMD. JBS believes that the Company has higher margins than most of its main competitors due to its low cost structure, its efficient operations and its high-quality products. The map below indicates the location of our facilities in Brazil and Argentina, as well as the region they are placed.

JBS' operations are presently conducted through the following operating facilities:

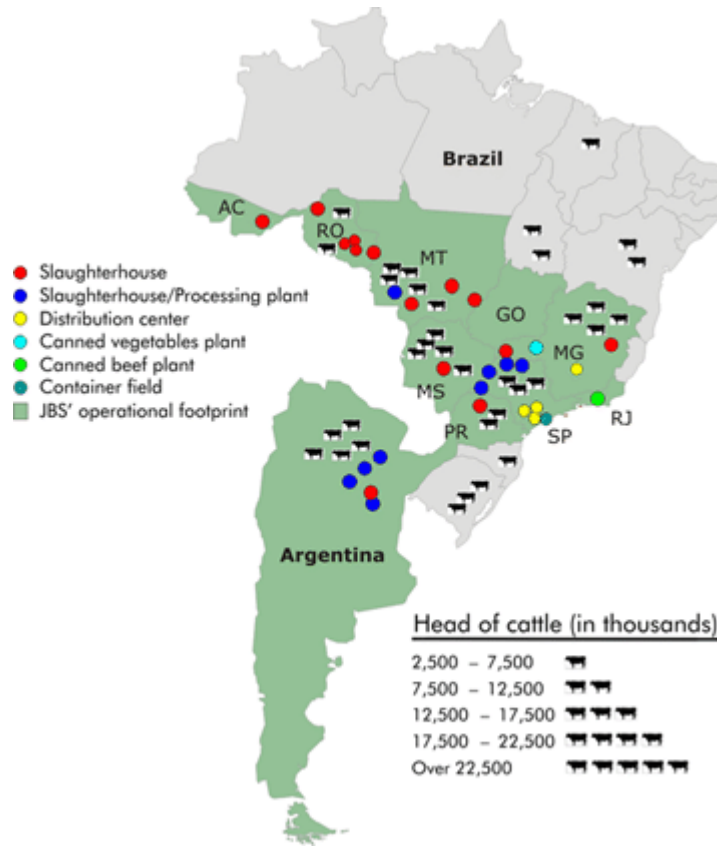
- 20 slaughterhouses located in the Brazilian States of Acre, Goiás, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Paraná, Rondônia and São Paulo (five of these slaughterhouses have beef and beef by-products processing units);
- one beef canning plant located in the Brazilian State of Rio de Janeiro;
- one vegetable canning plant located in the Brazilian State of Minas Gerais; and
- five slaughterhouses located in the Argentine Provinces of Buenos Aires, Entre Rios and Santa Fé (four of these slaughterhouses have beef and beef by-products processing units).

JBS also has facilities for distribution, logistic and marketing support, consisting of: (1) four distribution centers, three of which are located in the State of São Paulo and one in the State of Minas Gerais; (2) one inland container terminal located near the Port of Santos in the State of São Paulo the largest port in Latin America; and (3) subsidiaries located in Chile, Egypt, the United States, the United Kingdom and Russia, which distribute and market its products in these countries. In January 2007, the Company acquired all of the outstanding share capital of SB Holdings, one of the largest distributors of processed beef products in the United States and owner of the trademarks "Hereford", "Manco Pride" and "Rip n' Ready," and its subsidiaries Tupman Thurlow, Astro Sales International and Austral Foods. This recent acquisition provided JBS with direct access to the processed beef market in the United States. Also, in January 2007, the Company acquired through Swift a slaughterhouse in the City of Berazategui in the Province of Buenos Aires, with a daily slaughtering capacity of approximately 1,000 head of cattle.

JBS purchases cattle from more than (1) 12,000 ranchers in Brazil located generally within 500 kilometers of one or more of its slaughterhouses and (2) 1,600 ranchers in Argentina located generally within 350 kilometers of one of its five slaughterhouses. The Company has its own fleet of 245 double-decker trucks, which together with an outsourced fleet of trucks, JBS uses to transport cattle to its slaughterhouses. The Company also has its own fleet of 229 trucks that it uses to transport containers of its products to ports for export, which, together with the inland container terminal that JBS operates near the Port of Santos in the State of São Paulo, enable the Company to distribute its products efficiently.

The following map sets forth the location of our facilities, as well as the regions in which cattle is raised in

Brazil and Argentina:



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JBS started its operations in 1953 in the City of Anápolis in the State of Goiás, with a small slaughterhouse with a daily slaughtering capacity of five head of cattle. The Company acquired its first slaughterhouse in 1968 and its second one in 1970, increasing its daily slaughtering capacity to 500 head of cattle.

From 1970 through 2001, JBS significantly expanded the scale of its operations in the Brazilian beef industry, primarily as a result of its acquisition of individual slaughterhouses and processing facilities, as well as having made capital expenditures to increase the production capacity of its existing facilities. During this period, the Company increased its daily slaughtering capacity from 500 head of cattle to 5,800 head of cattle. From 2001 to 2006, its daily slaughtering capacity increased from 5,800 head of cattle to 22,600 head of cattle and JBS began operating 21 plants in Brazil and five plants in Argentina.

In August 2005, through its holding company, JBS Holding Internacional Ltda, the Company indirectly acquired 100% of the share capital of Swift, the largest producer and exporter of beef in Argentina.

In January 2007, JBS acquired all of the outstanding share capital of SB Holdings, one of the largest distributors of processed beef products in the United States, and its subsidiaries, Tupman Thurlow, Astro Sales Internacional and Austral Foods for US\$11.9 million. For the year ended December 31, 2006, SB Holdings' consolidated net sales revenue totaled US\$55.7 million.

In January 2007, through Swift, the Company acquired a slaughterhouse in the City of Berazategui, Province of Buenos Aires, with a daily slaughtering capacity of approximately 1,000 head of cattle.

Last Update: May 24, 2007

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