World class operations

We believe our operations are among the most efficient in the industry. We operate three of the six highest-throughput beef facilities in the United States. Furthermore, we continuously focus on improving our operating efficiencies. We have developed a program to improve the coordination of our planning, forecasting, scheduling, procurement and manufacturing functions to drive performance in the supply chain. Our efforts in 2008 were focused on increasing beef yields, reducing operational costs and lowering overhead. One of the key initiatives in delivering on this strategy was returning our Greeley, Colorado processing facility to its originally designed capacity as a two-shift operation. Producing more volume in the same length of time reduces our cost per pound. As a measure of our progress, excluding the JBS Packerland Acquisition and the Tasman Acquisition, during the fiscal year ended December 28, 2008, our Beef and Pork segments demonstrated an 8.5% and 3.8% increase in throughput, respectively, compared to the combined fiscal year ended December 30, 2007. As a result, we remain focused on leveraging our fixed cost base to improve our operating margins.

Strong balance sheet and limited derivative exposure relative to our peers

We have lower leverage than certain of our competitors. Moreover, since we are not vertically integrated in our U.S. operations, we are not significantly exposed to commodity hedging losses. We believe that our business and capital structure provides us with flexibility to respond to market conditions and to capitalize on business opportunities, particularly in the current credit-constrained environment.

Established customer relationships

We have developed long-standing relationships with numerous well-established, global customers, many of whom have been doing business with us for more than 20 years. We serve many of the largest food service distributors, quick-service restaurants and retail chains in the United States. Additionally, we are focused on developing close, mutually beneficial relationships with our customers, who we believe view us as a long-term strategic partner and consider us an extended part of their operations. We believe that the high-quality long-standing relationships we have developed provide us with revenue stability and forecasting transparency.

Proven management team and high performance work force

We have a proven senior management team whose experience in the protein industry has spanned numerous market cycles. Since the Swift Acquisition, we have simplified our management structure through headcount reduction and streamlined decision-making processes, effectively empowering our employees. We also benefit from management ideas, best practices, and talent shared with the seasoned management team at our parent company, who has over 50 years of experience operating beef processing facilities in Brazil. Members of JBS S.A.'s South American management team have been appointed to management positions in our United States and Australian operations. In addition, members of our Australian management team have been appointed to management positions in the United States, and vice-versa. Moreover, our management and that of our parent company have significant experience in acquiring and successfully integrating operations as evidenced by the more than 30 acquisitions made by JBS S.A. in the last 15 years, and more recently the integration of the JBS Packerland Acquisition and the Tasman Acquisition by us.

Our strategy

Prior to 2002, our predecessor was owned and operated by a multinational food company. From 2002 to 2007, our predecessor was owned by a private equity company. Since the Swift Acquisition in July 2007, we have significantly changed our business strategy. Our current strategy is to continue to grow our business' revenues and profitability through the following strategic initiatives:

Continuously improve profitability through process optimization

We continue to focus on enhancing our production yields and operational abilities and improving our information technology systems, with a view toward reducing our operating costs and improving throughput yields. Our initiatives in 2008 geared towards cost reductions led to approximately $90 million in cost savings as compared to the fiscal year ended December 30, 2007. These cost reductions included renegotiating vendor contracts, insourcing of contract services previously outsourced and plant cost initiatives. We expect to further improve our operating performance by adopting best practices and leveraging additional operating expertise that we have access to as a member of the JBS S.A. group. Separately, we have been able to reduce operating costs by, among other measures, eliminating our reliance on third-party consultants and performing certain services in-house that were formerly outsourced at a premium. We have decreased our selling, general and administrative expenses by eliminating multiple layers of management positions and by requiring our service providers to participate in competitive bidding processes. As a measure of this progress, we have reduced annual selling, general and administrative expenses by over $24.5 million, or 20.7%, for the fiscal year ended December 28, 2008, and in 2008 ranked as having the lowest ratio of selling, general and administrative expense to net sales among publicly traded protein companies in the United States. In addition to contract renegotiations and management efficiencies, operating efficiencies have led to annual incremental cost savings and margin improvements of approximately $115 million for the fiscal year ended December 28, 2008. These operating efficiencies include adding a second shift at our Greeley plant, our yield improvement projects, including introduction of a pork casing sorting system (a margin enhancement strategy brought to the United States by JBS S.A.) in all of our U.S. pork plants, improved deboning training and cutting techniques on the fabrication floor and increased value-added production.

Continue to successfully integrate recent acquisitions and selectively pursue additional value-enhancing growth opportunities

We have a proven track record of successfully acquiring and integrating companies, resulting in production and operating synergies. In 2008, we increased production through the Tasman Acquisition and the JBS Packerland Acquisition. These acquisitions have increased our daily cattle processing capacity from approximately 26,500 to 37,290 cattle. Additionally, as a result of the Tasman Acquisition, we added the ability to process 15,000 smalls per day in Australia. The Tasman Group is currently fully integrated with our legacy northern Australia operations in livestock procurement and sales. We expect to complete full integration of all information technology systems by the end of 2009. Similarly, JBS Packerland is fully integrated with respect to our customer credit, legal, treasury, financial reporting, insurance procurement and tax functions and certain employee benefit plans. We have identified and captured shared purchasing opportunities in certain packaging areas and continue to identify additional opportunities as contracts expire. We intend to complete our operational and financial information technology integration of JBS Packerland by September 2009. We will continue to work to maximize potential synergies from these acquisitions. Additionally, we intend to continue to selectively pursue additional value-enhancing growth opportunities as they arise.

Increase sales and enhance margins by significantly expanding our direct distribution network

Since the Swift Acquisition, we have built a leading global production platform. Capitalizing on our production platform, we are now pursuing a global direct distribution strategy that will enable us to improve our ability to service current customers and allow us the opportunity to directly service new customers, primarily in the food service and retail channels. Our historical sales strategy has relied upon the use of third-party distributors who purchase our product and resell it to end-user customers at higher prices, retaining the incremental margin for their own benefit. We intend to shift a significant part of our sales efforts into direct sales to end-user customers in order to capture this incremental margin. This is consistent with our approach of in-sourcing activities previously outsourced in order to eliminate margin leakage to third parties. Direct distribution will include regional distribution centers, portion control fabrication, or “cutting room” facilities (taking primal cuts which we would have sold only as whole muscle cuts to third parties and fabricating them into individual serving chops or steaks), and direct sales and shipment of products to individual end-user customers by our sales personnel using our own delivery vehicles. This direct distribution strategy will require us to substantially expand our distribution network and sales force domestically and internationally by both acquisitions and greenfield investments. During the next five years, we intend to make substantial investments, including with a portion of the net proceeds of this offering, in order to significantly expand our direct distribution network. Ultimately, we believe that our investment in this direct distribution strategy will allow us to capture incremental sales and operating margin opportunities.

Increase processed and value-added offerings

Historically, we have realized greater margins by offering value-added products and services to our customers. These offerings reduce their costs and help stimulate consumer demand. Examples of our value-added product and service offerings include additional processing to create sliced, cubed and tenderized products and consumer-ready chops and steaks. Similarly we also provide marinated and seasoned meats. These services help reduce labor costs for our food service customers and are examples of our focus on providing our customers with solutions to increase their beef and pork sales.

We believe our retail and food service customers will continue to value more convenient processed products from us. We currently operate 20 plants that produce beef and pork products that are cut, ground and packaged in a customized manner for specific orders that are primarily sold through the food service and retail distribution channels. We intend to expand our processed offerings through line expansions, acquisitions and/or greenfield investments. Increasing our value-added offerings is not limited to growth in processing capabilities, as our Five Rivers operations provide us the ability to design feeding programs that allow us to consistently deliver products that meet the exact specifications desired by our customers. We believe that increased value-added capabilities will drive margin improvement and increase the value we provide to customers.

Promote innovation across the value chain

We believe we can increase our profitability by developing and implementing innovative process and product improvements across the value chain. Our innovations include implementing a casing sorting system utilized in Brazil which enables the sorting of hog intestines (casings) for sale to end-users from all of our U.S. pork processing facilities, resulting in significantly improved margins. Additionally, we have developed and implemented energy conversion and recovery processes including real-time processes by which byproducts of purchased natural gas or grease produced in our rendering operations are converted into useable fuels and a methane recovery process resulting in useable methane gas that is subsequently resold in North American pipelines. We have also instituted Halal processing capabilities in our Australian operations, providing us with the opportunity to expand our exports to Muslim customers located in the Middle East, which we believe sets us apart from our competitors in Australia. We will continue to seek to develop innovative process and product improvements across the value chain.

Maintain leadership in food and employee safety

We prioritize our food and employee safety objectives in order to accomplish two principal goals. First, we focus on maintaining a high standard of food safety in order to ensure the quality of our products and attempt to avoid the potential adverse market reaction that is associated with recalls that occur from time to time in the meat processing industry. Second, we strive to continuously improve our employee safety in order to increase the efficiency of our facilities and reduce our operating costs. Since January 2003, we have reduced the number of lost-time injury events by approximately 50% at our beef processing facilities and by approximately 45% at our pork processing facilities through design and implementation of a comprehensive multi-faceted employee safety and injury prevention program.

Description of business segments

Beef segment

Products, sales and marketing

United States

The majority of our beef revenues in the U.S. are generated from the sale of fresh beef, which includes chuck cuts, rib cuts, loin cuts, round cuts, thin meats, ground beef and other products. In addition, we sell beef by-products to the variety meat, feed processing, fertilizer, and pet food industries. Cattle hides are sold for both domestic and international use, primarily to the clothing and automotive industries. We market products under several brand names, including "*Swift Premium*, *Swift Angus Select*, *Swift Premium Black Angus, Miller Blue Ribbon Beef* and *G.F. Swift 1855."* Our hallmark brand, *Swift*, was founded in 1855 and we believe it is synonymous with our industry leadership in innovation and food quality. We believe that our brands, marketed primarily at the wholesale level, provide a platform for further growth and expansion of our value-added and premium program product lines.

We market our beef products through several channels including:

- national and regional retailers including supermarket chains, independent grocers, club stores and wholesale distributors;

- further processors who use our beef products as a food ingredient for prepared meals, raw materials for hamburger, and by-products for pharmaceutical and leather production;
- the food service industry, including food service distributors, which service restaurant and hotel chains and other institutional customers; and
- international markets, including Japan, Mexico, South Korea, Canada, and China among others, many of which have reopened to U.S. beef following the 2003 BSE outbreak, as well as other smaller foreign markets, some of which are limited to boxed beef products from cattle younger than 30 months of age.

Our largest distribution channel is retail. We have increased sales to the international channels by approximately 139% from 176 million pounds in 2005 to 420 million pounds in 2008, trending toward pre-BSE levels, which were 456 million pounds in 2003. We intend to continue to focus on increasing our sales in the food service and international distribution channels, in particular, quick-service restaurants and their suppliers, which we believe are likely to continue to be profitable and growing over time.

Total net sales contribution by channel is:

	Fiscal year ended			Fiscal quarter ended March 29,
	2006	**2007**	**2008**	**2009**
Retail	48%	47%	48%	54%
Further processors	23	23	26	23
Food service	22	21	14	14
International	7	9	12	9
Total	100%	100%	100%	100%

Australia

The majority of our beef revenues in Australia are generated from the sale of fresh beef, which includes chuck cuts, rib cuts, loin cuts, round cuts, thin meats, ground beef and other products. We also produce value-added meat products, including toppings for pizza. Approximately 79% of the beef products sold by us are derived from grass-fed cattle. The remainder of our beef products is derived from grain-fed animals that are sold primarily to Japan. Grain-fed cattle provide higher quality meat, which commands a premium price. Our Beef segment also includes our lamb and sheep operations in Australia.

Our Australian operations currently generate approximately 89% of total net sales as exports to foreign countries, including Japan, our largest export market, as well as the United States. Australia’s sales to export markets have continued to benefit from the 2003 North American BSE incident, which had closed key Asian markets to the import of U.S. beef. Since 2003, these market closings increased the marketability of our Australian beef into those markets as Australia had no similar import restrictions on its production.

Global exports

We sell our products in over 60 countries on six continents. Overall, exports accounted for approximately 24% of our sales in 2008 on a pro forma basis and 21% of our sales for the fiscal quarter ended March 29, 2009. The international beef market is divided between the Pacific Block (which includes the United States, Japan, Canada, Mexico and South Korea) and the Atlantic Block (Europe, Africa, the Middle East and South America). This division reflects not only historical and geographical ties but also certain common sanitary criteria.

The Pacific Block prohibits imports of fresh beef from countries or regions where there is still a risk of new outbreaks of foot-and-mouth disease, or FMD, and from countries or regions that are FMD-free but implement FMD vaccination programs. However, the Pacific Block permits imports of processed beef (including cooked and pre-cooked products) from these countries.

Most countries of the Atlantic Block permit imports of fresh beef from FMD-free countries that implement FMD vaccination programs. They also recognize that FMD can be eradicated on a regional (as opposed to national) basis in certain countries, including Brazil, which has areas that are FMD-free and have vaccination programs, qualifying them to export fresh beef. Under this regionalization concept, many beef producing regions in Brazil are thus qualified to export fresh beef to countries in the Atlantic Block. Notwithstanding the foregoing, most countries in the Atlantic Block impose import restrictions on beef treated with growth hormones, citing health concerns. Brazil and Argentina have prohibited the use of growth hormones on their cattle.

The United States has been an FMD-free country since the eradication of the disease, and it does not implement vaccination programs. However, the United States treats most of their cattle with growth hormones, and, accordingly, the European Union and several other countries have banned imports of beef treated with growth hormones from the United States.

Australia is an FMD-free country and does not implement vaccination programs against the disease. It also does not use growth hormones in a small part of its cattle herd and is therefore able to export to any country in the world.

As a result of this division and the sanitary restrictions between the Pacific Block and the Atlantic Block, we believe that our U.S. export operations of fresh beef today do not directly compete with our parent company’s Brazilian and Argentine export operations of fresh beef in our main export destinations. Although JBS S.A. is a large exporter of beef to the European Union, for example, we do not have relevant export volume to the European Union because of its restrictions on beef treated with growth hormones. Consequently, we do not have formal arrangements with JBS S.A. to coordinate our exports in our export markets. However, to the extent that sanitary restrictions change in the future, we could become direct competitors of our parent company in certain export markets.

We do compete with JBS S.A. to a limited degree, however, for example, to the extent that our Australian operations export to the European Union, the Middle East and Southeast Asia, which are also export markets for JBS S.A. We do not believe our Australian business’ competition with JBS S.A. in these markets has a material adverse effect on our current business.

Raw material and feedlot operations

United States

The primary raw material for our U.S. processing facilities is live cattle. All of our U.S. cattle procurement process is centralized at our headquarters in Greeley, Colorado, except for our JBS Packerland procurement process, which is centralized in Green Bay, Wisconsin. We require all of our cattle suppliers to document the quality of their feedlot operations, verify that the use of antibiotics and agricultural chemicals follow the manufacturer’s intended standards and confirm that feed containing animal based protein products, which have been associated with outbreaks of BSE, has not been used. We have in excess of 3,000 cattle suppliers.

We secure approximately 29% of our annual cattle needs under forward purchase arrangements and purchase our remaining needs on the spot market. These forward purchase contracts are not fixed price contracts but rather they are priced at market upon delivery, thus generally minimizing our exposure to price volatility before delivery. On a pro forma basis, we will purchase approximately 24% of our U.S. cattle needs under an arrangement whereby we are entitled to a portion of the seller’s gains, and are obligated to reimburse the seller for a portion of its losses, in its sale of cattle to us. See “Certain relationships and related party transactions— Arrangements with J&F Oklahoma—Cattle purchase and sale agreement.”

Five Rivers operates 11 cattle feedlots with a one-time feeding capacity of 820,000 cattle, located in Colorado, Idaho, Kansas, Oklahoma and Texas, adjacent to our existing Beef segment slaughter facilities. Almost 1.5 million head of cattle were fattened in these feedlots in 2008 and approximately 334 thousand head of cattle during the fiscal quarter ended March 29, 2009. Five Rivers does not own cattle and simply operates its feedlots and charges beef companies (including us) to feed and care for their cattle. Five Rivers supplies us with approximately 30% of our cattle needs and is obligated to sell to us, on an annual basis, a minimum of 500,000 cattle at market prices upon delivery.

Historically, cattle prices have been subject to substantial fluctuations. Cattle supplies and prices are affected by factors such as corn and soybean meal prices, weather and farmers’ access to capital. JBS Packerland’s four processing plants purchase lean Holstein steers and cows and other cattle primarily from feedlots, auction barns, direct contract relationships with suppliers in close proximity to processing plants and from its existing cattle feeding operations. The close proximity of these plants to most of their suppliers reduces transportation costs, shrinkage and bruising of livestock in transit.

Vertically integrated beef processors, which own cattle on feed, can be subject to significant financial impact in terms of working capital utilization, since cattle on feed eat in the yards for 90-180 days and do not generate revenue until slaughtered. Since cattle on feed consume feed with a replacement price that is subject to market changes, vertically integrated beef processors have direct financial exposure to the volatility in corn and other feedstock prices. We do not own cattle on feed, and we generally purchase cattle in the spot market or pursuant to market-priced supply arrangements from feedlot operators, and, except as described below, typically hold cattle for less than one day before processing. After processing, we sell the beef at spot prices. Because we generally buy cattle at market prices and sell the finished beef product at market prices with just a short time between the purchase and sale, we are not exposed to changing market prices over as great a span of time as vertically integrated processors. As such we are primarily a “spread” operator, and our operating profit is largely determined by plant operating efficiency and not by fluctuations in prices of cattle and beef.

Australia

The primary raw materials we use in our Australian processing facilities are live cattle, lamb and sheep. Our cattle procurement function is focused on efficiently sourcing both grass-fed cattle and feeder cattle for our grain-fed business. Grass-fed cattle are primarily sourced from third-party suppliers with specific weight and grade characteristics. This process helps ensure that the cattle we source meet our future order requirements. The majority of grain-fed cattle are sourced from company-owned feedlot operations.

We operate five feedlots that provide grain-fed cattle exclusively for our processing operations in Australia. We source feeder cattle from livestock producers in Australia. On average, cattle remain in our feedlots for approximately 140 days before they are transferred to our processing operations. Our feedlots produce approximately 288,000 cattle per year for processing. Our Australian feedlots operate essentially in the same manner as retained ownership feedlots in the United States, meaning that we own the cattle and therefore carry the risk on the cattle. For a large proportion of these cattle, we know the eventual customers and their product requirements based on our close relationship with these customers and their purchasing history. Feed rations are determined based on scientific analysis. It is worth highlighting the distinction between retained ownership feedlots and custom feedlots, like our U.S. feedlots. In custom feedlots the animals are sold by the feedlot to beef processors on behalf of the livestock owner and the livestock owner’s proceeds are paid to the livestock owner after the feedlot has deducted the yardage cost for fattening the animal and delivering the fattened animal to the meat processor. The distinction is important since in custom feedlots the livestock owner is at risk for the ultimate sale of the animal at completion, whereas in retained ownership feedlots the feedlot carries the risk of holding the cattle until they are sold.

Processing facilities

United States

Our beef operations in the United States consist of eight fed cattle facilities. Steers and heifers raised on concentrated rations are typically referred to in the cattle industry as “fed cattle,” and cattle not fed such concentrated rations are usually referred to as “non-fed cattle.”

Our facilities utilize modern, highly-automated equipment to process and package beef products, which are typically marketed in the form of boxed beef. We also customize production and packaging of beef products for several large domestic and international customers. The designs of our facilities emphasize worker safety to ensure regulatory compliance and to reduce worker injuries. Our facilities are also designed to reduce waste products and emissions and dispose of waste in accordance with applicable environmental standards. We have equipped our Santa Fe Springs, California facility to process value-added products, including, for example, the *G.F. Swift 1855* brand line of premium beef products. Our Greeley, Colorado, Cactus, Texas, and Grand Island, Nebraska facilities have been equipped to produce value-added operations, including slicing, grinding and cubing of beef products for retail and food service customers.

Our JBS Packerland facilities are engineered to slaughter both fed cattle and cows. Many beef processing facilities in the United States are engineered to slaughter only cows or only fed cattle. This flexibility enables us to shift operations between fed cattle and cows based upon market availability, seasonal demand and margins. In addition, JBS Packerland facilities are located near major metropolitan areas, resulting in lower freight costs compared to cattle processing facilities in other localities. JBS Packerland’s Tolleson, Arizona plant is located near Phoenix, Tucson, and Los Angeles; the Plainwell, Michigan plant is located near Chicago and Detroit; the Green Bay plant is located near Milwaukee and Chicago; and the Souderton, Pennsylvania plant is located near Baltimore, Philadelphia and New York.

Our food safety efforts incorporate what we believe to be a comprehensive network of leading technologies, such as MultiCheck, that minimize the risks involved in beef processing. Two of the elements of MultiCheck are double pasteurization of carcasses prior to chilling and a chilled carcass treatment using organic acid immediately prior to carcass disassembly. *SwiftTrace*™ is another element we implemented as part of our on-going commitment to animal and human safety. *SwiftTrace*™ is a process whereby live animals and finished animal products can be traced backward or forward in the supply chain. This process helps to build confidence from suppliers, customers and consumers in the food supply chain.

Australia

Our ten processing facilities are strategically located for efficient livestock acquisition, availability of labor and access to shipping and distribution. Our facilities utilize modern, highly-automated equipment to process and package beef products. The Dinmore facility is the largest plant in Australia. The Beef City plant processes grain-fed cattle.

Since July 2007, we have made important capital and operational expenditures, including the installation of plate freezers and finely textured meat processing, as well as value-added variety meats capture technology. These expenditures have enhanced product quality, improved customer satisfaction and increased sales potential. We have equipped our facilities to process value-added products and consumer-ready products. Our facilities produce additional value-added products, including seasoned and marinated beef items. The design of our facilities emphasizes worker safety to ensure regulatory compliance and to reduce worker injuries. Our facilities are also designed to reduce waste products and emissions and dispose of waste in accordance with applicable environmental standards.

All products are subject to stringent animal husbandry and food safety procedures. Our processing facilities are operating under the strictest food safety and quality assurance regime to comply with international customer requirements. Our Dinmore and Beef City facilities are European Union-certified facilities, which enable us to export primal cuts to Europe. Our feedlots are managed with cattle friendly policies, providing a clean and scientific feeding regimen to ensure that safe grain-fed products are delivered to our customers.

Pork segment

Products, sales and marketing

We are the third largest pork producer in the United States, with a slaughtering capacity of 48,500 head per day. A significant portion of our revenues are generated from the sale of fresh pork products, including trimmed cuts such as loins, roasts, chops, butts, picnics and ribs. Other pork products, including hams, bellies and trimmings, are sold predominantly to further processors who, in turn, manufacture bacon, sausage and deli and luncheon meats. The remaining sales are derived from by-products and from further-processed, higher margin products. Due to the higher margins attributable to value-added products, we intend to place greater emphasis on the sale of moisture-enhanced, seasoned, marinated and consumer-ready pork products to the retail channel and boneless ham and skinless bellies to the further processor channel. Our U.S. lamb business currently operates under our Pork segment and accounted for less than 1% of our total net sales for the fiscal quarter ended March 29, 2009. During the fiscal quarter ended March 29, 2009, our Pork segment had net sales of $526.3 billion and EBITDA of $7.5 million. See “Management’s discussion and analysis of financial condition and results of operations–Supplemental financial data.”

We market our pork products through several channels, including:

- national and regional retailers including supermarket chains, independent grocers, club stores and wholesale distributors;
- further processors that use its pork products as a food ingredient for prepared meals, raw material for sausage manufacturing and by-products for pharmaceutical production;
- international markets including Japan, Mexico and China, among others; and
- the food service industry, including food service distributors, fast food, restaurant and hotel chains and other institutional customers.

Pork products sold to the domestic retail and further processor channels comprised approximately 80% of total net sales for the fiscal quarter ended March 29, 2009. Pork exports contributed approximately 16% of net sales over the same period. We consider the overseas markets an opportunity for future growth.

Total net sales contribution by channel were:

	Fiscal year ended			Fiscal quarter ended March 29, 2009
	2006	2007	2008	
Retail	44%	42%	40%	44%
Further processors	41	42	40	36
International	11	12	16	16
Food service	4	4	4	4
Total	100%	100%	100%	100%

Raw material

The primary raw material that we use in our processing facilities is live hogs. We employ a network of hog buyers at our processing plants and buying stations to secure our hog supply. Approximately 69% of our hog purchases are made through various forms of supply contracts that provide us with a stable supply of high-quality hogs. These supply contracts are typically four to five years in duration and stipulate minimum and maximum purchase commitments with prices based in part on the market price of hogs upon delivery, with adjustments based on quality, weight, lean composition and meat quality. We purchase the remaining approximately 31% of our hogs on the spot market at a daily market price with the same general quality and yield grade as we require under our contracts. We require an extensive supplier certification program and conduct comprehensive cutting tests of our potential suppliers' animals to determine carcass composition and leanness.

Vertically integrated pork processors, which own hogs on feed, can be subject to significant financial impact in terms of working capital utilization, since hogs on feed eat in the yards for approximately 180 days and do not generate revenue until slaughtered. In addition, since hogs on feed consume feed with a replacement price that is subject to market changes, vertically integrated pork processors have direct financial exposure to the volatility in corn and other feedstock prices. We are a non-vertically integrated pork processor. We do not own hogs on feed and generally purchase finished hogs under long-term supply contracts at prevailing market prices, fabricate the hogs in our production facilities and sell the finished products at spot prices. Because the finished hogs typically are acquired within 24 hours of slaughter, they are not exposed to changing market prices over as great a span of time as vertically integrated processors.

Processing facilities

Our operations in the United States consist of three processing facilities located in close proximity to major hog growing regions of the country, a value-added facility that produces consumer-ready pork for certain customers and a lamb processing facility.

Our facilities utilize modern, highly-automated equipment to process and package pork products, which are typically marketed in the form of boxed pork. Since July 2007, we have made important capital and operational expenditures, including the installation of plate freezers and finely textured meat processing, as well as value-added variety meats capture technology. We believe that these expenditures have enhanced product quality, improved customer satisfaction and increased sales potential. We have equipped our Santa Fe Springs, California facility to process value-added products and consumer-ready products. Our Louisville, Kentucky and Marshalltown, Iowa facilities produce additional value-added products, including seasoned and marinated pork items. The design of our facilities emphasizes worker safety to ensure regulatory compliance and to reduce worker injuries. Our facilities are also designed to reduce waste products and emissions and dispose of waste in accordance with applicable environmental standards. Our Worthington, Minnesota and Marshalltown, Iowa pork plants currently have International Standards Organization (ISO) 9001 certified quality management systems, and Worthington is a European Union-certified facility that enables us to export primal cuts to Europe.

Our food safety task force consists of experts in the field of meat processing, food microbiology and quality assurance, all working together to assure compliance at all stages of the production chain and distribution channels. Our internal programs, policies and standards are designed to exceed both regulatory requirements and customer specifications. Our food safety efforts incorporate what we believe is a comprehensive network of leading technologies, such as MultiCheck, that minimize the risks involved in pork processing.

Facilities

In the United States, we conduct our Beef and Pork segment operations through eight beef processing facilities, three pork processing facilities, one lamb slaughter facility, one case-ready beef and pork facility, one hide tannery, seven leased regional distribution centers and two grease producing facilities, as well as 11 feedlots operated by Five Rivers. In Australia, we operate our Beef segment operations through ten beef and smalls processing facilities, including the largest and what we believe is the most technologically advanced facility in Australia, and five feedlots, all of which are owned by us. Our facilities are strategically located to access raw materials in a cost effective manner and to service our global customer base. We have the ability to process approximately 28,600 cattle, 48,500 hogs, and 4,500 lambs daily in the United States and the ability to process 8,690 cattle and 15,000 smalls daily in Australia based on our facilities' existing configurations. In addition, our leased Sante Fe Springs facility is used to process beef and pork products.

The following table shows the location, capacity and segments represented by our processing facilities in the United States and Australia as of March 29, 2009, all of which are owned:

Facility location by segment **Beef segment**	**Cattle/day**	**Smalls/day**	**Hogs/day**
United States			
Cactus, TX	6,000	—	—
Grand Island, NE	6,000	—	—
Greeley, CO	6,000	—	—
Green Bay, WI	2,400	—	—
Hyrum, UT	2,500	—	—
Plainwell, MI	1,900	—	—
Souderton, PA	1,900	—	—
Tolleson, AZ	1,900	—	—
Australia			
Beef City	1,100	—	—
Brooklyn	1,500	8,000	—
Cobram	—	3,000	—
Devon Port	150	2,500	—
Dinmore	3,350	—	—
King's Island	180	—	—
Longford	480	1,500	—
Rockhampton	650	—	—
Townsville	900	—	—
Yarrawonga	380	—	—
Pork segment			
United States			
Greeley, CO	—	4,500	—
Louisville, KY	—	—	10,100
Marshalltown, IA	—	—	19,700
Worthington, MN	—	—	18,700

Transportation

We own or lease approximately 600 trucks in the U.S. and Australia that are specially equipped to transport raw materials and finished products. In addition, we have recently entered into an agreement to lease an additional 400 trucks, which have begun to be delivered. We also utilize third-party shipping companies that provide us with additional trucks to transport our raw materials and finished products.

Distribution

Our distribution varies by product type. We lease seven distribution facilities located in New Jersey, Florida, Nebraska, Arizona, Colorado and Texas and eight trading/distribution facilities in Australia. These distribution facilities are strategically located near certain of our processing facilities. We also sell our products to food service distributors that further distribute our products to restaurants and hotel chains and other customers. These food service distributors purchase our products from both our processing facilities and our current distribution facilities. We intend to pursue a global direct distribution strategy that will enable us to improve our ability to service current customers and give us the opportunity to directly service new customers in the food service and retail channels. This direct distribution strategy requires that we substantially expand our distribution network and sales force domestically and internationally. See "—Our strategy—Increase sales and enhance margins by significantly expanding our direct distribution network" above. We intend to continue to sell our products to food service distributors following the implementation of our direct distribution strategy.

Competition

The beef and pork processing industries are highly competitive. Competition exists both in the purchase of live cattle and hogs, as well as in the sale of beef and pork products. Our products compete with a large number of other protein sources, including chicken, turkey and seafood, but their principal competition comes from other beef and pork processors, including Tyson Foods, Inc. and Cargill, Inc. Our management believes that the principal competitive factors in the beef and pork processing industries are price, quality, food safety, product distribution and brand loyalty.

In addition, we are pursuing a global direct distribution strategy as we seek to enhance our operating margins. This strategy may expose us to direct competition with our existing third-party food service distribution customers in some segments, which could affect our relationship with these customers. See "Risk factors—Risks relating to our business and the beef and pork industry—We face competition in our business, which may adversely affect our market share and profitability" and "—Failure to successfully implement our business strategies may affect our plans to increase our revenue and cash flow."

Employees

As of March 29, 2009, we had approximately 31,900 employees, including approximately 25,700 in our Beef segment and approximately 6,200 in our Pork segment. We consider relations with our employees to be good. Approximately 17,700 employees at our United States facilities are represented by labor organizations and work under collective bargaining agreements expiring between 2009 and 2010. Approximately 6,600 employees at our Australia plants are parties to Awards of Enterprise or Certified Agreements between various labor organizations and our Australian subsidiaries and work under collective agreements expiring between 2010 and 2014.

In 2001, ConAgra Beef Company, the predecessor to Swift Beef Company, paid a fine as a result of a lawsuit by the Department of Labor claiming that ConAgra Beef Company had acted improperly in too aggressively investigating the backgrounds of its job applicants. As a result, at the government's suggestion, we began to use E-Verify, a free and voluntary online system operated jointly by the United States Department of Homeland Security and the Social Security Administration, through which participating employers can determine the employment eligibility of new hires. To date, no civil or criminal charges have been filed by the U.S. government against us or any of our current or former management employees related to an employee's eligibility to work in the U.S.

On December 12, 2006, agents from ICE and other law enforcement agencies conducted on-site employee interviews at all of our U.S. production facilities, except with respect to the facilities located in Louisville, Kentucky and Santa Fe Springs, California, in connection with an investigation of the immigration status of an unspecified number of our workers. Approximately 1,300 individuals were detained by ICE and removed from our domestic labor force. On December 12, 2006, after a six- to seven-hour suspension of operations due to the employee interview process, we resumed production at all of our facilities in the United States, but at reduced output levels. We resumed normal production at our pork processing facilities in March 2007 and reported in May 2007 that we had returned to standard staffing levels at all of our beef processing facilities. See "Risk factors—Risks relating to our business and the beef and pork industries—Our performance depends on favorable labor relations with our employees and our compliance with labor laws. Any deterioration of those relations or increase in labor costs due to our compliance with labor laws could adversely affect our business."

As of April 18, 2007, we implemented new policies for hiring our employees. According to the new policies, our human resources department will use all information obtained during the initial review of the documentation of the individuals applying for a job with us to verify the veracity of the relevant applicant's information throughout the entire hiring process. This policy includes (1) checking if such information is consistent with other information related to the applicant (such as prior places of residence and previous jobs) and (2) cross-checking the information against certain indicia of fraud to determine whether the documentation is consistent with the applicant's known identity. Applicants will not be hired if false documents are identified at any stage of the hiring process. In addition to these policies, we audit 100% of the documentation of new employees on a weekly basis and, on a quarterly basis, a manager that is not involved in the hiring process audits the documentation and the hiring process of 50 randomly selected employees. We also utilize a third-party immigration law expert to periodically audit our processes and methods.

Our performance depends on favorable labor relations with our employees. Any deterioration of those relations or increase in labor costs could adversely affect our business. See "Risk factors—Risk factors relating to our business and the beef and pork industry—Our performance depends on favorable labor relations with our employees and our compliance with labor laws. Any deterioration of those relations or increase in labor costs due to our compliance with labor laws could adversely affect our business."

Regulation

Our operations are subject to extensive regulation by the USDA, the EPA, and other state, local and foreign authorities regarding the processing, packaging, storage, distribution, advertising and labeling of its products, including food safety standards.

Our United States operations are subject to extensive regulation by the EPA and other state and local authorities relating to handling and discharge of waste water, storm water, air emissions, treatment, storage and disposal of wastes, handling of hazardous substances and remediation of contaminated soil, surface water and groundwater. Our Australian operations also are subject to extensive regulation by the Australian Quarantine Inspection Service as well as Australian environmental authorities. The EPA, AQIS, and/or other U.S. or Australian state and local authorities may, from time to time, adopt revisions to environmental rules and regulations, and/or changes in the terms and conditions of our environmental permits, with which we must comply. Such compliance may require us to incur additional capital and operating expenses which may be significant. In order to ensure ongoing compliance with existing environmental laws, rules, and regulations, we must, from time to time, replace, repair, or upgrade existing facilities, equipment, or supplies, which may require us to incur additional capital. Some of our facilities discharge wastewater to municipally operated wastewater treatment plants, and if such municipal plants are unable to comply with their own environmental permits, they may require that we make improvements or operational changes that could result in additional costs. In addition, some of our facilities use hazardous substances such as ammonia in refrigerant systems, and releases resulting from leaks or other accidental occurrences could result in liability. Some of our properties have been impacted by contamination from spills or other releases, and we or our predecessors have incurred costs to remediate such contamination. We also have voluntarily upgraded some existing facilities to address concerns of local governmental officials and/or our neighbors. See "Risk factors—Risks relating to our business and the beef and pork industries—Compliance with environmental requirements may result in significant costs, and failure to comply may result in civil liabilities for damages as well as criminal and administrative sanctions and liability for damages."

Increasing efforts to control emissions of greenhouse gases, or GHG, are likely to impact us. In the United States, the EPA recently proposed a mandatory GHG reporting system for certain activities, including manure management systems, which exceed specified emission thresholds. The EPA has also announced a proposed finding relating to GHG emissions that may result in promulgation of GHG air quality standards. The U.S. Congress is considering various options including a cap and trade system which would impose a limit and a price on GHG emissions, and establish a market for trading GHG credits. The House of Representatives recently passed a bill contemplating such a cap and trade system, and the bill is now before the Senate. Certain states have taken steps to regulate GHG emissions that may be more stringent than federal regulations. In Australia, the federal government has proposed a GHG cap and trade system that would cover agricultural operations, including certain of our feedlots, and at least two of our processing plants. Certain states in Australia could also adopt regulations of GHG emissions which are stricter than Australian federal regulations. While it is not possible to estimate the specific impact final GHG regulations will have on our operations, there can be no guarantee that these measures will not result in significant impacts on us.

Our U.S. operations are subject to the U.S. Packers and Stockyards Act of 1921. This statute generally prohibits meat packers in the livestock industry from engaging in certain anti-competitive practices. In addition, this statute requires us to make payment for our livestock purchases before the close of the next business day following the purchase and transfer of possession of the livestock we purchase, unless otherwise agreed to by our livestock suppliers. Any delay or attempt to delay payment will be deemed an unfair practice in violation of the statute. Under the Packers and Stockyards Act, we must hold our cash livestock purchases in trust for our livestock suppliers until they have received full payment of the cash purchase price. As of March 29, 2009, we maintained surety bonds in the aggregate amount of approximately $70.4 million to secure our payment obligations to our livestock suppliers.

We are also subject to voluntary market withdrawals and recalls of our meat products in the event of suspected contamination or adulteration that could constitute food safety hazards. We maintain a rigorous program of interventions, inspections and testing to reduce the likelihood of food safety hazards. As a proactive measure, our management team expanded our testing procedures in all of our beef processing plants. We recently undertook a voluntary recall of certain of our beef products. See "Risk factors—Risks relating to our business and the beef and pork industries—Any perceived or real health risks related to the food industry could adversely affect our ability to sell our products. If our products become contaminated, we may be subject to product liability claims and product recalls."

We monitor certain asset retirement obligations in connection with our operations. These obligations relate to clean-up, removal or replacement activities and related costs for "in-place" exposures only when those exposures are moved or modified, such as during renovations of our facilities. These in-place exposures include asbestos, refrigerants, wastewater, oil, lubricants and other contaminants common in manufacturing environments. Under existing regulations, we are not required to remove these exposures and there are no plans or expectations of plans to undertake a renovation that would require removal of the asbestos, nor the remediation of the other in place exposures at this time. The facilities are expected to be maintained and repaired by activities that will not result in the removal or disruption of these in place exposures. As a result, there is an indeterminate settlement date for these asset retirement obligations because the range of time over which we may incur these liabilities is unknown and cannot be reasonably estimated. Therefore, we cannot reasonably estimate and have not recorded the fair value of the potential liability.

Our facilities have, from time to time received notices from regulatory authorities, citizens groups or others asserting that we are not in compliance with specified laws and regulations, and sometimes our facilities have been subject to additional investigations and/or enforcement actions regarding such alleged violations by us or by our predecessors. In some instances, litigation ensues, including the matters discussed below in "Legal proceedings."

Legal proceedings

From time to time, we are parties to various legal proceedings incident to our business. As of the date of this prospectus, there were no legal proceedings against us with respect to matters arising outside the ordinary course of business or which we anticipate would have a material adverse effect on us other than the matters described under "Wastewater issues" below.

Wastewater issues

Smithfield Souderton, Pennsylvania facility

In connection with the JBS Packerland Acquisition, we acquired a beef processing plant in Souderton, Pennsylvania. There were two reported wastewater incidents at the Souderton facility in 2006. These incidents were resolved by a consent order and agreement with the State of Pennsylvania providing for civil penalties and damages totaling $77,888 and establishing an enforceable schedule for the completion of a planned $5 million upgrade to the facility's existing wastewater treatment system.

On August 10, 2007, the Souderton facility experienced a separate wastewater release, which reached a nearby tributary, Skippack Creek. The facility received an EPA Section 308 Information Request pursuant to the Clean Water Act from the Environmental Protection Agency Region III requesting further details on, among other things, this incident and overflows generally from the collection system that routes wastewater from facility process units to the wastewater treatment works.

On December 5, 2007, the Souderton facility experienced an operational upset in a part of the chlorination system of its wastewater treatment plant. The plant discharges to Skippack Creek. JBS Packerland provided notice of the upset on the same day, and then filed a written report to the Pennsylvania Department of Environmental Protection and the Pennsylvania Fish and Boat Commission. In the written report, JBS Packerland stated that it had already reconfigured the chlorination system to prevent a recurrence and that the facility intended to replace the existing chlorination system, pending approval of plans that had been submitted to the State prior to the upset. The EPA and the Department of Justice have commenced an investigation into the incident and have issued grand jury subpoenas for documents and testimony. The facility is cooperating with the investigation.

On June 10, 2008, the Souderton facility experienced a separate release, which reached Skippack Creek and resulted in a fish kill. An initial investigation revealed the discharge was condenser water from JBS Packerland's rendering plant which had bypassed the wastewater treatment facility. The facility provided notice of the release on the same day to state environmental authorities and filed a written report with the Pennsylvania Department of Environmental Protection and Fish and Boat Commission. The EPA has commenced an investigation, and the facility is cooperating with the investigation.

On December 29, 2008, the United States Department of Justice commenced a civil action against us in the federal district court for the Eastern District of Pennsylvania in connection with these past violations of the federal Clean Water Act at the Souderton facility. At this time, due to the nature and circumstances of this enforcement action, it is not possible to assess the liability, including any potential penalties, associated with these incidents. In connection with the JBS Packerland Acquisition, Smithfield Foods, Inc. agreed to indemnify us for all damages arising from the wastewater incidents of August 10, 2007 and December 5, 2007. Smithfield Foods, Inc. also agreed to indemnify us for costs and damages arising from the June 10, 2008 wastewater incident, and any other breaches of its environmental representations and warranties, subject to an aggregate $100 million cap and $2.5 million deductible (excluding claims of $25,000 or less) generally applicable to Smithfield Foods' indemnity obligations, and subject to certain time and other limitations.

Grand Island, Nebraska facility

In May 2008, the Nebraska Department of Environmental Quality, or DEQ, and the EPA alleged that from 2004 to the present the wastewater discharge from our Grand Island, Nebraska plant had violated various provisions of the Nebraska Environmental Protection Act and the federal Clean Water Act by causing the City of Grand Island to violate the limits in its wastewater discharge permit. The EPA and DEQ are seeking a fine and an injunction to ensure our future compliance with the Nebraska Environmental Protection Act and the federal Clean Water Act. We are currently conducting settlement negotiations with the EPA and DEQ to resolve this matter.

In January 2009, we received a grand jury subpoena from the United States Attorney's Office for the District of Nebraska, requesting documents related to our wastewater pretreatment system for the Grand Island plant. We are complying with the subpoena. Given the nature and circumstances of these matters, we are not able to estimate the liability or other impacts on us, including any penalties associated with them.

Intellectual property

We hold a number of trademarks, patents and domain names that we believe are material to our business and which are registered with the United States Patent and Trademark Office, including "*Swift*" and "*Monfort*" derivative trade names and "*Miller Blue Ribbon Beef*." We have also registered "*Swift*" and "*Monfort*" derivative trademarks in most of the foreign countries to which we sell our products, except in Argentina, Canada, Japan and in the Philippines. In Argentina, the "*Swift*" and derivative trademarks are owned by JBS S.A. In Japan, we are authorized to use the trademark "*Swift*" under an exclusive license agreement entered into with Nippon Meat Packers Inc. Currently, we have a number of patent applications and trademark registrations pending in the United States and in foreign countries. In addition to trademark protection, we attempt to protect our unregistered trademarks and other proprietary information under trade secret laws, employee and third-party non-disclosure agreements and other laws and methods of protection.

Insurance

We have an insurance program that provides for protection against (1) property damages affecting most of our buildings, furniture, machinery, appliances, products and raw materials caused by fire, lightning, explosion, flooding, electrical faults, landslides, riots, strikes, lock-outs and windstorms, (2) deterioration of goods in refrigerated areas, and (3) robbery and theft. Our insurance is renewed annually. We believe that our insurance policy provides suitable coverage for the risks inherent to our operations both in terms of the type of coverage and of the insured amounts. Even though we have insurance policies, there are risks that are not insurable, such as war, unavoidable and unforeseen circumstances or the interruption of some activities and losses arising from events that are not insured. If any of these events occur, we may incur significant costs which may have a material adverse effect upon our financial performance and results of operation.

We are self-insured for employee medical and dental benefits and purchase insurance policies with deductibles for certain losses related to worker's compensation and general liability claims. We purchase stop-loss coverage in order to limit our exposure to any significant level of certain claims. Self-insured losses are accrued based upon periodic assessments of estimated settlements for known and anticipated claims.

Information technology

Our software system of accounts receivable, accounts payable, inventory, accounting, payroll and procurement, which is used by our legacy business units, allows us to accurately manage our cash flows, accounts receivable and accounts payable in our operating locations. These systems are being integrated into the newly acquired businesses. We continue to analyze new information technology alternatives to increase our efficiency and reduce our costs.

We have a strong track record of managing the integration of information technology. For example, we have already fully integrated into our reporting structure the Tasman Group and JBS Packerland, including Five Rivers.

Management

Directors and executive officers

The following table sets forth the name, age and position of individuals who currently serve as the directors and executive officers of JBS USA Holdings, Inc. Ages are as of April 10, 2009.

Name	Age	Position(s)
Wesley Mendonça Batista	39	President, Chief Executive Officer and Director
André Nogueira de Souza	40	Chief Financial Officer
Dennis Roerty	44	Treasurer
Robert Daubenspeck	49	Head of Human Resources
Martin J. Dooley	48	Head of Pork
Brent Eastwood	43	Head of JBS Trading
William G. Trupkiewicz	45	Chief Accounting Officer, Secretary
Richard Vesta	62	Head of Beef
Joesley Mendonça Batista	37	Director
José Batista Júnior	49	Director

The following is a biographical summary of the experience of our directors and executive officers.

Wesley Mendonça Batista became our President and Chief Executive Officer in May 2007. Mr. Batista also serves as a member of our Board of Directors. In addition to his responsibilities in the United States, Mr. Batista is currently the Executive Director of Operations of JBS S.A. and is the Vice President of its Board of Directors. Mr. Batista has served in various capacities at JBS S.A. since 1987. Mr. Batista is the brother of Joesley Mendonça Batista, the President of JBS S.A., and José Batista Júnior, a Director of JBS S.A., and is the son of José Batista Sobrinho, the founder of JBS S.A. and a member of its Board of Directors.

André Nogueira de Souza began acting as our Chief Financial Officer in August 2007. Before joining us, Mr. Nogueira served as head of Corporate Banking for Banco do Brasil in their New York and São Paulo offices from January 2000 to August 2007.

Dennis Roerty became our Treasurer in February 2009. Prior to that date, Mr. Roerty was the Treasurer of UAP Holding Corp. from March 2004 to February 2009, where he was responsible for treasury, financial planning and analysis, and leading the company's acquisition program. Prior to joining UAP, Mr. Roerty worked for PPL Global, LLC from 1998 to 2004, serving most recently as Director of Acquisitions and Divestitures. Mr. Roerty also held various positions in financial analysis and treasury with Air Products and Chemicals from 1988 to 1998.

Robert Daubenspeck became our head of Human Resources in February 2009. Prior to serving in such role, Mr. Daubenspeck served in the same capacity for JBS Packerland from 2002 to 2008. Previously, Mr. Daubenspeck has served as human resources director for JBS Packerland's Souderton, Pennsylvania plant.

Martin J. Dooley became the head of our Pork segment in June 2007. From May 2006 to May 2007, Mr. Dooley was our Executive Vice President, Margin Management. From November 2004 to May 2006, Mr. Dooley was employed as Vice President, Margin Management of Swift Foods Company and was responsible for cattle and hog procurement, beef and pork pricing, and risk management. From September 2002 to November 2004, Mr. Dooley was employed as Vice President, Processor Sales, Beef and Pork of Swift Food Company. From 1998 to 2002, Mr. Dooley was Swift Food Company's Vice President Processor Sales and Risk Management, Pork. From 1993 to 1998, Mr. Dooley was Swift Food Company's Vice President Processor Sales, Pork. Prior to 1993, Mr. Dooley was employed in various positions in product management and sales for Swift Food Company.

Brent Eastwood became our head of JBS Trading in October 2007. Prior to serving as head of JBS Trading, Mr. Eastwood served as General Manager of Trading for Swift/AMH in Australia for six years. Prior to joining Swift, Mr. Eastwood served as Managing Director of ConAgra Trade Group's Australian Meat Division.

William G. Trupkiewicz became the Corporate Controller, Chief Accounting Officer and Secretary of JBS USA Holdings and its subsidiaries in July 2007. Mr. Trupkiewicz served as Acting Treasurer of JBS USA Holdings, Inc. from June 2008 to February 2009 and as Acting Chief Financial Officer of predecessor companies effective February 20, 2006 until October 26, 2006. Mr. Trupkiewicz served in senior financial positions including Senior Vice President, Corporate Controller and Chief Accounting Officer of predecessor companies from September 2002 until May 2006. Mr. Trupkiewicz has been employed by JBS USA Holdings, Inc. and its predecessor companies in various senior finance and accounting positions since October 1994. From June 1993 until October 1994, Mr. Trupkiewicz was employed as Vice President, Controller of Vessels Oil and Gas Company, a Denver-based oil and gas production company. Prior to his employment at Vessels, Mr. Trupkiewicz served as Vice President Financial Reporting and Tax for SafeCard Services, Inc., a NYSE traded consumer products company. From July 1985 until June 1992, Mr. Trupkiewicz was employed by Price Waterhouse LLC serving in various capacities in its audit practice. Mr. Trupkiewicz is a Certified Public Accountant.

Richard Vesta became the head of our Beef segment in March 2009. Prior to that date, Mr. Vesta served as president and chief executive officer of Smithfield Beef Group, Inc. (now known as JBS Packerland) from 2002 to 2009. Prior to that, Mr. Vesta held senior executive positions in the beef industry with Packerland Packing Company, Inc., Land O'Lakes, Swift Independent Packing Company and Val-Agri Inc., Monfort and Murco. Mr. Vesta began his career in the meat industry as a retail meat cutter, eventually holding various senior positions in retail meat sales at a regional chain.

Joesley Mendonça Batista is currently the Chief Executive of JBS S.A. and the President of its board of directors. Mr. Batista has served in various capacities at JBS S.A. since 1988. Mr. Batista is the brother of Wesley Mendonça Batista and the son of José Batista Sobrinho, the founder of JBS S.A.

José Batista Júnior is currently a director of JBS USA, LLC and JBS S.A. Mr. Batista Júnior has served in various capacities at JBS S.A. since 1974 and as a member of the board of directors of JBS S.A. since January 2, 2007. Mr. Batista Júnior is the brother of Wesley Mendonça Batista and Joesley Mendonça Batista, and the son of José Batista Sobrinho, the founder of JBS S.A.

Board composition after this offering

Upon the closing of this offering, our board of directors will consist of seven members. Our amended and restated certificate of incorporation and amended and restated bylaws in effect immediately following this offering will provide that the number of directors will be fixed from time to time by resolution of the board.

All directors hold office until their successors have been elected and qualified or until their earlier death, resignation, disqualification or removal. Effective upon the closing of this offering, we will divide the terms of office of the directors into three classes:

- Class I, whose term will expire at the annual meeting of stockholders to be held in 2010;
- Class II, whose term will expire at the annual meeting of stockholders to be held in 2011; and
- Class III, whose term will expire at the annual meeting of stockholders to be held in 2012.

Upon the closing of this offering, Class I shall consist of Messrs.   and   , Class II shall consist of Messrs.   and   and Class III shall consist of Messrs. ,   and   .

At each annual meeting of stockholders after the initial classification, the successors to directors whose terms then expire will serve from the time of election and qualification until the third annual meeting following election and until their successors are duly elected and qualified. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

Director independence

Currently, our three directors are not considered independent under the applicable provisions of federal securities laws and the rules and regulations of the New York Stock Exchange, or the NYSE, as detailed below:

Director	Reason for lack of independence
Joesley Mendonça Batista	Chief Executive Officer of JBS S.A. and beneficial ownership greater than 5%
Wesley Mendonça Batista	Chief Executive Officer of JBS USA Holdings, Inc. and beneficial ownership greater than 5%
José Batista Júnior	Beneficial ownership greater than 5%

We intend to avail ourselves of the "controlled company" exception under the corporate governance rules of the NYSE. Accordingly, we will not have a majority of independent directors on our board of directors. In accordance with NYSE rules applicable to "controlled companies" such as ours, upon the completion of this offering, we expect that at least one member of our board of directors will be independent. We expect to add another independent director within three months following the completion of this offering and one additional independent director to our board of directors within one year following the completion of this offering.

Committees of the board of directors

Upon the closing of this offering, we will have an audit committee and a compensation committee. As a "controlled company," we do not expect to have a nominating or corporate governance committee upon the closing of this offering, and we do not intend for our compensation committee to be composed entirely of independent directors.

Audit committee

The "controlled company" exception does not modify the independence requirements for the audit committee, and upon the completion of this offering our audit committee will composed of at least three members, a majority of whom will be independent within three months from the date of this prospectus and each of whom will be independent within one year from the date of this prospectus. For each individual to be deemed to be independent, our board will determine (a) that there is no relationship with JBS USA Holdings, Inc., or (b) the relationship is immaterial. The board has considered the independence standards of the NYSE.

The composition, duties, and responsibilities of our audit committee are set forth below.

Upon completion of this offering our audit committee will consist of (chair), and . is an "audit committee financial expert" within the meaning of the rules and regulations of the Securities and Exchange Commission.

The audit committee is responsible for:

- selecting the independent auditor;
- approving the overall scope of the audit;
- discussing the annual audited financial statements and quarterly reviewed financial statements, including matters required to be reviewed under applicable legal and regulatory requirements, with management and the independent auditor;
- discussing earnings press releases and other financial information provided to the public with management and the independent auditor, as appropriate;
- discussing with management and the independent auditor, as appropriate, any audit problems or difficulties and management's response;
- discussing our risk assessment and risk management policies;
- reviewing our financial reporting and accounting standards and principles, significant changes in such standards or principles, and the key accounting decisions affecting our financial statements;
- reviewing and approving the internal corporate audit staff functions;
- reviewing our internal system of audit, financial, and disclosure controls and the results of internal audits;
- annually reviewing the independent auditor's written report describing the auditing firm's internal quality-control procedures and any material issues raised by the auditing firm's internal quality-control review or peer reviews of the auditing firm;
- reviewing and investigating matters pertaining to the integrity of management;
- reviewing and approving all transactions between us and our officers, directors and principal stockholders and their affiliates for potential conflicts of interest;
- establishing procedures concerning the treatment of complaints and concerns regarding accounting, internal accounting controls, or audit matters;

- meeting separately with management, the corporate audit staff, and the independent auditor;
- handling such other matters that are specifically delegated to the audit committee by the board of directors from time to time; and
- reporting regularly to the full board of directors.

Compensation committee

For fiscal 2008, compensation decisions were made by a committee comprised of Wesley Batista, our chief executive officer, and our head of human resources. Between January 1, 2008 and October 22, 2008, the position of head of human resources was filled by John R. Shandley. From October 23, 2008 through December 28, 2008, that position was held by our current head of human resources, Robert Daubenspeck. Decisions concerning our chief executive officer's compensation are made by our board of directors.

Upon completion of this offering our compensation committee will consist of (chair), and .

The compensation committee is responsible for:

- reviewing and approving corporate goals and objectives relevant to the compensation of our executives and key management employees;
- annually evaluating our executives' and key management employees' performance in light of these goals;
- reviewing and approving the compensation and incentive opportunities of our executives and key management employees;
- reviewing and approving employment contracts, severance arrangements, incentive arrangements, change-in-control arrangements, and other similar arrangements between us and our executives and key management employees;
- receiving periodic reports on our compensation programs as they affect all employees; reviewing executive succession plans for business and staff organizations; and
- handling such other matters that are specifically delegated to the compensation committee by the board of directors from time to time.

On and after the effective date of this offering, the compensation committee shall continue to oversee our executive compensation program on behalf of the board. In the performance of this function, the compensation committee will meet at least quarterly and, among other things, review and discuss with management the compensation discussion and analysis set forth below.

Other committees

Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Code of ethics

We have adopted a code of conduct applicable to all employees. In 2002, we adopted a code of ethics specifically applying to our chief executive officer, chief financial officer, chief accounting officer and controller. The code of ethics for such officers reinforces our commitment to:

- deter wrongdoing and promote honest and ethical conduct;
- provide full, fair, accurate, timely, and understandable disclosure in public reports;
- comply with applicable laws;
- ensure prompt internal reporting of code violations; and
- provide accountability for adherence to the code.

The financial code of ethics is available in the investor information section of our website at www.jbsswift.com.

Compensation discussion and analysis

Overview

This compensation discussion and analysis describes the material elements of compensation paid to our executive officers as well as the objectives and material factors underlying our compensation policies and decisions. The information in this compensation discussion and analysis provides context for the compensation disclosures in the tables and related narrative discussions that follow. When we refer to our named executive officers, we are referring to the five individuals listed in the summary compensation table below.

In designing our executive compensation program, we place significant emphasis on performance. Consequently, a majority of each named executive officer's total potential compensation is "at risk" and tied to our financial performance. During fiscal 2008, our overall financial performance was above that of recent years. This had the effect of increasing the amount of incentive compensation received by our corporate level executives and by many of the managers of our business units, including our named executive officers. These results were consistent with our fundamental philosophy of paying for performance.

Compensation philosophy and objectives

The primary goal of our executive compensation program is the same as our goal for our overall operations—to maximize corporate performance. To accomplish this goal, our executive compensation program is designed to achieve the following objectives:

- *Attracting and retaining top talent*. The compensation of our executives must be competitive with the organizations with which we compete for talent so that we may attract and retain talented and experienced executives. We consider our competitors to be Smithfield Foods, Inc., Tyson Foods Inc., Cargill Inc., Hormel Foods Corporation, Sara Lee Corporation and National Beef Packing Company, LLC, among others in the food, protein and packaged consumer products industries. Our executives have, on average, approximately 15 years of experience with us and our predecessors.
- *Paying for performance.* We structure a significant portion of our executives' compensation to be subject to corporate and business unit performance measures and therefore be "at risk." Amounts of performance-based compensation can vary widely from year to year depending on an executive's performance and the volatile nature of our agricultural commodity-based industry. However, in fiscal 2008, our chief executive officer declined to receive performance-based compensation despite our record financial performance. We anticipate developing a performance-based compensation package for our chief executive officer following this offering.
- *Alignment with the interests of our shareholders.* We believe that equity-based awards can be an effective means of aligning an executive's financial interests with those of our shareholders by providing value to the executive only if the market price of our stock increases. While we did not have the ability to provide equity-based awards in fiscal 2008, we intend to adopt a stock-based incentive plan which will become effective immediately prior to this offering. See "2009 stock incentive compensation plan" below.

Each element of our compensation program is designed to achieve one or more of these objectives. The structure of a particular executive's compensation may vary depending on the scope and level of that executive's responsibilities. For an executive with corporate level responsibilities and qualifications, performance-based compensation is generally based on our consolidated results of operations. In contrast, for an executive responsible for an individual business unit, performance-based compensation historically has been based on a combination of the following: individual behavioral assessment, personal goal achievement, business unit performance and overall consolidated results of operations. Our compensation practices for business unit executives were adopted in recognition of the belief that the efforts of these executives primarily impact the financial performance of the respective units they manage and thus, it is important that compensation be tied directly to the executive's performance and business unit performance as well as our consolidated results of operations. In addition, beginning in fiscal 2009, these business unit managers are expected to receive an increased proportion of their total compensation in the form of long-term equity incentives, thus providing the managers with incentives tied to our overall operating and share performance.

Determining executive compensation

Our chief executive officer makes recommendations to the compensation committee regarding the amounts of salaries, annual cash incentive payments and, beginning in fiscal 2009, stock-based awards, if any, for key employees, including all other named executive officers. For executive officers, including all other named executive officers, whose annual cash incentive awards are based partly on individual performance, our chief executive officer's evaluation of the executive officer's individual performance is provided to and reviewed by the compensation committee. To assist the compensation committee in carrying out its responsibilities, the compensation committee may from time to time retain an independent compensation consultant. The compensation committee also annually reviews executive pay tallies for our executive officers detailing the amount of each element of total compensation and accumulated equity holdings. Based on the foregoing, the compensation committee uses its judgment in making compensation decisions that it believes will best carry out our compensation philosophy and objectives. The board of directors determines our chief executive officer's compensation based on its evaluation of our chief executive officer's individual performance and our company's performance.

Elements of our compensation program

In fiscal 2008, total compensation for our executive officers consisted of the following components:

- base salary;
- annual incentive cash payments;
- additional cash bonuses;
- retirement compensation; and
- perquisites and personal benefits.

All of our named executive officers are employed at-will, without employment agreements, severance payment agreements or payment arrangements that would be triggered by a change of control of us, with the exception of Mr. Dooley, who has a retention agreement with us as described under "Estimated payments upon termination or change of control" below.

Base salary. Base salaries are intended to provide a fixed level of compensation sufficient to attract and retain an effective management team when considered in combination with other components of our executive compensation program that are performance-based. The relative levels of base salary for executive officers are designed to reflect each executive officer's scope of responsibilities and accountability within our company. Base salaries are reviewed annually to determine if they are equitably aligned within our company and are at sufficient levels to attract and retain top talent. Consistent with our greater emphasis on performance-based pay, base salaries for executives are normally changed only on an infrequent basis and may remain the same for several years.

Annual incentive cash payments. During fiscal 2008, we provided performance-based annual cash incentive compensation opportunities to our named executive officers, excluding our chief executive officer. These awards are based on performance measures that seek to provide a direct link between the company's and an executive's performance and the amount of incentive compensation earned.

These awards utilize formulas set by our compensation committee at the beginning of the fiscal year, generally based on the named executive officers' personal performance goals and our Adjusted EBITDA, the Adjusted EBITDA of a particular subsidiary or business segment, or a combination of the two, depending upon the scope of the executive's duties. See "Summary historical and pro forma financial data" for the definition of Adjusted EBITDA. The potential payouts of these awards are a percentage of the named executive officer's base salary, as determined by our compensation committee at the beginning of the fiscal year. The weighting of each of these performance measures and target payout as a percentage of base salary for fiscal 2008 are displayed in the following table for each relevant named executive officer:

	Weighting			
Name	**Personal goals (%)**	**Business unit Adjusted EBITDA (%)**	**Company Adjusted EBITDA (%)**	**Target payout relative to base salary (%)**
André Nogueira de Souza	30	—	70	75
Iain Mars(1)	—	100	—	100
Martin J. Dooley(2)	30	20	50	70
H. Brent Eastwood	30	20	50	100

(1) Australian operations

(2) Pork segment

Under our performance-based annual cash incentive program, if actual business unit or company Adjusted EBITDA performance is below a threshold of 85% of the corresponding target Adjusted EBITDA, no amount is paid out under the financial portion of this program. If at least 85% of target business unit or company Adjusted EBITDA is achieved, 50% of the corresponding target Adjusted EBITDA-based annual cash incentive is payable. If actual business unit or company Adjusted EBITDA performance is between the corresponding threshold and target Adjusted EBITDA, the remaining 50% of the Adjusted EBITDA-based annual cash incentive that is payable is determined on a linear basis based on the extent to which actual performance exceeds 85%, and is less than 100%, of the target Adjusted EBITDA. If actual performance equals target business unit or company Adjusted EBITDA, 100% of the corresponding Adjusted EBITDA-based annual cash incentive is payable. If actual business unit or company Adjusted EBITDA performance exceeds 100% of the corresponding target Adjusted EBITDA, the Adjusted EBITDA-based annual cash incentive payable exceeds the targeted payout in the same proportion as actual performance exceeds target Adjusted EBITDA. There is no limit on the maximum business unit or company Adjusted EBITDA-based annual cash incentive payable as described above. The compensation committee may, in its discretion, pay bonuses in excess of the amount determined by the formula under the incentive program. See "Additional cash bonuses" below. If a named executive officer's personal performance goals are not satisfied, then his annual cash incentive payout is reduced by his personal performance goals weighting percentage (shown in the table above). On the other hand, if a named executive officer's personal performance goals are met or exceeded, then the target payout based on personal performance goals is paid out.

Financial goals are the same objectives set forth in our internally developed corporate budget. For fiscal 2008, our target Adjusted EBITDA was $285 million, and our actual Adjusted EBITDA was $398.2 million, or 140% of target. Business unit Adjusted EBITDA for each subsidiary or business segment is typically set at very challenging levels. In four of our last five fiscal years, budgeted company and business unit financial performance goals were not met. Personal performance goals are intended to add economic value and to align each executive officer's compensation with expectations of leadership and achievement placed on the executive officer to realize various aspects of our business plan. Personal performance goals are set so that the full amount of the annual cash incentive with respect to these goals may only be attained through superior performance. For fiscal 2008, personal goals of our named executive officers related to cost reduction efforts, productivity (yield and throughput increases), improved employee satisfaction and organizational leadership. A named executive officer's actual performance against his personal performance goals is determined by our compensation committee based on its subjective evaluation of the named executive officer's performance.

The potential payouts under the named executive officers' annual cash incentive awards are displayed in the "Grants of plan-based awards table" below. In February 2009, the compensation committee evaluated performance against the relevant performance goals and determined the amount of annual cash incentive payment made to each of our named executive officers (other than our chief executive officer). Each such named executive officer achieved his personal performance goals and achieved or exceeded relevant business unit and company Adjusted EBITDA targets. The actual amount of annual cash incentive payment made to each named executive officer is displayed in the "Non-equity incentive plan compensation" column of the summary compensation table below.

Additional cash bonuses. We paid additional cash bonuses to Messrs. Nogueira and Dooley with respect to fiscal 2008 in amounts the compensation committee determined, in its discretion, to be appropriate to reward elements of performance that were not reflected in the annual incentive awards and in light of our outstanding financial performance during fiscal 2008. These additional cash bonuses are shown in the “Bonus” column of the summary compensation table below. Mr. Nogueira received a discretionary bonus of $200,000 at the sole discretion of our compensation committee. In connection with the Swift Acquisition in July 2007, we entered into employee retention agreements with key members of management, including Mr. Dooley. Under the terms of his agreement, during fiscal 2008, he was paid the second installment of $318,750. The remaining $200,000 reported in the “Bonus” column of the summary compensation table for Mr. Dooley represents the discretionary component of his annual cash incentive, as determined by our compensation committee.

Retirement compensation. Our named executive officers participate in the same retirement plans on the same terms as provided to most of our salaried employees. In the United States, this plan is a tax-qualified employee-funded 401(k) savings plan with employer matching contributions. Participation in this plan is voluntary. Therefore, the amount of compensation deferred and the amount of our matching contribution varies among employees, including our named executive officers. However, the same formulas are used to determine benefits for all participants in this plan. We also contribute to a superannuation plan on behalf of Mr. Mars (who is not eligible to participate in our 401(k) savings plan). These plans do not involve any above-market returns, as returns depend on actual investment results.

Perquisites and personal benefits. We provide a limited number of perquisites to our executive officers, including our named executive officers. The summary compensation table below contains an itemized disclosure of all perquisites to our named executive officers, regardless of amount. We believe that these minimal perquisites are reasonable and consistent with those paid to other executives in our industry. Providing these perquisites helps to keep our base compensation packages competitive. Although we do not typically provide our executives with tax gross-ups, in fiscal 2008, we provided Mr. Eastwood with a tax gross-up for the company’s reimbursement of certain relocation expenses incurred by him to relocate to Greeley, Colorado in connection with his commencement of employment with us.

We also provide certain benefits to substantially all salaried employees that are not included as perquisites in the summary compensation table for the named executive officers because they are broadly available. These include health and welfare benefits, disability and life insurance, education and tuition reimbursement and an employee assistance program.

Future equity incentive awards. Historically, we have not provided long-term incentive compensation in the form of stock options. Beginning on the completion date of this offering, however, we anticipate providing long-term incentive compensation to our named executive officers and other select employees in the form of stock-based awards under our 2009 Stock Incentive Compensation Plan, or the 2009 Plan, the material terms of which are summarized below under “2009 stock incentive compensation plan.” We believe that stock-based compensation can serve as an effective motivational tool by aligning an executive’s economic interests with those of our shareholders. We anticipate providing stock-based awards with terms and conditions that promote long-term tenure and encourage long-term strategic decision-making by our executive officers. We also anticipate that stock-based compensation will constitute a larger percentage of total compensation for corporate level executives than for business unit management because a business unit manager has less involvement in the performance of other business units which impact overall results and indirectly impact the market price of our common stock.

We anticipate that our chief executive officer will recommend to the compensation committee the recipients and sizes of stock-based awards, and the board of directors will determine the size of stock-based awards to be granted to our chief executive officer. In evaluating these recommendations, and in determining the size of stock-based awards for our chief executive officer, we anticipate that the compensation committee and the board of directors, as applicable, will consider a number of factors, including but not limited to:

- the level of incentive already provided to the recipient by the size of prior grants or existing holdings of common stock;
- whether the recipient’s responsibilities involve company-wide strategic decision-making and
- the compensation committee’s subjective evaluation of the recipient’s potential contribution to our future success.

As of the closing of this offering, we intend to grant shares of restricted stock under the 2009 Plan to the following named executive officers in the following amounts:

Name	Number of shares

We anticipate that these restricted stock awards will generally vest at the rate of one-third per year of service following the grant date.

Summary compensation table

The following table includes information concerning compensation paid to or earned by our named executive officers listed in the table for the fiscal year ended December 28, 2008.

Name and principal position(1)	Salary ($)	Bonus(2) ($)	Non-equity incentive plan compensation(3) ($)	All other compensation(4) ($)	Total ($)
Wesley M. Batista(5)	1,126,395	—	—	84,437	1,210,832
President, Chief executive officer and director					
André Nogueira de Souza(6)	379,922	200,000	300,000	200,568	1,080,490
Chief financial officer					
Iain Mars(7)	229,641	—	850,514	218,208	1,298,363
Head of Australia					
Martin J. Dooley(8)	406,010	518,750	300,000	14,110	1,238,870
Head of Pork					
H. Brent Eastwood(9)	259,615	—	275,000	160,994	695,609
Head of JBS Trading					

(1) The principal position listed in the table for each named executive officer was such individual's title during fiscal 2008.

(2) Represents cash bonuses received by each of Messrs. Nogueira and Dooley, as described under "Compensation discussion and analysis—Additional cash bonuses" above.

(3) Represents annual incentive cash payments described in more detail under "Compensation discussion and analysis—Annual incentive cash payments" above.

(4) The following table includes information concerning amounts reported in the All other compensation column of the summary compensation table above.

Name and principal position	Relocation expenses (a) ($)	Tax gross-up (b) ($)	Contributions to retirement plan (c) ($)	Company aircraft (d) ($)	Company leased automobile (e) ($)	Company leased residence (f) ($)	Excess life insurance (g) ($)	Total ($)
Wesley M. Batista	65,448	—	—	18,989	—	—	—	84,837
André Nogueira de Souza	200,000	—	—	—	—	—	568	200,568
Iain Mars	—	—	68,178	—	86,358	63,672	—	218,208
Martin J. Dooley	—	—	11,500	—	—	—	2,610	14,110
H. Brent Eastwood	148,754	12,240	—	—	—	—	—	160,994

The value of perquisites and other personal benefits and other compensation is based on the estimated incremental cost to us, for the following:

(a) reimbursement of relocation expenses,

(b) tax gross-up on reimbursement of relocation expenses for Mr. Eastwood,

(c) company contributions to 401(k) plan (or, in the case of Mr. Mars, to superannuation plan),

(d) personal use of company aircraft, the direct cost per flight hour as calculated from our records for company-owned aircraft or as billed by third parties for chartered aircraft,

(e) for company-leased automobiles, 100% of the lease cost, repairs, maintenance and fees,

(f) for personal use of the company-leased residence, the average daily cost of maintaining the residence multiplied by the number of days used for personal purposes, and

(g) for excess life insurance (i.e., having a face amount of coverage in excess of $50,000), the amount of premiums paid by us, on behalf of the executive.

(5) Mr. Batista served as President and Chief Executive Officer from December 31, 2007 to December 28, 2008. Included in the salary above is salary in the amount of $419,000 paid by JBS S.A. from December 31, 2007 to February 15, 2008.

(6) As an employee of JBS S.A. in Brazil, Mr. Nogueira provided financial oversight for JBS S.A. from December 31, 2007 through September 30, 2008. On October 1, 2008, Mr. Nogueira transferred to JBS USA Holdings, Inc. and served as our Chief Financial Officer through December 28, 2008. Included in Mr. Nogueira's salary above is salary in the amount of $263,000 paid by JBS S.A. from December 31, 2007 to September 30, 2008.

(7) Mr. Mars served as the Head of Australia from December 31, 2007 to December 28, 2008. For purposes of computation, the exchange rate used was based on the calendar 2008 average U.S. dollar to Australian dollar exchange rate of .8369.

(8) Mr. Dooley served as the Head of Pork from December 31, 2007 to December 28, 2008.

(9) Mr. Eastwood served as the Head of JBS Trading from December 31, 2007 to December 28, 2008.

Grants of plan-based awards

The following table includes information concerning grants of plan-based awards made to our named executive officers listed in the table during the fiscal year ended December 28, 2008.

	Estimated future payouts under non-equity incentive plan awards		
Name and principal position	**Threshold(1) ($)**	**Target ($)**	**Maximum ($)**
Wesley M. Batista	N/A	N/A	N/A
André Nogueira de Souza	150,000	300,000	N/A
Iain Mars	192,500	385,000	N/A
Martin J. Dooley	131,250	262,500	N/A
H. Brent Eastwood	137,500	275,000	N/A

(1) There is no threshold with respect to the payout amount based on personal performance goals under our performance-based annual cash incentive program. As such, these amounts assume that a named executive officer met his personal performance goals and that the target payout based on personal performance is paid out. See "Compensation discussion and analysis—Annual incentive cash payments".

Estimated payments upon termination or change of control.

On July 11, 2007, we entered into a retention agreement with Mr. Dooley. If Mr. Dooley's employment was terminated by us without cause on December 28, 2008, the last day of fiscal 2008, he would have received a cash severance payment in the amount of $673,500 under this retention agreement. No other named executive officer would have received any payments or benefits in connection with termination of their employment or a change of control of us had the triggering event occurred on December 28, 2008.

Director compensation

During fiscal 2008, our directors received no compensation for attending our board of directors' meetings. However, after the completion of this offering, we anticipate that we will institute a director compensation program for our non-employee directors which will compensate them for attending meetings in person or telephonically and serving on committees of the board of directors.

The following table includes information concerning compensation paid to or earned by our directors listed in the table for the fiscal year ended December 28, 2008.

Name and principal position	Fees earned or paid in cash ($)	Non-equity incentive plan compensation ($)	All other compensation(1) ($)	Total ($)
José Batista Júnior Director	—	—	709,115	709,115
Joesley Mendonça Batista Director	—	—	—	—

(1) Mr. José Batista Júnior received the compensation reflected above for his services as an employee of JBS USA, LLC. This amount includes: $646,150 paid as cash compensation, $59,250 paid to reimburse relocation expenses and $3,715 related to insurance premiums paid by us.

2009 stock incentive compensation plan

Prior to the closing of this offering, we intend to adopt the JBS USA, Inc. 2009 Stock Incentive Compensation Plan, or the “2009 Plan”, which will become effective immediately prior to this offering. The 2009 Plan is intended to further our success by increasing the ownership interest of certain of our employees and directors in our company and to enhance our ability to attract and retain employees and directors. This is a summary of the 2009 Plan. You should read the text of the 2009 Plan filed as an exhibit to the registration statement of which this prospectus is part for a full statement of the terms and provisions of the 2009 Plan.

We may issue up to   shares of our common stock, subject to adjustment if particular capital changes affect the common stock, upon the exercise or settlement of stock options, stock appreciation rights (“SARs”), restricted stock awards, restricted stock units, performance unit awards, performance share awards, cash-based awards and other stock-based awards granted under the 2009 Plan. The shares of common stock that may be issued under the 2009 Plan may be either authorized and unissued shares or previously issued shares held as treasury stock.

A stock option is the right to purchase a specified number of shares of common stock in the future at a specified exercise price and subject to the other terms and conditions specified in the option agreement and the 2009 Plan. Any stock options granted under the 2009 Plan are either “incentive stock options,” which may be eligible for special tax treatment under the Internal Revenue Code of 1986, or options other than incentive stock options (referred to as “nonqualified stock options”), as determined by the compensation committee and stated in the option agreement. The exercise price of each option granted under the 2009 Plan is equal to or greater than the fair market value of our common stock on the option grant date, with certain limited exceptions for options granted in exchange for other outstanding awards in connection with a corporate transaction. The exercise price of any stock options granted under the 2009 Plan may be paid in cash, a cashless broker-assisted exercise that complies with law, withholding of shares otherwise deliverable upon exercise or any other method permitted by law and approved by the compensation committee.

SARs may be granted under the 2009 Plan alone or together with specific stock options granted under the 2009 Plan. SARs are awards that, upon their exercise, give a participant the right to receive from us an amount equal to (1) the number of shares for which the SAR is exercised, multiplied by (2) the excess of the fair market value of a share of the common stock on the exercise date over the grant price of the SAR. The grant price of each SAR granted under the 2009 Plan is equal to or greater than the fair market value of our common stock on the SAR’s grant date, with certain limited exceptions for SARs granted under the 2009 Plan in exchange for other outstanding awards in connection with a corporate transaction. A SAR may be settled in cash, shares or a combination of cash and shares, as determined by the compensation committee. If an option and a SAR are granted in tandem, the option and the SAR may become exercisable and will terminate at the same time, but the holder may exercise only the option or the SAR, but not both, for a given number of shares.

Restricted stock awards are shares of common stock that are awarded to a participant subject to the satisfaction of terms and conditions established by the compensation committee. Until such time as the applicable restrictions lapse, shares of restricted stock are subject to forfeiture and may not be sold, assigned, pledged or otherwise disposed of by the participant who holds those shares. Restricted stock units are denominated in units of shares of common stock, except that no shares are actually issued to the participant on the grant date. When a restricted stock unit award vests, the participant is entitled to receive shares of common stock, a cash payment based on the value of shares of common stock or a combination of shares and cash.

Performance units, performance shares and cash-based awards entitle the recipient to receive shares of common stock or a cash payment if performance goals and other conditions specified by the compensation committee are attained. Other stock-based awards are stock-based or stock-related awards payable in common stock or cash on terms and conditions set by the compensation committee and may include a grant or sale of unrestricted shares of common stock. The compensation committee may provide for the payment of dividend equivalents with respect to shares of common stock subject to an award, such as restricted stock units, that have not actually been issued under that award.

The compensation committee administers the 2009 Plan. The board of directors may, subject to any legal limitations, exercise any powers or duties of the compensation committee concerning the 2009 Plan. The compensation committee will select eligible employees, directors and/or consultants of us and our subsidiaries or affiliates to receive awards under the 2009 Plan and will determine the sizes and types of awards, the terms and conditions of awards and the form and content of the award agreements representing awards.

Holders of options, SARs, unvested restricted stock and other awards may not transfer those awards, unless they die or, except in the case of incentive stock options, the compensation committee determines otherwise.

A change of control of us (as defined in the 2009 Plan) will have no effect on outstanding awards under the 2009 Plan that the board of directors or the compensation committee determines will be honored or assumed or replaced with new rights by a new employer so long as any such alternative award is substantially equivalent to the outstanding award and has certain terms that appropriately protect the holder of the award, as determined under criteria set forth in the 2009 Plan. If the board of directors or the compensation committee does not make this determination with respect to any outstanding awards, then (a) the awards will fully vest and, if applicable, become fully exercisable and will be settled in cash and/or publicly traded securities of the new employer, generally based on the fair market value of our common stock on the change of control date, in the case of options or SARs, reduced by the exercise or grant price of the option or SAR, or the price per share offered for our common stock in the change of control transaction, or, in some cases, the highest fair market value of the common stock during the 30 trading days preceding the change of control date, in the case of restricted stock, restricted stock units and any other awards denominated in shares, (b) the target performance goals applicable to any outstanding awards will be deemed to be fully attained, unless actual performance exceeds the target, in which case actual performance will be used, for the entire performance period then outstanding; and (c) the board of directors or the compensation committee may otherwise adjust or settle outstanding awards as it deems appropriate, consistent with the plan’s purposes.

In the event of a change in our capital structure or a corporate transaction, the compensation committee or the board of directors will make substitutions or adjustments that it deems appropriate and equitable to the securities available under the 2009 Incentive Plan and outstanding awards, the exercise or other prices of securities subject to outstanding awards and other terms and conditions of outstanding awards, such as cancellation of outstanding awards in exchange for payments of cash and/or property or substitution of stock of another company for shares of our common stock subject to outstanding awards. The compensation committee will also make appropriate adjustments and modifications in the terms of any outstanding awards to reflect, or related to, any such events, adjustments, substitutions or changes, including modifications of performance goals and changes in the length of performance periods.

Subject to particular limitations specified in the 2009 Plan, the board of directors may amend or terminate the 2009 Plan, and the compensation committee may amend awards outstanding under the 2009 Plan. The 2009 Plan will continue in effect until all shares of the common stock available under the 2009 Plan are delivered and all restrictions on those shares have lapsed, unless the 2009 Plan is terminated earlier by the board of directors. No awards may be granted under the 2009 Plan on or after the tenth anniversary of the date of this offering.

Certain relationships and related party transactions

Relationship with JBS S.A.

Controlling interest

Before this offering, all of our outstanding shares of common stock were owned by JBS Hungary Holdings Kft., the selling stockholder and a wholly owned, indirect subsidiary of JBS S.A. After completion of this offering, the selling stockholder will own approximately % of the outstanding shares of our common stock, or % if the international underwriters exercise their over-allotment option in full. JBS S.A. has advised us that its current intent is to continue to retain, through the selling stockholder, at least 50.1% of the equity interest in us following this offering for the foreseeable future. The selling stockholder is not subject to any contractual obligation to retain its controlling interest in us, except that the selling stockholder has agreed, subject to exceptions described in “Underwriting”, not to sell or otherwise dispose of any of our shares of common stock for a period of 180 days after the date of this prospectus without the prior written consent of the representatives of the underwriters. Any shares of common stock issued pursuant to the international underwriters’ over-allotment option will increase the total number of shares outstanding after this offering.

As our controlling stockholder after this offering, JBS S.A., through the selling stockholder, will continue to exercise significant influence over our business policies and affairs, including the composition of our board of directors and any action requiring the approval of our stockholders. See “Risk factors—We will be a “controlled company” within the meaning of the NYSE rules, and, as a result, will rely on exemptions from certain corporate governance requirements that provide protection to stockholders of other companies” and “—We are controlled by JBS S.A., which is a publicly traded company in Brazil, whose interest in our business may be different than yours.”

In the subsection entitled “Business—Description of business segments—Beef segment—Global exports,” we describe the reasons why we do not believe JBS S.A. is currently a significant competitor of our Beef segment.

The following is a description of transactions since July 11, 2007 in which we have been a participant, in which the amount involved exceeded or will exceed $120,000 and in which any of our directors, executive officers, beneficial holders of more than 5% of our capital stock, immediate family members or entities affiliated with them, had or will have a direct or indirect material interest.

We have not included a description of related party transactions prior to July 11, 2007 because the related party transactions that took place prior to this date involved our predecessor company and its affiliates, and we do not believe this information is meaningful to investors.

Guarantee of JBS S.A. debt

We, together with our subsidiaries, JBS USA, LLC and Swift Beef Company, guarantee on an unsecured basis, $300.0 million of the 10.5% notes due 2016 issued by JBS S.A. as a result of a covenant contained in the indenture governing these notes. Additional subsidiaries of JBS Holdings, Inc. may be required to guarantee these notes of JBS S.A. See “External sources of liquidity and description of indebtedness—Guarantee of 10.50% senior notes due 2016 of JBS S.A.”

Our ability to use JBS S.A.’s brokerage account in Brazil

We and JBS S.A. are party to a financial agreement pursuant to which JBS S.A. granted us the ability to use one of JBS S.A.’s brokerage accounts in Brazil, enabling us to take a currency position in a market we cannot reasonably access from the United States in a timely manner. Under the agreement, the outstanding amounts of the intercompany loan agreements executed between the parties will be increased to reflect any losses and will be offset by any gains. In case of loss, the amounts of such loss shall be increased to the outstanding amounts of such intercompany loans.

Intercompany loans owed by JBS USA Holdings, Inc. to a subsidiary of JBS S.A.

As of March 29, 2009, we owed an aggregate of $658.6 million under various intercompany loans from JBS S.A., which were subsequently assigned to JBS HU Liquidity Management LLC (Hungary), a wholly owned, indirect subsidiary of JBS S.A. The proceeds of these intercompany loans were used to fund our operations and the Tasman Acquisition and the JBS Packerland Acquisition. On April 27, 2009, these intercompany loan agreements were consolidated into one loan agreement, and the maturity dates of the principal of the intercompany loans was extended to April 18, 2019, and the interest rate was changed to 12% per annum. The net proceeds of the offering and sale of our 11.625% senior unsecured notes due 2014 (other than $100.0 million) were applied to the repayment of accrued interest and a portion of the principal on these intercompany loans. As of May 31, 2009, we owed an aggregate principal amount of $133.0 million under the consolidated intercompany loan agreement. In addition, we recently entered into an additional intercompany term loan agreement in the aggregate principal amount of $6.0 million under the same terms as the consolidated intercompany loan agreement.

Arrangements with J&F Oklahoma

Cattle supply and feeding agreement. Five Rivers is party to a cattle supply and feeding agreement with our affiliate J&F Oklahoma Holdings Inc., or J&F Oklahoma. J&F Oklahoma is a wholly owned subsidiary of J&F Participacoes S.A., which is owned in equal shares by the six children of José Batista Sobrinho (the founder of JBS S.A.) and Mr. Sobrinho. Pursuant to the agreement, Five Rivers feeds and takes care of cattle owned by J&F Oklahoma. J&F Oklahoma pays Five Rivers for the cost of feed and medicine at cost plus a yardage fee on a per head per day basis. Beginning on June 23, 2009 or such earlier date on which Five Rivers' feedlots are at least 85% full of cattle and ending on October 23, 2011, J&F Oklahoma agrees to maintain sufficient cattle on Five Rivers' feedlots so that such feedlots are at least 85% full of cattle at all times. The agreement commenced on October 23, 2008 and continues until the last of the cattle on Five Rivers' feedlots as of October 23, 2011 are shipped to J&F Oklahoma, a packer or another third party.

Cattle purchase and sale agreement. JBS USA, LLC is party to a cattle purchase and sale agreement with J&F Oklahoma. Under this agreement, J&F Oklahoma agrees to sell to JBS USA, LLC, and JBS USA, LLC agrees to purchase from J&F Oklahoma, at least 500,000 cattle during each year from 2009 through 2011. The price paid by JBS USA, LLC is determined pursuant to JBS USA, LLC's pricing grid as in effect on the date of delivery. The grid used for J&F Oklahoma is identical to the grid used for unrelated third parties. If the cattle sold by J&F Oklahoma in a quarter result in a breakeven loss (selling price below accumulated cost to acquire the feeder animal and fatten it to delivered weight), then JBS USA, LLC will reimburse 40% of the average per head breakeven loss incurred by J&F Oklahoma on up to 125,000 head delivered to JBS USA, LLC in that quarter. If the cattle sold by J&F Oklahoma in a quarter result in a breakeven gain (selling price above the accumulated cost to acquire the feeder animal and fatten it to delivered weight), then JBS USA, LLC will receive from J&F Oklahoma an amount of cash equal to 40% of that per head gain on up to 125,000 head delivered to JBS USA, LLC in that quarter.

Guarantee of J&F Oklahoma revolving credit facility. J&F Oklahoma has a $600.0 million secured revolving credit facility with a commercial bank. Its parent company, J&F Participacoes S.A., has entered into a keepwell agreement with J&F Oklahoma whereby it will make contributions to J&F Oklahoma if J&F Oklahoma is not in compliance with its financial covenants under this credit facility. If J&F Oklahoma defaults on its obligations under this credit facility and such default is not cured by J&F Participações S.A. under the keepwell agreement, Five Rivers is obligated to pay up to $250.0 million of the obligations under this credit facility. This credit facility is available for revolving loans and letters of credit. Borrowings under this credit facility accrue interest at a per annum rate of LIBOR plus 2.25% or base rate plus 1.00%, and interest is payable at least quarterly. Commitment fees of 0.45% per annum accrue on unused commitments. This credit facility matures on October 7, 2011. This credit facility and the guarantees thereof are secured by the assets of J&F Oklahoma and, in the case of Five Rivers, they are secured by and limited to the lesser of $250 million or the net assets of Five Rivers, including loans made pursuant to the credit facility discussed below. This credit facility is used to finance the procurement of cattle by J&F Oklahoma, which are then fed in the Five Rivers feedlots pursuant to the cattle supply and feeding agreement described above. The finished cattle are sold to JBS USA, LLC pursuant to the cattle purchase and sale agreement described above.

Credit facility to J&F Oklahoma. Five Rivers is party to an agreement with J&F Oklahoma, pursuant to which Five Rivers has agreed to loan up to $200.0 million in revolving loans to J&F Oklahoma. The loans are used by J&F Oklahoma to acquire feeder animals which are placed in Five Rivers feedlots for finishing. Borrowings accrue interest at a per annum rate of LIBOR plus 2.25% or base rate plus 1.00%, and interest is payable at least quarterly. This credit facility matures on October 7, 2011. During the period from October 23, 2008 (when Five Rivers was acquired) through December 28, 2008, average borrowings were approximately $131.0 million, and total interest accrued was approximately $663,000 and was recognized in interest income on the statement of operations. As of March 29, 2009, the aggregate outstanding balance of the loan was $171.4 million, including accrued interest of $40,000.

Loan to executive officer

On April 24, 2009, we made a loan to an executive officer in the amount of $235,000. This loan was made as a form of retention bonus. Interest on this loan accrues at a rate of 5.25% per annum and is payable annually. The principal amount of this loan is payable in four equal annual installments, beginning on April 23, 2010. We have agreed to forgive the principal and interest on this loan contingent upon the executive officer remaining employed by us for a specified period of time, and these amounts will be accounted for as taxable income to the executive officer. In addition, if the executive officer ceases to be our employee under certain circumstances, including termination by us without cause, all remaining amounts under this loan will be forgiven. If the executive officer is terminated for cause, the loan will be accelerated and the executive officer must pay accrued and unpaid interest.

Other related party transactions

We enter into transactions in the normal course of our business with affiliates of JBS S.A. Sales to affiliated companies included in the net sales in the statement of operations for the thirteen weeks ended March 30, 2008 and March 29, 2009 were $5.4 million and $109.4 million, respectively. These transactions primarily consist of sales of our products to JBS S.A. and its subsidiaries (other than ourselves) in individually negotiated transactions at prevailing market prices. Amounts owed to us by affiliates as of March 30, 2008 and March 29, 2009 totaled approximately $5.8 million and $219.4 million, respectively.

Purchases from affiliated companies included in the statement of operations for the thirteen weeks ended March 30, 2008 and March 29, 2009 were $0.4 million and $16,600, respectively. No amounts were due to affiliates by us at March 29, 2009 related to these purchases.

We had a $50,000 receivable from an executive officer at March 29, 2009. On April 28, 2009, the executive officer repaid the amount in full.

For the fiscal quarter ended March 30, 2008, we recorded $22,000 of rental income related to real property that we leased to two of our executive officers. At March 29, 2009, we had no rental income related to these real estate transactions.

Policies and procedures for related party transactions

Our audit committee is expected to review and approve in advance any related party transaction. All of our directors, officers and employees will be required to report to the audit committee any related party transaction prior to entering into the transaction. See “Management—Committees of the board of directors—Audit committee.”

It is our intention to ensure that all future transactions between us and our officers, directors and principal stockholders and their affiliates are approved by the audit committee of our board of directors, and are on terms no less favorable to us than those that we could obtain from unaffiliated third parties.

Principal and selling stockholder

Before this offering, all of the outstanding shares of our common stock were owned beneficially and of record by JBS Hungary Holdings Kft., the selling stockholder and a wholly owned, indirect subsidiary of JBS S.A. The following table sets forth information regarding beneficial ownership of our common stock as of March 29, 2009, and as adjusted to reflect the shares of common stock to be issued and sold in this offering assuming no exercise of the international underwriters' and the Brazilian underwriters' option to purchase additional shares, by:

- each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of our common stock;
- each of our named executive officers;
- each of our directors;
- all executive officers and directors as a group; and
- our selling stockholder.

Beneficial ownership in this table is determined in accordance with the rules of the SEC and does not necessarily indicate beneficial ownership for any other purpose. Under these rules, the number of shares of common stock deemed outstanding includes shares issuable upon exercise of options held by the respective person or group that may be exercised within 60 days after March 29, 2009. For purposes of calculating each person's or group's percentage ownership, stock options exercisable within 60 days after March 29, 2009 are included for that person or group but not the stock options of any other person or group. This table does not reflect any shares of common stock that our directors and executive officers may purchase in this offering, including through the directed share program described in "Underwriting".

Percentage of beneficial ownership is based on 100 shares of common stock outstanding as of March 29, 2009 (without giving effect to the stock split to occur immediately prior to completion of this offering) and shares of common stock outstanding after completion of this offering.

Unless otherwise indicated and subject to applicable community property laws, to our knowledge, each stockholder named in the following table possesses sole voting and investment power over the shares listed, except for those jointly owned with that person's spouse. Beneficial ownership representing less than 1% is denoted with an asterisk (*).

The address of each director and executive officer shown in the table below is c/o JBS USA Holdings, Inc., 1770 Promontory Circle, Greeley, Colorado 80634.

Name and address of beneficial owner	Shares of common stock beneficially owned before this offering		Number of shares being offered	Shares of common stock beneficially owned after this offering		Percent of class beneficially owned assuming exercise of the international underwriters' over-allotment option
	Number	Percentage		Number	Percentage	
Principal shareholder						
JBS S.A.(1)	100	100%			%	%
Directors and named executive officers					%	%
Wesley Mendonça Batista(1)		%			%	%
Joesley Mendonça Batista(1)		%			%	%
José Batista Júnior(1)		%			%	%
André Nogueira de Souza	—	—			%	%
Iain Mars	—	—			%	%
Martin J. Dooley	—	—			%	%
H. Brent Eastwood	—	—			%	%
All directors and executive officers as a group		%			%	%

(1) We are a wholly owned subsidiary of JBS Hungary Holdings Kft., the selling stockholder and a wholly owned, indirect subsidiary of JBS S.A. JBS S.A. is ultimately controlled by the Batista family, which is comprised of José Batista Sobrinho, the founder of JBS S.A., Flora Mendonça Batista, and their six children, José Batista Júnior, Valéria Batista Mendonça Ramos, Vanessa Mendonça Batista, Wesley Mendonça Batista, Joesley Mendonça Batista and Vivianne Mendonça Batista. The Batista family indirectly owns 100.0% of the issued and outstanding shares of J&F Participações S.A., a Brazilian corporation which owns 44.0% of the outstanding capital of JBS S.A., and, except for Mr. José Batista Sobrinho and Mrs. Flora Mendonça Batista, directly owns 100% of the equity interests in ZMF Fundo de Investimento em Participações, a Brazilian investment fund which owns 6.1% of the outstanding capital of JBS S.A. Wesley Mendonça Batista, Joesley Mendonça Batista and José Batista Júnior are members of our board of directors. Through J&F Participações S.A. and ZMF Fundo de Investimento em Participações, Wesley Mendonça Batista, Joesley Mendonça Batista and José Batista Júnior each benefically own shares of our common stock.

The following table sets forth the principal holders of JBS S.A.'s outstanding common shares and their respective shareholding, as of March 29, 2009:

Shareholders	Address	As of March 29, 2009 Number of Common Shares	Percentage
J&F Participações S.A.(a)	Av. Brigadeiro Faria Lima, 2,391, 2nd Floor 01452-000, São Paulo, SP Brazil	632,781,603	44.0%
ZMF Fundo de Investimento em Participações(b)	Praia de Botafogo, 501, 5th Floor Rio de Janeiro, RJ Brazil	87,903,348	6.1%
PROT FIP(c)	Ave. Presidente Wilson, 231 11th Floor Rio de Janeiro, RJ Brazil	205,365,101	14.3%
BNDESPAR(d)	Av. República de Chile, 100 20031-917, Rio de Janeiro, RJ Brazil	186,891,800	13.0%
Other public minority shareholders (as a group)		287,996,774	20.0%
Treasury shares		37,140,300	2.6%
Total		**1,438,078,926**	**100.0%**

(a) J&F Participações S.A. is a Brazilian corporation which owns 44.0% of the total capital of JBS S.A. The members of the Batista family (José Batista Sobrinho and Flora Mendonça Batista, and their six children José Batista Júnior, Valéria Batista Mendonça Ramos, Vanessa Mendonça Batista, Wesley Mendonça Batista, Joesley Mendonça Batista and Vivianne Mendonça Batista) indirectly, through several holding companies, own 100.0% of the issued and outstanding shares of J&F Participações S.A.

(b) ZMF Fundo de Investimento em Participações is a Brazilian investment fund which owns 6.1% of the total capital of JBS S.A. The Batista family (except for Mr. José Batista Sobrinho and Mrs. Flora Mendonça Batista) owns 100% of the equity interests in ZMF Fundo de Investimento em Participações.

(c) PROT Fundo de Investimento em Participações is a Brazilian equity investment fund.

(d) BNDES Participações S.A.—BNDESPAR, is a subsidiary of Banco Nacional de Desenvolvimento Económico e Social, Brazil's national development bank. BNDESPAR invests, and owns equity interests, in Brazilian companies, including JBS S.A.

There are no current arrangements which will result in a change of control.

JBS S.A. investment and shareholders' agreements

On March 18, 2008, BNDES Participações S.A., or BNDESPar, PROT—Fundo de Investimento em Participações, or PROT, J&F Participações S.A., or J&F, and ZMF Fundo de Investimento em Participações, or ZMF, entered into an investment agreement with JBS S.A. as intervening and consenting party, or the JBS investment agreement. Pursuant to the JBS investment agreement, BNDESPAR, PROT, J&F and ZMF agreed to make capital contributions to JBS S.A. in the amount of up to R$2,550.0 million. The terms of the investment agreement also required PROT, J&F and ZMF to enter into a shareholders' agreement to govern their relationship as shareholders of JBS S.A. The parties entered into this shareholders' agreement on July 8, 2008. Under the terms of the shareholders' agreement, each of the parties has agreed, among other things, that without the prior approval of PROT, J&F and ZMF will not exercise their power to vote to:

- modify the bylaws of JBS S.A. to make the permanent audit committee of JBS S.A. non-permanent;
- modify the bylaws of JBS S.A. to remove the provisions regarding the disclosure and availability of related party contracts, shareholders' agreements or stock option plans;
- restrict in any way PROT's right to elect and maintain one member on the board of directors for as long as PROT holds greater than 10% of the capital stock of JBS S.A.; and
- incur additional indebtedness in the event Net Debt/EBITDA would be greater than a specified level.

Description of capital stock

General

Upon the closing of this offering, our authorized capital stock will consist of shares of common stock, par value $0.01 per share, and shares of undesignated preferred stock, par value $0.01 per share. Immediately following the completion of this offering, an aggregate of shares of common stock will be issued and outstanding and no shares of preferred stock will be issued and outstanding. As of the date of this prospectus, JBS Hungary Holdings Kft., the selling stockholder, was the sole record holder of our common stock. All outstanding shares of our common stock will be legally issued, fully paid and non-assessable.

The following description of the material provisions of our capital stock and our amended and restated certificate of incorporation, amended and restated bylaws and other agreements with and among our stockholders is only a summary, does not purport to be complete and is qualified by applicable law and the full provisions of our amended and restated certificate of incorporation, amended and restated bylaws and other agreements. You should refer to our amended and restated certificate of incorporation, amended and restated bylaws and related agreements as in effect upon the closing of this offering, which will be included as exhibits to the registration statement of which this prospectus is a part.

Common stock

Voting. The holders of our common stock are entitled to one vote for each outstanding share of common stock owned by that stockholder on every matter properly submitted to the stockholders for their vote. Stockholders are not entitled to vote cumulatively for the election of directors.

Dividend rights. Subject to the dividend rights of the holders of any outstanding series of preferred stock, holders of our common stock are entitled to receive ratably such dividends and other distributions of cash or any other right or property as may be declared by our board of directors out of our assets or funds legally available for such dividends or distributions. See “Dividend policy.”

Liquidation rights. In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, holders of our common stock are entitled to share ratably in our assets that are legally available for distribution to stockholders after payment of liabilities. If we have any preferred stock outstanding at such time, holders of the preferred stock may be entitled to distribution and/or liquidation preferences. In either such case, we must pay the applicable distribution to the holders of our preferred stock before we may pay distributions to the holders of our common stock.

Undesignated preferred stock

Our amended and restated certificate of incorporation will authorize our board of directors, subject to limitations prescribed by law, to issue up to shares of undesignated preferred stock in one or more series without further stockholder approval. The board will have discretion to determine the rights, preferences, privileges and restrictions of, including, without limitation, voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences of, and to fix the number of shares of, each series of our preferred stock.

Anti-takeover effects of Delaware law

Upon the completion of this offering, we will be subject to Section 203 of the Delaware General Corporation Law, or Section 203. In general, Section 203 prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless:

- prior to that date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned by persons who are directors and also officers and by excluding employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or subsequent to that date, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 $^{2}/_{3}$% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines an "interested stockholder" as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by such entity or person. Section 203 defines "business combination" to include: (1) any merger or consolidation involving the corporation and the interested stockholder; (2) any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder; (3) subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder; (4) any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or (5) the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

A Delaware corporation may opt out of Section 203 either by an express provision in its original certificate of incorporation or in an amendment to its certificate of incorporation or bylaws approved by its stockholders. We have not opted out, and do not currently intend to opt out, of this provision. The statute could prohibit or delay mergers or other takeover or change of control attempts and, accordingly, may discourage attempts to acquire us.

Anti-takeover effects of our amended and restated certificate of incorporation and bylaw provisions

Our amended and restated certificate of incorporation and amended and restated bylaws will, upon the closing of this offering, contain some provisions that may be deemed to have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that a stockholder might deem to be in the stockholder's best interest. The existence of these provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. These provisions include:

Board composition and filling vacancies. We will have a classified board of directors. See "Management—Board composition after this offering." Accordingly, it will take at least two annual meetings of stockholders to elect a majority of the board of directors given our classified board. As a result, it may discourage third-party proxy contests, tender offers or attempts to obtain control of us.

Our amended and restated bylaws will provide that, subject to the rights, if any, of holders of preferred stock, directors may be removed only for cause by the affirmative vote of the holders of a majority of the voting power of our outstanding shares of common stock entitled to vote. Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of our board, may only be filled by the affirmative vote of a majority of our directors then in office, even if less than a quorum.

Special meetings of stockholders. Our amended and restated certificate of incorporation and amended and restated bylaws will provide that a special meeting of stockholders may be called only by the chairman of the board of directors or pursuant to a resolution adopted by the affirmative vote of the majority of the total number of directors then in office. Notwithstanding the foregoing, for so long as JBS S.A. or any of its subsidiaries owns at least 50% of our outstanding shares of common stock, JBS S.A. or such subsidiary shall have the right to call a special meeting of stockholders.

Supermajority voting. In order to effect certain amendments to our amended and restated certificate of incorporation, our amended and restated certificate of incorporation will require first the approval of a majority of our board of directors pursuant to a resolution adopted by the directors then in office, in accordance with our amended and restated bylaws, and thereafter the approval by the holders of at least 66 2/3% of our then outstanding shares of common stock. Subject to the provisions of our amended and restated certificate of incorporation, our amended and restated bylaws will expressly authorize our board of directors to make, alter or repeal our bylaws without further stockholder action. Our amended and restated bylaws may also be amended by the holders of 66 2/3% of our then outstanding shares of common stock.

No stockholder action by written consent. Our amended and restated certificate of incorporation and amended and restated bylaws will provide that an action required or permitted to be taken at any annual or special meeting of our stockholders may only be taken at a duly called annual or special meeting of stockholders. This provision prevents stockholders from initiating or effecting any action by written consent, and thereby taking actions opposed by the board. Notwithstanding the foregoing, for so long as JBS S.A. or any of its subsidiaries owns at least 50% of our outstanding shares of common stock, our stockholders will be permitted to take action by written consent.

Requirements for advance notification of stockholder nominations and proposals. Our amended and restated bylaws will contain advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors.

Undesignated preferred stock. The authorization of undesignated preferred stock will make it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of our company.

The foregoing provisions of our amended and restated certificate of incorporation and our amended and restated bylaws could discourage potential acquisition proposals and could delay or prevent a change in control. These provisions are intended to enhance the likelihood of continuity and stability in the composition of the board of directors and in the policies formulated by the board of directors and to discourage certain types of transactions that may involve an actual or threatened change of control. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our common stock that could result from actual or rumored takeover attempts. Such provisions also may have the effect of preventing changes in our management.

Limitations of director liability and indemnification of directors, officers and employees

As permitted by Delaware law, provisions in our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect at the closing of this offering will limit or eliminate the personal liability of our directors. Consequently, directors will not be personally liable to us or our stockholders for monetary damages or breach of fiduciary duty as a director, except for liability for:

- any breach of the director’s duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any unlawful payments related to dividends or unlawful stock repurchases, redemptions or other distributions; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not alter director liability under the federal securities laws and do not affect the availability of equitable remedies, such as an injunction or rescission.

Our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect upon the closing of this offering will also require us to indemnify our directors and officers to the fullest extent permitted by Delaware law and, as described under “Certain relationships and related party transactions,” we have entered into indemnification agreements with each of our directors and officers.

These provisions may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder’s investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. We believe that these provisions, the indemnification agreements and the insurance are necessary to attract and retain talented and experienced directors and officers.

At present, there is no pending litigation or proceeding involving any of our directors or officers where indemnification will be required or permitted. We are not aware of any threatened litigation or proceeding that might result in a claim for such indemnification.

New York Stock Exchange and São Paulo Stock Exchange

We intend to apply to have our common stock listed on The New York Stock Exchange under the symbol “JBS.” We expect to apply to have the BDRs listed on the São Paulo Stock Exchange under the symbol “ .”

Transfer agent and registrar

We expect that the transfer agent and registrar for our shares of common stock will be .

Shares eligible for future sale

Prior to this offering, there has not been any public market for our common stock, and we make no prediction as to the effect, if any, that market sales of shares of common stock or the availability of shares of common stock for sale will have on the market price of our common stock prevailing from time to time. Nevertheless, sales of substantial amounts of common stock in the public market, or the perception that these sales could occur, could adversely affect the market price of common stock and could impair our future ability to raise capital through the sale of equity securities.

Upon the completion of this offering, we will have an aggregate of shares of common stock outstanding, assuming no exercise of the international underwriters' and the Brazilian underwriters' over-allotment option, or an aggregate of shares of common stock outstanding, assuming full exercise of the international underwriters' over-allotment option. Of the outstanding shares, all of the shares sold in this offering, including any additional shares sold upon exercise of the international underwriters' and Brazilian underwriters' option to purchase additional shares, will be freely tradable, except that any shares purchased by "affiliates" (as that term is defined in Rule 144 under the Securities Act) may only be sold in compliance with the limitations described below. The remaining shares of common stock outstanding after this offering will be deemed "restricted securities" as defined in Rule 144. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144 or Rule 701, promulgated under the Securities Act, which rules are summarized below. Subject to the lock-up agreements described below, shares held by our affiliates that are not restricted securities may be sold subject to compliance with Rule 144 of the Securities Act without regard to the prescribed one-year holding period under Rule 144.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person is entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell upon expiration of the lock-up agreements described below, within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

(i) 1% of the number of shares of common stock then outstanding, which will equal approximately shares immediately after this offering; or

(ii) the average weekly trading volume of the common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required to wait until 90 days after the date of this prospectus before selling those shares pursuant to Rule 701.

Directed share program

At our request, the underwriters have reserved up to % of the shares of common stock for sale at the initial public offering price to persons who are directors, officers or employees, or who are otherwise associated with us, through a directed share program. The sales will be made by through a directed share program. The number of shares of common stock available for sale to the general public will be reduced by the number of directed shares purchased by participants in the program. We do not know if these persons will choose to purchase all or any portion of these reserved shares, but any purchases they do make will reduce the number of shares available to the general public. These persons must commit to purchase by a.m. on the day following the date of this prospectus. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same terms as the other shares. Except for certain of our officers and directors who have entered into lock-up agreements as contemplated under “Lock-up agreements” below , each person buying shares through the directed share program has agreed that, for a period of calendar days from the date of this prospectus, he or she will not, without the prior written consent of , offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into our or exchangeable for our common stock, enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, or make any demand for or exercise any right with respect to the registration of any shares or any security convertible into or exercisable or exchangeable for shares of common stock. For officers and directors purchasing shares of common stock through the directed share program, the lock-up agreements contemplated under “Lock-up agreements” below shall govern with respect to their purchases.

Lock-up agreements

We, the selling stockholder and our executive officers and directors have agreed with the underwriters prior to the commencement of this offering that we and each of these persons or entities, with limited exceptions, for a period of 180 days after the date of this prospectus, may not, without the prior written consent of the representatives, among other things:

(1) offer, pledge, announce the intention to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock (including, without limitation, BDRs representing such shares, common stock or BDRs that may be deemed to be beneficially owned by such directors, executive officers, managers and members in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant), or

(2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, including BDRs representing such shares,

whether any such transaction described in bullet points (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise. The 180-day restricted period described above will be extended if during the last 17 days of the 180-day restricted period we issue an earnings release or material news or a material event relating to us occurs or if prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, in which case the restrictions described above will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event, as applicable, unless the representatives waive, in writing, such extension.

Certain material United States federal income and estate tax considerations for non-U.S. holders

The following is a general discussion of material U.S. federal income and estate tax considerations for a non-U.S. holder (as defined below) regarding the acquisition, ownership and disposition of shares of our common stock, including BDRs representing such shares, as of the date hereof. This discussion only applies to non-U.S. holders who purchase and hold our common stock or BDRs as a capital asset for U.S. federal income tax purposes (generally property held for investment). This discussion does not describe all of the tax consequences that may be relevant to a non-U.S. holder in light of its particular circumstances.

For purposes of this discussion, a “non-U.S. holder” is any beneficial owner of 5% or less of shares of our common stock, including any beneficial owner of BDRs representing 5% or less of such shares, that is not, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- a partnership or other entity taxable as a partnership for U.S. federal income tax purposes;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust, if (1) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

This discussion is based upon provisions of the Internal Revenue Code of 1986, as amended, or the Code, and Treasury regulations, rulings and judicial decisions as of the date hereof. These authorities may change, perhaps retroactively, which could result in U.S. federal income and estate tax consequences different from those summarized below. This discussion does not address all aspects of U.S. federal income and estate taxes and does not describe any foreign, state, local or other tax considerations that may be relevant to non-U.S. holders in light of their particular circumstances. In addition, this discussion does not describe the U.S. federal income and estate tax consequences applicable to a non-U.S. holder who is subject to special treatment under U.S. federal income tax laws (including a United States expatriate, a “controlled foreign corporation,” a “passive foreign investment company,” a corporation that accumulates earnings to avoid U.S. federal income tax, a foreign tax-exempt organization, a financial institution, a broker or dealer in securities, an insurance company, a regulated investment company, a real estate investment trust, a person who holds our common stock or BDRs as part of a hedging or conversion transaction or as part of a short-sale or straddle, a former U.S. citizen or resident or a pass-through entity or an investor in a pass-through entity). We cannot assure you that a change in law will not significantly alter the tax considerations that we describe in this discussion.

If a partnership holds shares of our common stock,including BDRs representing such shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Any partner of a partnership holding shares of our common stock, including BDRs representing such shares, should consult its own tax advisors.

You should consult your tax advisor in determining the tax consequences to you of purchasing, owning and disposing of our common stock or BDRs, including the application to your particular situation of the U.S. federal income and estate tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

Ownership of BDRs in general

For U.S. federal income tax purposes, if you are a holder of BDRs, you generally will be treated as the owner of our common stock represented by such BDRs.

Dividends

In general, any distributions we make to you with respect to your shares of common stock or your BDRs representing such shares that constitute dividends for U.S. federal income tax purposes will be subject to U.S. withholding tax at a rate of 30% of the gross amount, unless you are eligible for a reduced rate of withholding tax under an applicable income tax treaty and (a) you provide an Internal Revenue Service, or IRS, Form W-8BEN (or the appropriate successor form) to us or our paying agent certifying under penalty of perjury that you are not a United States person as defined under the Code and you are entitled to benefits under the treaty or (b) you satisfy the relevant certification requirements of applicable Treasury regulations, if our common stock or BDRs are held through certain foreign intermediaries. Special certification and other requirements apply to certain non-U.S. holders that are pass-through entities rather than corporations or individuals. A distribution will constitute a dividend for U.S. federal income tax purposes to the extent of our current or accumulated earnings and profits as determined under the U.S. federal income tax principles. Any distribution not constituting a dividend will be treated first as reducing your basis in your shares of common stock or your BDRs representing such shares and, to the extent it exceeds your basis, as capital gain.

Dividends we pay to you that are effectively connected with your conduct of a trade or business within the United States (and, if certain income tax treaties apply, are attributable to a U.S. permanent establishment maintained by you) generally will not be subject to U.S. withholding tax if you provide us or our paying agent with a duly completed and executed IRS Form W-8ECI, or successor form. Instead, such dividends generally will be subject to U.S. federal income tax, net of certain deductions, at the same graduated individual or corporate rates applicable to a United States person as defined under the Code. In addition, if you are a corporation, effectively connected income may also be subject to a “branch profits tax” at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty). A non-U.S. holder of shares of our common stock, including BDRs representing such shares, eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS.

Gain on sale or other disposition of common stock or BDRs

In general, a non-U.S. holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of shares of our common stock, including BDRs representing such shares, unless:

- the gain is effectively connected with a trade or business carried on by the non-U.S. holder within the United States and, if required by an applicable income tax treaty, the gain is attributable to a permanent establishment of the non-U.S. holder maintained in the United States, in which case a non-U.S. holder will be subject to U.S. federal income tax on any gain realized upon the sale or other disposition on a net income basis, in the same manner as if the non-U.S. holder were a resident of the United States (and, possibly, the non-U.S. holder will be subject to additional branch profits tax discussed above in the case of a non-U.S. holder that is a corporation);
- the non-U.S. holder is an individual and is present in the United States for 183 days or more in the taxable year of disposition and certain other requirements are met, in which case a non-U.S. holder will be subject to a flat 30% tax on any gain realized upon the sale or other disposition, which tax may be offset by U.S. source capital losses (even though the individual is not considered a resident of the United States); or
- the non-U.S. holder owns more than 5% of shares of our common stock, including BDRs representing such shares, and we are or have been a United States real property holding corporation for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition and the non-U.S. holder’s holding period.

Federal estate taxes

Common stock or BDRs owned or treated as owned by an individual who is not a citizen or resident (as defined for U.S. federal estate tax purposes) of the United States at the time of his or her death will be included in the individual’s gross estate for U.S. federal estate tax purposes, and therefore may be subject to U.S. federal estate tax, unless an applicable tax treaty provides otherwise.

Backup withholding, information reporting and other reporting requirements

Generally, we must report annually to the IRS, and to each non-U.S holder, the amount of dividends paid to such non-U.S. holder, the name and address of the recipient, and the amount, if any, of tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of these information returns may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable tax treaty. A non-U.S. holder may have to comply with certification procedures to establish that the holder is not a United States person as defined under the Code in order to avoid additional information reporting and backup withholding tax requirements, which may apply to dividends that we pay and the proceeds of a sale of our common stock or BDRs within the United States or conducted through certain U.S.-related financial intermediaries. The certification procedures required to claim a reduced rate of withholding under a treaty will satisfy the certification requirements necessary to avoid the backup withholding tax as well.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability, provided the required information is furnished to the IRS.

The foregoing discussion of certain material U.S. federal income and estate tax considerations is for general information only and is not tax advice. Accordingly, each prospective non-U.S. holder of shares of our common stock, including BDRs representing such shares, should consult his, her or its own tax advisor with respect to the federal, state, local and foreign tax consequences of the acquisition, ownership and disposition of common stock or BDRs.