

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re SADIA, S.A.
SECURITIES LITIGATION

Case No. 1:08-CV-09528 (SAS)

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT, MOTION FOR ATTORNEYS' FEES
AND EXPENSES AND SETTLEMENT FAIRNESS HEARING**

***IF YOU PURCHASED OR OTHERWISE ACQUIRED SADIA, S.A. AMERICAN DEPOSITORY RECEIPTS ("ADRs")
FROM APRIL 30, 2008 TO SEPTEMBER 25, 2008, INCLUSIVE, HELD THE ADRs THROUGH THE CLOSE OF THE
MARKET ON SEPTEMBER 25, 2008, AND WERE DAMAGED THEREBY (THE "CLASS"), YOU COULD RECEIVE A
PAYMENT FROM A CLASS ACTION SETTLEMENT.***

A federal court authorized this Notice. This is not a solicitation from a lawyer.

Securities Involved: Sadia, S.A. ("Sadia" or the "Company") ADRs purchased or otherwise acquired from April 30, 2008 to September 25, 2008, inclusive (the "Class Period") and held through the close of the market on September 25, 2008.

Settlement Amount: \$27,000,000 in cash plus interest (the "Settlement Fund"). Your recovery from the Settlement Fund will depend on the number of Sadia ADRs you purchased and/or acquired during the Class Period, and the timing of your sales, if any, of such Sadia ADRs. Depending on the number of claims filed and when Class Members purchased, acquired and sold their Sadia ADRs, the estimated average recovery per damaged Sadia ADR will be approximately \$1.81. Please Note: This average is only an estimate, and is before deduction of court-approved fees and expenses.

The Lawsuit: The Settlement resolves class action litigation over allegations as to whether Defendants (*i.e.*, Sadia, Adriano Lima Ferreira, Welton Teixeira, Jr., Gilberto Tomazoni, Walter Fontana Filho and Eduardo Fontana d'Avila) misrepresented the true earnings and financial condition of the Company by entering into currency hedging contracts that were both larger than necessary to insure the Company's losses on future sales and in violation of company policy, and whether these alleged misrepresentations and omissions inflated the price of Sadia ADRs during the Class Period, causing financial injury to members of the Class. See Question 2 below for more information.

Attorneys' Fees and Expenses: Co-Lead Counsel have litigated this Action on a contingent basis and have conducted this Action and advanced the expenses of litigation with the expectation that if they were successful in recovering money for the Class, they would receive fees and be reimbursed for their expenses from the Settlement Fund, as is customary in this type of litigation. Court-appointed Co-Lead Counsel will apply to the Court for attorneys' fees not to exceed 33 $\frac{1}{3}$ % of the Settlement Amount and reimbursement of out-of-pocket expenses not to exceed \$800,000, plus interest earned on both amounts at the same rate earned on the Settlement Fund, all to be paid from the Settlement Fund. In addition, the Class Representatives may seek reimbursement from the Settlement Fund for costs and expenses (including lost wages) incurred by the Class Representatives in connection with their representation of the Class up to an aggregate amount of \$25,000. If the above amounts are requested and approved by the Court, the average cost per damaged ADR will be \$0.66. Please note that this amount is only an estimate.

Deadlines:

Submit Claim: February 10, 2012
Request Exclusion: December 1, 2011
File Objection: December 1, 2011
Court Hearing on Fairness of Settlement: December 22, 2011

More Information:

| <u>Claims Administrator:</u> | <u>Co-Lead Counsel:</u> | |
|--|--|--|
| GCG, Inc. P.O. Box 9349 Dublin, OH 43017-4249 Telephone: (800) 231-1815 | Stuart L. Berman, Esq. Christopher L. Nelson, Esq. John J. Gross, Esq. Jennifer L. Enck, Esq. Kessler Topaz Meltzer & Check, LLP 280 King of Prussia Road Radnor, PA 19087 Telephone: (610) 667-7706 | Joseph E. White, III, Esq. Christopher S. Jones, Esq. Saxena White P.A. 2424 North Federal Highway Suite 257 Boca Raton, FL 33431 Telephone: (561) 394-3399 |

- Your legal rights are affected whether you act or do not act. Please read this Notice carefully.

Statement of Recovery

The Class Representatives estimate that approximately 14.9 million Sadia ADRs were purchased and/or acquired during the Class Period, held through the close of the market on September 25, 2008 and potentially damaged. The Class Representatives estimate that if valid claim forms for all damaged ADRs are submitted, the average payment recovery per damaged ADR will be \$1.81 before deducting attorneys' fees, costs, and expenses, as approved by the Court. A Class Member's actual recovery will depend on: (1) the number of claims filed; (2) when Class Members purchased and/or acquired their Sadia ADRs; (3) whether Class Members sold their Sadia ADRs and, if so, when; (4) administrative costs, including the costs of notice, for the Action; (5) the amount awarded by the Court for attorneys' fees and expenses; and (6) the amount awarded by the Court to the Class Representatives in connection with their representation of the Class. Distributions to Class Members will be made based on the Plan of Allocation set forth in this Notice or other plan of allocation as may be ordered by the Court. See Plan of Allocation set forth in Question 9 below.

The Circumstances of the Settlement

The principle reason for the Class Representatives' consent to the Settlement is to provide an immediate benefit to the Class. While Co-Lead Counsel believe that the Class Representatives' claims would survive a motion for summary judgment and ultimately result in a verdict for the Class, they also recognize that continued litigation and trial come with risks. The benefit of the present Settlement must be compared to the risk that no recovery might be achieved after contested motions, a contested trial and likely appeals, possibly years into the future. If the Action were to proceed, the Class Representatives would have to overcome significant defenses. Among other things, the Parties disagree about (i) whether the Class Representatives or the Class have suffered damages, (ii) whether the price of Sadia ADRs was artificially inflated by reasons of the alleged misrepresentations, omissions, or otherwise, and (iii) whether the Class Representatives or the Class were harmed by the conduct alleged in the Consolidated Amended Complaint. Even after an extensive investigation and substantial discovery, questions remain regarding the extent of Defendants' liability and the extent to which a jury might find them liable, if at all. This Settlement therefore enables the Class to recover without incurring any additional risk or costs. As a result, the Class Representatives believe this Settlement is a fair, reasonable, and adequate recovery for the Class.

Defendants have denied and continue to deny that they have committed any act or omission giving rise to any liability and/or violation of law. Nonetheless, Defendants are entering into this Settlement to eliminate the burden and expense of further litigation and the risk of not prevailing at trial and, therefore, have determined that it is desirable that the Action fully and finally be settled in the manner and upon the terms and conditions set forth in the Stipulation and Agreement of Settlement dated September 16, 2011 (the "Stipulation").

| YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT | |
|--|--|
| SUBMIT A CLAIM FORM | The only way to receive a payment from the Settlement Fund. The deadline for submitting a claim form is February 10, 2012. |
| EXCLUDE YOURSELF | Receive no payment from the Settlement Fund. This is the only option that allows you to participate in another lawsuit against the Defendants or the Released Parties concerning the Released Claims as defined in the Stipulation. The deadline for submitting a request to exclude yourself from the Class is December 1, 2011. |
| OBJECT | You may write to the Court if you do not like this Settlement, the Plan of Allocation, Co-Lead Counsel's request for attorneys' fees and expenses, or the Class Representatives' request for reimbursement of their costs and expenses. The deadline for filing an objection is December 1, 2011. |
| GO TO A HEARING | You may ask to speak in Court about the fairness of the Settlement. |
| DO NOTHING | Receive no payment from the Settlement Fund and give up your rights with regard to the claims in this lawsuit. |

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice. Please note the date of the Settlement Fairness Hearing – currently scheduled for December 22, 2011 – is subject to change without further notice. If you plan to attend the hearing, you should check with Co-Lead Counsel as set forth above, or with the Court, to be sure that no change to the date and time of the hearing has been made.
- The Court in charge of this Action still has to decide whether to approve the Settlement. Payments will be made to Class Members if the Court approves the Settlement and that approval is upheld after any appeals are filed. Please be patient.

QUESTIONS? CALL 1-800-231-1815 TOLL FREE, OR VISIT WWW.SADIAADRLITIGATION.COM

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BASIC INFORMATION

1. Why Did I Receive This Notice Package?

You or someone in your family may have purchased or otherwise acquired Sadia ADRs from April 30, 2008 to September 25, 2008, inclusive and held the ADRs through the close of the market on September 25, 2008.

If this description applies to you or someone in your family, you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive them.

2. What Is This Lawsuit About?

On or after November 5, 2008, five putative securities class actions were filed in the United States District Court for the Southern District of New York against Sadia and certain of its officers and directors. By Order dated January 26, 2009, the Court consolidated the actions under docket number 08-cv-9528, appointed Westchester Putnam Heavy & Highway Laborers Local 60 Benefit Funds, Alan Hyman, Phil Carey, Steve Geist and Peter Schicker as Lead Plaintiffs and approved Lead Plaintiffs' selection of counsel, Saxena White P.A. and Barroway Topaz Kessler Meltzer & Check, LLP (n/k/a Kessler Topaz Meltzer & Check, LLP), as Co-Lead Counsel and The Law Offices of Curtis V. Trinko, LLP as liaison counsel for the Class.

On March 16, 2009, Lead Plaintiffs filed the Consolidated Amended Complaint (the "Complaint"), asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), including Rule 10b-5 promulgated thereunder by the United States Securities and Exchange Commission, against the Defendants. The Complaint alleged, among other things, that, during the Class Period, Sadia misrepresented the true earnings and financial condition of the Company by entering into currency hedging contracts that were both larger than necessary to insure its losses on future sales and in violation of company policy. The Complaint further asserted that, as a result of Defendants' alleged conduct, the price of Sadia ADRs was artificially inflated, causing damage to Lead Plaintiffs and the other members of the Class who purchased or otherwise acquired Sadia ADRs during the Class Period.

Sadia moved to dismiss the Complaint on April 27, 2009. By Order dated July 29, 2009, the Court denied Sadia's motion to dismiss the Complaint. Sadia filed its Answer to the Complaint on September 15, 2009, and the Parties embarked on discovery.

Lead Plaintiffs moved for class certification on December 14, 2009. The Court, by Opinion and Order dated July 20, 2010, granted Lead Plaintiffs' motion, certifying a class comprised of all persons and entities who purchased or otherwise acquired Sadia ADRs from April 30, 2008 to September 26, 2008, inclusive, and who were damaged thereby, but excluding purchasers who sold shares prior to the close of the market on September 25, 2008.¹ By the same Order, the Court appointed the Lead Plaintiffs as the Class Representatives and Co-Lead Counsel as Class Counsel. On August 3, 2010, Sadia petitioned the United States Court of Appeals for the Second Circuit (the "Appeals Court") for permission to appeal, pursuant to Federal Rule of Civil Procedure 23(f), the Court's July 20, 2010 Order certifying the Class. The Appeals Court denied Sadia's petition on October 8, 2010.

Thereafter, while discovery was ongoing, the Parties began discussing a possible resolution of the Action. The Parties' settlement negotiations continued over the course of many months, including three formal mediation sessions with the assistance of an experienced mediator. During this same time, certain of the Individual Defendants moved to dismiss the Complaint on May 27, 2011, pursuant to Federal Rule of Civil Procedure 12(b)(2), on the ground that this Court lacked personal jurisdiction over them. Shortly thereafter, on June 20, 2011, the Individual Defendants moved to dismiss the Complaint pursuant to Federal Rules of Civil Procedure 9(b) and 12(b)(6).

While the Individual Defendants' motions to dismiss were pending, the Parties reached a tentative agreement to settle the Action in August 2011.

3. Why Is This Action a Class Action?

In a class action, one or more individuals and/or entities called class representatives (in this case the court-appointed Class Representatives, Westchester Putnam Heavy & Highway Laborers Local 60 Benefit Funds, Alan Hyman, Phil Carey, Steve Geist and Peter Schicker) prosecute their claims on behalf of individuals and entities who have similar claims. All of these individuals and entities who have similar claims are referred to collectively as a Class, or individually as Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Settlement. The United States District Court for the Southern District of New York, the Honorable Shira A. Scheindlin, is in charge of this Action.

4. Why Is There a Settlement?

In order to avoid the cost and risks of further litigation and trial, both sides agreed to a settlement. As explained above, the Class Representatives and Co-Lead Counsel believe the Settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT

To see if you will potentially receive money from this Settlement, you first have to determine if you are a Class Member.

5. How Do I Know if I Am Part of the Settlement?

The Class includes all persons and entities who purchased or otherwise acquired Sadia ADRs from April 30, 2008 to September 25, 2008, inclusive, held the ADRs through the close of the market on September 25, 2008, and were damaged thereby, *except those persons and entities that are excluded, as described below.*

¹ For purposes of clarity, the Parties agree that the last day of the class period should be September 25, 2008 and have revised, for purposes of the Settlement, the definition of "Class" and "Class Period" accordingly. Further, the Class Representative's expert opines that the price of Sadia's ADRs had corrected on September 26, 2008.

6. What Are the Exceptions to Being Included?

Excluded from the Class are the Defendants, family members of each Individual Defendant, any entity in which any Defendant has a controlling interest, and the directors, officers, legal affiliates in which any Defendant has a controlling interest, representatives, heirs, successors and predecessors in interest, or assigns of any such excluded party. Also excluded from the Class are all persons and entities who exclude themselves from the Class by timely requesting exclusion in accordance with the requirements set forth herein.

If you purchased or acquired Sadia ADRs from April 30, 2008 to September 25, 2008, inclusive, that alone does not make you a Class Member. You are a Class Member only if you held your ADRs through the close of the market on September 25, 2008.

7. I Am Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can call the Claims Administrator, GCG, Inc., at 1-800-231-1815, for more information. Or you can fill out and return the claim form described in Questions 9 and 10 to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU RECEIVE

8. What Does the Settlement Provide?

Defendants have agreed to create a \$27,000,000 cash Settlement Fund. The balance of this fund, after payment of Court-approved attorneys' fees and expenses, Court-approved reimbursement to the Class Representatives and the costs of claims administration (the "Net Settlement Fund"), will be divided among Class Members who submit timely and valid claim forms ("Authorized Claimants") pursuant to a Court-approved Plan of Allocation.

9. How Much Will My Payment Be?

Each person or entity claiming to be an Authorized Claimant shall be required to submit a separate Proof of Claim and Release form ("Proof of Claim") signed under penalty of perjury and supported by such documents as specified in the Proof of Claim as are reasonably available to the Authorized Claimant. If you are entitled to a payment, your share of the Net Settlement Fund will depend on the number of valid Proofs of Claim that Class Members submit, the amount of Sadia ADRs you purchased and/or acquired during the Class Period, and when you sold your Sadia ADRs. By following the Plan of Allocation described herein, you can calculate your "Recognized Claim." The Claims Administrator will distribute the Net Settlement Fund according to the Plan of Allocation after the deadline for submission of Proofs of Claim has passed.

All Proofs of Claim must be postmarked or received by February 10, 2012, addressed as follows:

In re SADIA, S.A. Securities Litigation
c/o GCG, Inc.
Claims Administrator
P.O. Box 9349
Dublin, OH 43017-4249

Unless otherwise ordered by the Court, any Class Member who fails to submit a properly completed and signed Proof of Claim within such period, or such other period as may be ordered by the Court, shall be forever barred from receiving any payments pursuant to the Stipulation, but will in all other respects be bound by all of the terms of the Settlement, including the terms of the final judgment to be entered in the Action and will be barred from bringing any Released Claim against any Released Parties, including Unknown Claims (as those terms are defined in the Proof of Claim enclosed with this Notice and in the Stipulation dated September 16, 2011, which is available at www.sadiaadr litigation.com, or through the mail upon request).

The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Class Member on equitable grounds. Each claimant is deemed to have submitted to the jurisdiction of the Court with respect to the claimant's claim, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that claimant's status as a Class Member and the validity and amount of that claimant's claim. No discovery shall be allowed on the merits of the Action.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Claim. Please Note: The Recognized Claim formula, set forth below, is not intended to be an estimate of the amount of what a Class Member might have been able to recover after a trial, nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Recognized Claim. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Recognized Claim bears to the total Recognized Claims of all Authorized Claimants (*i.e.*, "*pro rata* share"). Payment in this manner shall be deemed conclusive against all Authorized Claimants. No distribution will be made on a claim where the potential distribution amount is less than ten dollars (\$10.00) in cash.

If any funds remain in the Net Settlement Fund by reason of uncashed checks, or otherwise, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, then any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be used: (a) first, to pay any amounts mistakenly omitted from the initial distribution to Authorized Claimants or to pay any late, but otherwise valid and fully documented claims received after the cut-off date used to make the initial distribution, provided that such distributions to any late post-distribution claimants meet all of the other criteria for inclusion in the initial distribution, including the \$10.00 minimum check amount set forth herein, (b) second, to pay any additional fees and expenses incurred in administering the Settlement, and (c) finally, to make a second distribution to Authorized Claimants who cashed their checks from the initial distribution and who would receive at least \$10.00 from such second distribution, after payment of the estimated costs or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. If any funds remain in the Net Settlement Fund four (4) months after such second distribution, if undertaken, or if such second distribution is not undertaken, these funds shall be donated to a secular 501(c) charity selected by Co-Lead Counsel and approved by the Court.

CALCULATING YOUR RECOGNIZED CLAIM:

The Plan of Allocation generally measures the amount of loss that a Class Member can claim under the Settlement for purposes of making *pro rata* allocations from the Net Settlement Fund to Class Members who submit acceptable Proofs of Claim. The Plan of Allocation is not a formal damages analysis.

Recognized Claims will be calculated for purposes of the Settlement as follows:

As stated above, each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. Recognized Claims will be computed as follows:

1. For Sadia ADRs purchased/acquired from April 30, 2008 to September 25, 2008, inclusive, and retained at the close of trading on September 25, 2008, the Recognized Claim shall be:
 - (a) For Sadia ADRs sold from September 26, 2008 through and including December 26, 2008 (the close of the 90-day look-back period), the Recognized Claim will be the lesser of:
 - (i) the difference between the purchase/acquisition price per ADR and the sale price, if such number is a positive number; or
 - (ii) the difference between the purchase price per ADR and \$5.67.¹
 - (b) For Sadia ADRs held at the close of trading on December 26, 2008, the Recognized Claim will be the difference between the purchase/acquisition price per ADR and \$5.67.

¹ Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995 ("PSLRA"), "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day look-back period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market." Consistent with the requirements of the PSLRA, Recognized Claims are reduced to an appropriate extent by taking into account the closing prices of Sadia ADRs during the 90-day look-back period following the end of the Class Period. The mean (average) closing price for Sadia ADRs during this 90-day look-back period was \$5.67.

2. For Sadia ADRs purchased/acquired and sold from April 30, 2008 to September 25, 2008, inclusive, the Recognized Claim shall be zero.

For Sadia ADRs purchased and/or acquired during the Class Period which were sold at a gain during the Class Period, such gains will be used to offset Class Period losses from ADRs purchased, acquired and sold during the Class Period and losses resulting from a decline in value of ADRs purchased or acquired at prices in excess of \$5.67 per ADR during the Class Period and held at the end of the Class Period.

For purposes of calculating your Recognized Claim, the date of purchase, acquisition or sale is the “contract” or “trade” date and not the “settlement” or “payment” date. In the event a Class Member has more than one purchase, acquisition or sale of Sadia ADRs, all purchases, acquisitions and sales shall be matched on a First In First Out (“FIFO”) basis. Class Period sales will be matched first against any ADRs held at the beginning of the Class Period, and then against purchases and acquisitions in chronological order, beginning with the earliest purchases and acquisitions made during the Class Period. Therefore, on the Proof of Claim enclosed with this Notice, you need to list all of your purchases and acquisitions of Sadia ADRs during the time period from April 30, 2008 to September 25, 2008, inclusive, and all sales thereof. Brokerage commissions and transfer taxes paid by you in connection with your purchases, acquisitions and sales of Sadia ADRs should be excluded from the “total purchase price” and net of the “total proceeds.”

Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Defendants, Defendants’ Counsel, the Class Representatives, Plaintiffs’ Counsel or the Claims Administrator or other agent designated by Co-Lead Counsel based on the distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. Each claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant’s Proof of Claim. All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the claims submitted in connection with the Settlement, or otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund shall be released and discharged from any and all claims arising out of such involvement, and all Class Members, whether or not they are to receive payment from the Net Settlement Fund, will be barred from making any further claim against the Net Settlement Fund beyond the amount allocated to them as provided in any distribution orders entered by the Court.

The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Court may approve the Plan of Allocation with or without modifications agreed to among the settling parties, or another plan of allocation, without further notice to Class Members.

HOW YOU RECEIVE A PAYMENT – SUBMITTING A CLAIM FORM

10. How Will I Receive a Payment?

To qualify for payment, you must be an eligible Class Member and you must submit a Proof of Claim. A Proof of Claim is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form requests, sign it, and mail it in an envelope addressed to the Claims Administrator, postmarked no later than February 10, 2012. Please retain a copy of everything you mail, in case the materials are lost or destroyed during shipping.

11. When Will I Receive My Payment?

The Court will hold a hearing on December 22, 2011, to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain in what manner appeals, if any, will be resolved, and resolving them can take time, perhaps several years. In addition, the Claims Administrator must process all of the Proofs of Claim. The processing of the claims is complicated and will take many months. Please be patient.

12. What Am I Giving Up By Staying in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants or the Released Parties about the Released Claims. It also means that all of the Court’s orders will apply to you and legally bind you, and you will release your claims in this Action against the Defendants. The terms of the release are included in the Proof of Claim that is enclosed.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep the right to sue or continue to sue the Defendants on your own about the same claims being released in this Settlement, then you must take steps to exclude yourself from the Settlement. This is sometimes referred to as “opting out” of the Class.

13. How Do I Exclude Myself from the Class?

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from the Class in the *In re SADIA, S.A. Securities Litigation*, Case No. 1:08-CV-09528 (SAS). You must include your name, address, telephone number, your signature, and information concerning your purchase(s) and acquisition(s) of Sadia ADRs from April 30, 2008 to September 25, 2008, inclusive, and your sale(s) of such Sadia ADRs, including the number of Sadia ADRs purchased, acquired and/or sold and the dates of each purchase, acquisition and sale. You must mail your exclusion request so that it is received no later than December 1, 2011 to:

In re SADIA, S.A. Securities Litigation
c/o GCG, Inc.
Claims Administrator
P.O. Box 9349
Dublin, OH 43017-4249

*Please keep a copy of everything you send by mail, in case it is lost or destroyed during shipping.

You cannot exclude yourself over the phone or by e-mail. If you ask to be excluded from the Class, you are not eligible to receive any payment from the Net Settlement Fund, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit and you will be able to pursue the claims that are being released in this Settlement.

Defendants shall have the option to terminate the Settlement in the event that members of the Class who would otherwise be entitled to participate in the Class, but who timely and validly request exclusion in accordance with the requirements set forth in this Notice, purchased and/or otherwise acquired in the aggregate a certain amount of Sadia ADRs.

14. If I Do Not Exclude Myself, Can I Sue the Defendants for the Same Thing Later?

No. Unless you exclude yourself, you give up any right to sue the Defendants or the Released Parties for the claims being released by this Settlement. If you have a pending lawsuit relating to the claims being released in this Action against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is December 1, 2011.

15. If I Exclude Myself, Can I Receive a Payment from This Settlement?

No. If you exclude yourself, do not send in a claim form. But, you may sue, continue to sue, or be part of a different lawsuit asserting the claims being released in this Settlement against the Defendants or the Released Parties.

THE LAWYERS REPRESENTING YOU

16. Do I Have a Lawyer in This Case?

The Court appointed the law firms of Kessler Topaz Meltzer & Check, LLP and Saxena White P.A. to represent you and the other Class Members. These lawyers are called Co-Lead Counsel. You will not be separately charged for these lawyers beyond your *pro rata* share of any attorneys' fees and expenses awarded by the Court that will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will the Lawyers Be Paid?

Co-Lead Counsel will apply to the Court for attorneys' fees not to exceed 33 $\frac{1}{3}$ % of the Settlement Amount and for reimbursement of plaintiffs' counsels' out-of-pocket expenses advanced in connection with the Action up to an amount of \$800,000, plus interest on both amounts at the same rate as earned by the Settlement Fund. *Such sums as may be approved by the Court will be paid from the Settlement Fund.* Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Co-Lead Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, Co-Lead Counsel have not been paid for their services for conducting this Action on behalf of the Class Representatives and the Class or for their substantial out-of-pocket expenses. The fee requested will compensate Co-Lead Counsel for

their work in achieving the Settlement Fund and is well within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court may, however, award less than this amount.

The Class Representatives may also make an application to the Court for reimbursement in an amount not to exceed \$25,000 for their costs and expenses (including lost wages) in connection with their representation of the Class pursuant to 15 U.S.C. § 78u-4(a)(4) of the Private Securities Litigation Reform Act of 1995.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How Do I Tell the Court that I Do Not Like the Settlement?

If you are a Class Member, you can object to the Settlement if you do not like any part of it. To object, you must send a letter saying that you object to the Settlement in the *In re SADIA, S.A. Securities Litigation*, Case No. 1:08-CV-09528 (SAS) and the reasons why you object to the Settlement. Be sure to include your name, address, telephone number and your signature. You must also include information concerning your purchase(s) and acquisition(s) of Sadia ADRs from April 30, 2008 to September 25, 2008, inclusive, and your sale(s) of such Sadia ADRs, including the number of Sadia ADRs purchased, acquired and/or sold and the dates of each purchase, acquisition and sale. Any objection to the Settlement must be received by *each of the following* by December 1, 2011:

| COURT | LEAD COUNSEL | DEFENDANTS' COUNSEL |
|--|---|--|
| Clerk of the Court United States District Court Southern District of New York Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007 | Stuart L. Berman, Esq. Christopher L. Nelson, Esq. John J. Gross, Esq. Jennifer L. Enck, Esq. KESSLER TOPAZ MELTZER & CHECK, LLP 280 King of Prussia Road Radnor, PA 19087 Joseph E. White, III, Esq. Christopher S. Jones, Esq. SAXENA WHITE P.A. 2424 North Federal Highway Suite 257 Boca Raton, FL 33431 | <i>Counsel for Sadia, S.A., Welson Teixeira, Jr., Gilberto Tomazoni, Walter Fontana Filho and Eduardo Fontana d'Avila:</i> Jonathan D. Siegfried, Esq. Lawrence S. Hirsh, Esq. DEWEY & LEBOEUF LLP 1301 Avenue of the Americas New York, NY 10019 <i>Counsel for Adriano Lima Ferreira:</i> Charles A. Stillman, Esq. Scott M. Himes, Esq. STILLMAN, FRIEDMAN & SHECHTMAN, P.C. 425 Park Avenue New York, NY 10022 |

19. What is the Difference Between Objecting and Excluding?

Objecting is simply telling the Court that you do not like something about the Settlement, the Plan of Allocation, the application for attorneys' fees and expenses, and/or the request for reimbursement of costs and expenses to the Class Representatives. You can object *only if* you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S SETTLEMENT FAIRNESS HEARING

20. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a fairness hearing at 2:30 p.m., on December 22, 2011, at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 15C, New York, NY 10007-1312. At this hearing, the Court will consider whether the Settlement and the Plan of Allocation are fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have requested in writing by December 1, 2011 to speak at the hearing. The Court may also consider Co-Lead Counsel's application for attorneys' fees and reimbursement of expenses and the request for reimbursement of costs and expenses to the Class Representatives.

21. Do I Have to Come to the Settlement Fairness Hearing?

No. Co-Lead Counsel will answer any questions the Court may have. But, you are welcome to attend the hearing at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as your written objection was received on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not required.

22. May I Speak at the Settlement Fairness Hearing?

You may ask the Court for permission to speak at the Settlement Fairness Hearing. To do so, you must send a letter stating your intention to appear in the *In re SADIA, S.A. Securities Litigation*, Case No. 1:08-CV-09528 (SAS). Be sure to include your name, address, telephone number, your signature, and also identify the date(s), price(s) and amount(s) of all purchases and/or acquisitions of Sadia ADRs from April 30, 2008 to September 25, 2008, inclusive, and your sale(s) of such Sadia ADRs. Your notice of intention to appear must be received no later than December 1, 2011, and must be sent to the Clerk of the Court, Co-Lead Counsel, and Defendants' Counsel, at the addresses listed in Question 18. You cannot speak at the hearing if you exclude yourself from the Class.

IF YOU DO NOTHING

23. What Happens if I Do Nothing at All?

If you do nothing, you will receive no money from this Settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants or the Released Parties about the same claims being released in this Settlement.

OBTAINING MORE INFORMATION

24. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are contained in the Stipulation. All terms used in this Notice shall have the same meanings as in the Stipulation. You can obtain a copy of the Stipulation or more information about the Settlement by visiting www.sadiaadr litigation.com or by writing to Co-Lead Counsel listed above in Question 18. You can also obtain a copy of the Stipulation from the Clerk's office at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007-1312, during regular business hours.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased or otherwise acquired Sadia ADRs from April 30, 2008 to September 25, 2008, inclusive, as nominee for a beneficial owner, then, the Court has ordered that within ten (10) days after you receive this Notice, you must either: (1) send a copy of the Notice and Proof of Claim by first class mail to all such beneficial owners; or (2) provide a list of the names and addresses of such beneficial owners to the Claims Administrator:

In re SADIA, S.A. Securities Litigation
c/o GCG, Inc.
Claims Administrator
P. O. Box 9349
Dublin, OH 43017-4249

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for reasonable administrative costs actually incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: September 23, 2011

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK