



**JBS S.A.**



**Vigor Alimentos S.A.**

### **MATERIAL FACT**

JBS S.A. ("JBS") and Vigor Alimentos S.A. ("Vigor"), in accordance with Law no. 6,404, dated 15 December 1976 and Brazilian Securities and Exchange Commission ("CVM") requirements set forth in CVM Instruction no. 358, dated 3 January 2002, as amended, hereby inform their shareholders and the market in general the following:

As a result of a transaction occurred in June 2012, which aimed at adding value to all the shareholders of JBS through the separation of its dairy segment, and which made Vigor an entity independent from JBS, Vigor obtained its publicly-held company registration and had its ordinary shares admitted to and traded on the *Novo Mercado* listing segment of BM&FBOVESPA. Such transaction was implemented through a voluntary public tender offer which guaranteed to all shareholders of JBS the opportunity to, at their discretion, migrate their investment in JBS to Vigor, subject to certain conditions provided at that time.

Since the beginning of trading on the *Novo Mercado* listing segment until the present time, Vigor's shares have not yet reached the expected level of liquidity, at the expense of a better pricing for such shares. Therefore, FB Participações S.A. ("FB"), in its capacity as Vigor's controlling shareholder, undertook an irreversible and irrevocable commitment with shareholder BNDES Participações S.A. – ("BNDESPAR") to implement a transaction, on a voluntary basis, that ensures the opportunity to all shareholders of Vigor to return to their status as shareholders of JBS, and receive the economic rights that they would be entitled to receive had they remained JBS' shareholders since June 2012.

Thus, subject to legal and regulatory terms and deadlines, FB has undertaken to conduct a Voluntary Public Tender Offer for the Acquisition of Common Shares Issued by Vigor in Exchange for Common Shares Issued by JBS, aimed at one hundred percent (100%) of the outstanding shares of Vigor ("Exchange Offer"), with mixed liquidation, being one (1) common share issued by Vigor exchanged by one (1) common share issued by JBS, plus R\$0.010812573 per share, an amount equivalent to the difference between the dividends declared by JBS and Vigor in the period. Such amount shall be adjusted by the CDI variation from its payment date to the date of the Auction ("Dividends"). In addition, FB

has committed not to transfer, sell, assign or otherwise dispose of, pledge or encumber fifty-one million, two hundred and eighty-one thousand, four hundred and thirty-two (51,281,432) shares issued by JBS that it holds until the date of the auction of the Exchange Offer.

Such commitment of FB intends to ensure the possibility to all shareholders of Vigor to equally and voluntarily choose to hold shares with more liquidity. BNDESPAR has made a firm commitment to fully adhere to the Exchange Offer.

Notwithstanding the above, FB and the management of Vigor are still committed to the execution of Vigor's strategic plan, focusing on higher added value products and geographic expansion, as the acquisition of fifty percent (50%) of the common shares issued by Itambé Alimentos S.A., for example, a transaction that was submitted and approved without any restrictions by the Brazilian Antitrust Authorities – CADE. Both recent and future strategic movements of Vigor will be funded through ongoing access to the Brazilian capital markets in short and medium terms.

Aware of the obligation set forth in item 3.1 (vi) of the Regulations of the *Novo Mercado* listing segment of BM&FBOVESPA, FB and Vigor will apply for an authorization to be granted by BM&FBOVESPA to maintain a Minimal Free Float Percentage, as defined therein, at a level below twenty five percent (25%) after the liquidation of the Exchange Offer and for a period to be established by BM&FBOVESPA.

In this sense, FB will timely submit the request of registration of the Exchange Offer to CVM and BM&FBOVESPA.

JBS and Vigor will keep their shareholders and the market in general informed regarding the progress of the Exchange Offer.

São Paulo, July 24, 2013.

**Jeremiah O'Callaghan**  
**JBS' Investor Relations Officer**

**Maurício Leonardo Hasson**  
**Vigor's Investor Relations Officer**