



## **MATERIAL FACT**

JBS S.A. (JBSS3, "JBS"), in compliance with the provision under paragraph 4 of article 157 of Brazilian Corporate Law (Law No. 6.404/76, as amended) and in accordance with article 2nd of the Brazilian Securities Commission (CVM) Instruction No. 358 dated January 3, 2002, as amended, announces to its investors and to the market in general that it has terminated the cash tender offer (the "Tender Offer") for (i) any and all of 10.25% Senior Notes due 2016 and (ii) any and all 10.50% Senior Notes due 2016, issued, respectively, by Bertin S.A., a company that was merged into JBS, and by JBS and JBS Finance Ltd. (the "2016 Notes"), as well as the consent solicitation to amend the indentures governing the 2016 Notes ("Consent Solicitation"). The Tender Offer and the Consent Solicitation were announced to the market by JBS on May 28, 2014.

The Tender Offer and the Consent Solicitation were subject to certain conditions set forth in the Offer to Purchase and Consent Solicitation Statement, dated May 28, 2014, and the related Letter of Transmittal and Consent, which contain detailed information concerning the terms of the tender offers and the consent solicitations (together, the "Offer Documents"). These conditions included, among others, the consummation of a new offering of senior unsecured notes by JBS USA, LLC and JBS USA Finance, Inc., each a subsidiary of JBS (the "Offering of Senior Notes").

As a result of the termination, none of the 2016 Notes that have been tendered in the Tender Offer will be accepted for purchase and no consideration will be paid or become payable to holders of 2016 Notes who have tendered their 2016 Notes in the Tender Offer. All 2016 Notes previously tendered and not withdrawn will be promptly returned or credited back to their respective holders. All consents previously delivered and not revoked will be of no effect, and the indentures governing the 2016 Notes will remain in their present form, unamended.

The Tender Offer and Consent Solicitation are being terminated because the Offering of Senior Notes has been postponed. JBS reserves the right to initiate a new tender offer and consent solicitation for the 2016 Notes at a later date, but it is under no obligation to do so.

Under no circumstances shall this material fact constitute an offer to buy or the solicitation of an offer to sell the 2016 Notes or any other securities. This material fact also is not a solicitation of consents to the proposed amendments to the indentures of the 2016 Notes. São Paulo, 04 de junho de 2014

**São Paulo, June 4, 2014**

**Jeremiah O'Callaghan  
Investor Relations Officer**