



MATERIAL FACT

JBS Australia Acquires Primo Group - The Leading Smallgoods Operator in Australia and New Zealand

JBS S.A. (BM&FBOVESPA: JBSS3, OTCQX: JBSAY, "JBS" or "Company"), communicates to its shareholder and to the market in general that it has entered today into a definitive agreement to purchase 100% of the share capital of Primo Smallgoods Group ("Primo Group"). The business will be acquired through JBS Australia, a subsidiary of JBS S.A.

The total amount to be paid is AU\$1,450 million (Australian dollars, equivalent to US\$1,250 million) on cash and debt free basis. The transaction will be paid for in cash and is subject to approval of the Australian regulatory authorities.

Established in 1985, Primo Group is the leading producer of ham, bacon and smallgoods in Australia and New Zealand. It has a portfolio of well recognized and highly regarded brands including Primo Smallgoods, Hans, Beehive, Hunter Valley Quality Meats and Primo Quality Meats. The business currently employs in excess of 4,000 employees and operates from five manufacturing plants, seven distribution centers and 30 retail shops. Recognized by its high quality standards, Primo Group operates state-of-the-art facilities.

JBS anticipates incremental annual revenue of approximately AU\$1,600 million and EBITDA of AU\$150 million as a result of the transaction. The Company expects to capture around AU\$30 million in synergies from this transaction, which will elevate projected EBITDA for 2015 to AU\$180 million, equivalent to an acquisition multiple of 8x EV/EBITDA post-synergies.

"This acquisition is strongly aligned with our global strategy to expand our presence in the value-added product category and well-known brands. Primo Group is the leading company in this segment with strong brands and represents an outstanding opportunity to expand our business in Australia, considering the annual growth in consumption of prepared products and the prospects to increase exports of convenient products from Primo Group portfolio" commented Wesley Batista, Global CEO of JBS.

São Paulo, November 20, 2014.

Jeremiah O'Callaghan
Investor Relations Officer