



JBS S.A.

CNPJ/MF nº 02.916.265/0001-60

NIRE 35.3.0033058-7

Publicly-Held Company

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 JBS Finance II Ltd. ("JBS Finance II"), a wholly-owned financing subsidiary of JBS, has commenced an offer to purchase for cash (the "Tender Offer") of any and all of the outstanding 8,25% senior notes due 2018 ("2018 Notes"), issued by JBS Finance II in the United States of America, in compliance with Rule 144A and with Regulation S. The Tender Offer will be made on the terms and subject to the conditions set forth in the Offer to Purchase, dated December 3, 2014, and the related Letter of Transmittal (together, the "Offer Documents").

JBS Finance II obligation to accept for purchase, and to pay for, 2018 Notes validly tendered and not validly withdrawn pursuant to the Tender Offer is conditioned upon the satisfaction or, when applicable, waiver of certain conditions. JBS Finance II reserves the right, in its sole discretion, to extend, terminate or withdraw the Tender Offer at any time or otherwise amend the Tender Offer in any respect at any time and from time to time. JBS Finance II further reserves the right, in its sole discretion, not to accept any tenders of 2018 Notes for any reason.

The Tender Offer is conditioned to the completion, by JBS, JBS USA, LLC and JBS USA Finance, Inc., in satisfactory conditions, of a offering of senior notes in the United States of America, in compliance with Rule 144A and Regulation S, which proceeds will be used, among others, to pay the 2018 Notes. Such offering will be timely announced to the market by JBS.

JBS Finance II is making the Tender Offer only in those jurisdictions where it is legal to do so, according to the applicable legislation. Neither the Offer Documents nor any related documents have been filed with the U.S. Securities and Exchange Commission, nor have any such documents been filed with or reviewed by any federal or state securities commission or regulatory authority of any country. No authority has passed upon the accuracy or adequacy of the Offer Documents or any related documents, and it is unlawful and may be a criminal offense to make any representation to the contrary.

The Tender Offer is being made solely on the terms and conditions set forth in the Offer Documents. Under no circumstances shall this material fact constitute an offer to buy or the solicitation of an offer to sell the 2018 Notes or any other securities. No recommendation is



made as to whether holders of 2018 Notes should tender their 2018 Notes or deliver their consents. Holders of 2018 Notes should carefully read the Offer Documents because they contain important information, including the various terms and conditions of the Tender Offer.

Neither the Offer Documents nor any related documents have been filed with the U.S. Securities and Exchange Commission, nor have any such documents been filed with or reviewed by any federal or state securities commission or regulatory authority of any country. No authority has passed upon the accuracy or adequacy of the Offer Documents or any related documents, and it is unlawful and may be a criminal offense to make any representation to the contrary.

The Tender Offer is being made solely on the terms and conditions set forth in the Offer Documents. Under no circumstances shall this press release constitute an offer to buy or the solicitation of an offer to sell the Notes or any other securities of JBS or its subsidiaries. No recommendation is made as to whether holders should tender their Notes. Holders should carefully read the Offer Documents because they contain important information, including the various terms and conditions of the Tender Offer.

Important Notice Regarding Forward-Looking Statements

This press release contains certain forward-looking statements. Statements that are not historical facts, including statements about our perspectives and expectations, are forward looking statements. The words "expect," "believe," "estimate," "intend," "plan" and similar expressions, when related to JBS and its subsidiaries, indicate forward-looking statements. These statements reflect the current view of management and are subject to various risks and uncertainties. These statements are based on various assumptions and factors, including general economic, market, industry and operational factors. Any changes to these assumptions or factors may lead to practical results different from current expectations. Excessive reliance should not be placed on those statements. Forward-looking statements relate only to the date they were made and JBS undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made.

São Paulo, December 3, 2014

Jeremiah O'Callaghan
Investor Relations Officer