



NOTICE TO THE MARKET

JBS STRONGLY DENIES NEWS ASSOCIATING THE COMPANY WITH BANK ACCOUNTS INVOLVED IN "LAVA-JATO" OPERATION AND REINFORCES THAT THE REFERRED PAYMENTS ARE NOT RELATED TO ANY ILLICIT SCHEME

JBS S.A. ("JBS", "Company") informs its shareholders and the market in general that, regarding the news published today by Valor Econômico Newspaper ("Valor"), there is no association between the Company and an enterprise which is being investigated by Federal Police under the operation known as "Lava-Jato".

The Company further clarifies that the payments mentioned by Valor are related to the purchase agreement of a processing facility in Ponta Porã (MS), a Distribution Center in São José dos Pinhais (PR) and another Distribution Center in Itajaí (SC), whose sellers were Tiroleza Alimentos Ltda., Ademar Marquetti de Souza, Paulo Roberto Sanches Cervieri and Rodo GS Transportes e Logística Ltda. Payments referring to these acquisitions were made through bank accounts indicated by the sellers and in 2012 Rodo GS instructed JBS to use certain bank accounts that are, according to the news, currently being investigated by the Federal Police.

JBS reiterates that all payments were made in compliance with the agreement signed by the parties involved in the transaction, as well as in compliance with the effective legislation, and that the Company has all the necessary documentation to support the veracity of the above mentioned.

São Paulo, December 22th, 2014.

Jeremiah O'Callaghan

Investor Relations Officer