



## **NOTICE TO THE MARKET**

### **ANNOUNCEMENT OF AN INCREASE IN JBS' CAPITAL STOCK IN ACCORDANCE WITH THE RESOLUTIONS TAKEN AT THE BOARD OF DIRECTOR'S MEETING HELD ON FEBRUARY 05<sup>TH</sup>, 2015**

JBS S.A. ("JBS"; "Company") announces to its shareholders and the market in general that on February 05<sup>th</sup>, 2015 the Board of Directors approved an increase in JBS' capital stock arising from the exercise of the stock option plan approved by JBS' shareholders in the Annual and Extraordinary General Shareholders' Meeting held on April 30<sup>th</sup>, 2014.

Pursuant to article 30, XXXII of the Brazilian Securities and Exchange Commission ("CVM") Rule 480 of December 7<sup>th</sup>, 2009, as amended, the Company presents the information requested by this Commission in the document attached.

São Paulo, February 13<sup>th</sup>, 2015.

Jeremiah O'Callaghan  
**Investor Relations Officer**

### Annex – Description of the Capital Stock increase

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|-------------|--|---|
| <b>I</b>    | Use of proceeds  | Not applicable, since the capital stock increase arose from the exercise of options granted according to the Company's Stock Option Plan and approved by the Annual and Extraordinary General Shareholders' Meeting held on April 30 <sup>th</sup> , 2014 (" <u>Stock Option Plan</u> ").   |
| <b>II</b>   | Number of shares issued  | 745,262 (seven hundred forty-five thousand, two hundred sixty-two) new shares.  |
| <b>III</b>  | Rights, Privileges and Restrictions attributed to the shares issued  | The shares issued will grant to its owners the same rights granted to shares of same class, pursuant to the terms established in the Law 6404, of December 15 <sup>th</sup> , 1976, as amended ("Brazilian Corporation Law"), and the Company's Bylaws.   |
| <b>IV</b>   | Quantity of shares subscribed by Related Parts   | None.   |
| <b>V</b>    | Subscription price of new shares   | R\$ 0.000001342   |
| <b>VI</b>   | Par value of issued shares or, in the case of shares with no par value, the portion of the issuance price that will be allocated to capital reserve. | No portion of the price will be allocated to capital reserve.   |
| <b>VII</b>  | Management opinion about the effects of the capital stock increase, related to the dilution caused by the increase                                   | In the opinion of JBS' Board of Directors and Management, the capital stock increase arose from the exercise of options granted according to the Stock Option Plan, in the terms of paragraph 3 <sup>o</sup> , article 168 of Brazilian Corporate Law and of paragraph 3 <sup>o</sup> , article 6 <sup>o</sup> of the Company's Bylaws. Thus, the dilution caused by the capital stock increase is in connection with long-term incentives to enhance the value of Company employees. |
| <b>VIII</b> | Calculation criteria of the issuance price and clarification of the economic aspects that determined this choice.                                    | The criteria to determine the issuance price are related to the long-term incentives to enhance the value of Company employees.   |
| <b>IX</b>   | In the hypothesis of pricing with a premium or discount in relation to the market value, identify the reasons that motivated this circumstance.      | The capital stock increase arose from the exercise of options granted according to the Stock Option Plan. The criteria to determine the issuance price are related to the long-term incentives to enhance the value of Company employees.   |

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| <b>X</b>  | Presentation of copies of reports and studies for determining the issuance price. | Not applicable since the capital stock increase arose from the exercise of options granted according to the Stock Option Plan, as well as in the terms of paragraph 3º, article 168 of Brazilian Corporate Law and of paragraph 3º, article 6º of the Company's Bylaws.  |
| <b>XI</b> | Share price in the markets where they are traded:                                 |  |
| <b>A</b>  | Minimum, average and maximum price of each year, in the last three years.         | <p>02/05/2014 to 02/05/2015<br/> Minimum: R\$7.20<br/> Average: R\$9.43<br/> Maximum: R\$12.22</p> <p>02/05/2013 to 02/05/2014<br/> Minimum: R\$5.80<br/> Average: R\$7.31<br/> Maximum: R\$8.90</p> <p>02/03/2012 a 02/05/2013<br/> Minimum: R\$4.96<br/> Average: R\$6.69<br/> Maximum: R\$8.35</p>  |
| <b>B</b>  | Minimum, average and maximum price of each quarter, in the last 2 years.          | <p>Quarter ended 12/31/2014<br/> Minimum: R\$9.18<br/> Average: R\$10.84<br/> Maximum: R\$12.22</p> <p>Quarter ended 09/30/2014<br/> Minimum: R\$7.54<br/> Average: R\$9.09<br/> Maximum: R\$10.46</p> <p>Quarter ended 06/30/2014<br/> Minimum: R\$7.39<br/> Average: R\$7.78<br/> Maximum: R\$8.14</p> <p>Quarter ended 03/31/2014<br/> Minimum: R\$7.20<br/> Average: R\$8.01<br/> Maximum: R\$8.90</p> |

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|   |   | <p>Quarter ended 12/31/2013<br/> Minimum: R\$7.51<br/> Average: R\$8.14<br/> Maximum: R\$8.81</p> <p>Quarter ended 09/30/2013<br/> Minimum: R\$6.29<br/> Average: R\$7.20<br/> Maximum: R\$8.00</p> <p>Quarter ended 06/30/2013<br/> Minimum: R\$5.80<br/> Average: R\$6.50<br/> Maximum: R\$7.20</p> <p>Quarter ended 03/31/2013<br/> Minimum: R\$6.11<br/> Average: R\$6.99<br/> Maximum: R\$7.73</p>                                |
| C | Minimum, average and maximum price of each month, in the last 6 months. | <p>From 01/05/2015 to 02/05/2015<br/> Minimum: R\$10.13<br/> Average: R\$10.88<br/> Maximum: R\$11.69</p> <p>From 12/05/2014 to 01/05/2015<br/> Minimum: R\$10.58<br/> Average: R\$11.44<br/> Maximum: R\$12.22</p> <p>From 11/05/2014 to 12/05/2014<br/> Minimum: R\$10.80<br/> Average: R\$11.43<br/> Maximum: R\$12.01</p> <p>From 10/03/2014 to 11/05/2014<br/> Minimum: R\$9.58<br/> Average: R\$10.11<br/> Maximum: R\$11.05</p> |

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|              |   | <p>From 09/05/2014 to 10/03/2014<br/> Minimum: R\$9.15<br/> Average: R\$9.45<br/> Maximum: R\$10.10</p> <p>From 08/05/2014 to 09/05/2014<br/> Minimum: R\$8.65<br/> Average: R\$9.48<br/> Maximum: R\$10.46</p>   |
| <b>D</b>     | Average price in the last 90 days.  | <p>Period from 09/26/2014 to 02/05/2015<br/> Minimum: R\$9.15<br/> Average: R\$10.81<br/> Maximum: R\$12.22</p>   |
| <b>XII</b>   | Issuance price of shares in capital stock increase in the last 3 years.                           | There was no issuance of shares in the last 3 years.  |
| <b>XIII</b>  | Percentage of dilution due to the issuance.   | 0.02531%  |
| <b>XIV</b>   | Time, conditions and form of subscription and payment of issued shares.                           | In cash, at the moment of subscription.   |
| <b>XV</b>    | Information about preemptive right to current shareholders regarding the new issuance.            | The shares were issued without preemptive right to current shareholders as per paragraph 3° of Article 171 of the Brazilian Corporation Law, as well as the paragraph 3°, article 168 of Brazilian Corporate Law and of paragraph 3°, article 6° of the Company's Bylaws. |
| <b>XVI</b>   | Management suggestion for the treatment of eventual leftovers.                                    | Not applicable since all shares issued were fully subscribed and paid.  |
| <b>XVII</b>  | Description of the procedures in the event of partial ratification of the capital stock increase. | Not applicable since all shares issued were fully subscribed and paid.  |
| <b>XVIII</b> | Detailed description in the event of total or partial payment through assets.                     | Not applicable since the payment occurred through national currency.  |