

MATERIAL FACT

JBS S.A. Announces the Acquisition of Cargill Pork Business in the United States

JBS S.A. (BM&FBovespa: JBSS3, OTCQX: JBSAY, "JBS" or "Company"), communicates to its shareholders and to the market in general, pursuant to CVM Instruction 358 of January 3, 2002, as amended, that on July 01, 2015, by its indirect controlled company, Swift Pork Company, it entered into an Asset Purchase Agreement with Cargill Meat Solutions Corporation ("Cargill Meats"), which established the terms and conditions for the acquisition of certain assets, properties, rights and liabilities, operations and the right of Cargill Meats ownership into Cargill Pork LLC ("Cargill Pork") relative to creation, purchase and slaughtering of hogs, and processing and sale of pork products ("Operation").

The price for the acquisition was valued at US\$1.45 billion, on a debt-free, cash-free basis, and may be adjusted by the net working capital variation and long-term liabilities of Cargill Pork. The adjusted amount of the purchase price will be paid in cash, in US dollars at the closing of the Operation.

The Operation includes: (i) two meat processing plants in Ottumwa, Iowa, and Beardstown, Ill; (ii) five feed mills in the States of Missouri, Arkansas, Iowa and Texas, and (iii) four hog farms in Arkansas, Oklahoma and Texas.

This Operation is in line with JBS' strategy to grow its portfolio of prepared and value-added products, expanding the Company's customer base both in the domestic market and internationally.

The Operation was approved by the Board of Directors of JBS and is subject to the usual regulatory approvals, including US antitrust authorities. Additionally, considering that the Operation does not involve the acquisition of a corporation, the Company clarifies that Article 256 of Law 6,404 of December 15, 1976, as amended, does not apply.

JBS management will keep the market informed regarding the development of this transaction.

JBS will hold conference calls with the market on July 2, 2015 at 10:30am EST / 11:30am BRT in English (+1 412 317-6029 or +55 11 3193-1001) and at 9am EST / 10am BRT in Portuguese (+55 11 3193-1001 or +55 11 2820-4001). The dial-in numbers for accessing the conference calls will be available on JBS Investor Relations website, www.jbs.com.br/ir.

São Paulo, 1st of July, 2015

Jeremiah O'Callaghan

Investor Relations Officer