



## **MATERIAL FACT**

### **JBS ANNOUNCES THE CANCELLATION OF SHARES HELD IN TREASURY**

JBS S.A. ("JBS" or "Company" – BM&FBOVESPA: JBSS3; OTCQX: JBSAY), communicates to its shareholders and to the Market in general, pursuant to article 30, paragraph 1, "b", of Law 6,404, of December 15th 1976, as amended, and also pursuant to article 2 of CVM Instruction 358/02, as amended, and CVM Instruction 567/15, that the Board of Directors of the Company approved the cancellation of all the shares held in treasury, less those shares retained under the Company's stock Option Plan, at a meeting held on September 30, 2015. Thus, 87,568,055 (eighty seven million, five hundred and sixty eight thousand and fifty five) common shares with no par value, issued by the Company, with no reduction in the capital stock, were cancelled.

As a result of this decision of the Board, the Company's capital stock is now divided into 2,856,857,505 (two billion, eight hundred and fifty six million, eight hundred and fifty seven thousand and five hundred and five) ordinary common shares. Therefore, article 5 of the Company's bylaws regarding the capital stock of JBS will be adjusted in an Extraordinary Shareholders Meeting to be summoned in due course.

The Company's share buyback program remains active, respecting the limit of 10% of the free float, pursuant to article 8º of CVM Instruction 567/15.

**São Paulo, October 1<sup>st</sup>, 2015**

**Jeremiah O'Callaghan**  
**Investor Relations Officer**