

Material Fact

JBS S.A. Announces a Voluntary Restatement of Previously Issued Financial Statements:

JBS S.A. ("JBS S.A." or the "Company" - BM&FBOVESPA: JBSS3, OTCQX: JBSAY), in compliance with the provisions set forth in the Brazilian Securities Exchange Commission ("CVM") Rule no. 358, dated January 3, 2002, as amended, informs its shareholders and the market in general that, in preparation of the corporate reorganization described in the material fact dated May 11, 2016 ("Reorganization"), the management of the Company, on this date, voluntarily restated its financial statements for the years ended 2013, 2014 and 2015 and its quarterly ended financial statements for March 31, 2016 ("Restated Financials").

The management of the Company with the purpose of (i) enhancing the set of its financial statements and (ii) maintaining the consistency of the information disclosed by the Company to the markets and regulators in Brazil and abroad, has assessed its accounting policies as well as the presentation and accounting for certain transactions in the financial statements and has concluded that it was necessary to restate previously issued financial statements for rectifying of errors and other reclassifications of certain items in accordance with CPC 23/IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

These restatements have no effect on the Company's previously reported net income, earnings per share, or liquidity and does not affect dividends as approved and distributed by resolutions of the Company's shareholders at its Annual General Meeting. Also, there was no adjustment to total assets, total liabilities or total equity for periods prior to 2013.

The adjustments regarding the Restated Financials are found attached to this document.

The Company communicates that the complete financial statements subject to the restatement, containing detailed explanatory notes on the major changes, are disclosed in the CVM, BM&FBOVESPA and the Company's websites, and also available to interested parties at the Company's headquarters. Additionally, the DFP Form and the ITR Forms affected by the changes were also properly re-filed.

São Paulo, August 5, 2016

Jeremiah O'Callaghan
Investor Relations Officer

Important Notices and Additional Information

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Important Notice Regarding Forward-Looking Statements

This communication 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 S.A. 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 S.A. undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made.

Changes in the Company for the quarterly period ended March 31, 2016 and years ended December 31, 2015, 2014 and 2013 are as follows:

ASSETS	Previously published				Adjustments				Restated			
	March, 2016	Dec. 2015	Dec. 2014	Dec. 2013	2016	2015	2014	2013	March, 2016	Dec. 2015	Dec. 2014	Dec. 2013
ASSETS - CURRENT	15,533,644	18,615,578	17,168,712	13,320,972	-	-	-	-	15,533,644	18,615,578	17,168,712	13,320,972
Derivatives assets	-	-	-	-	-	84,779	-	-	-	-	84,779	-
Prepaid expenses and others	242,184	383,255	-	-	-	(84,779)	-	-	242,184	298,476	-	-
ASSETS - NON-CURRENT	44,801,404	46,197,552	34,748,154	33,295,499	140,453	750,013	230,505	174,355	44,941,857	46,947,565	34,978,659	33,469,854
Investments	17,791,917	18,784,837	10,161,077	11,594,353	140,453	750,013	230,505	174,355	17,932,370	19,534,850	10,391,582	11,768,706
Intangible	9,556,826	9,553,510	9,550,264	9,547,037	(9,085,970)	(9,085,970)	(9,085,970)	(9,085,970)	470,856	467,540	464,294	461,067
Goodwill	-	-	-	-	9,085,970	9,085,970	9,085,970	9,085,970	9,085,970	9,085,970	9,085,970	9,085,970
TOTAL OF ASSETS	60,334,748	64,813,130	51,916,866	46,616,471	140,453	750,013	230,505	174,355	60,475,201	65,563,143	52,147,371	46,790,826

LIABILITIES	Previously published				Adjustments				Restated			
	March, 2016	Dec. 2015	Dec. 2014	Dec. 2013	2016	2015	2014	2013	March, 2016	Dec. 2015	Dec. 2014	Dec. 2013
LIABILITIES - CURRENT	20,876,644	19,875,624	12,777,175	9,444,767	300,000	430,000	-	-	21,176,644	20,305,624	12,777,175	9,444,767
Accrued income taxes and other taxes	-	-	-	-	114,272	102,665	70,040	100,441	114,272	102,665	70,040	100,441
Payroll and social charges	548,936	490,091	369,756	382,741	(114,272)	(102,665)	(70,040)	(100,441)	434,664	387,426	299,716	282,300
Other financial liabilities	15,010	15,164	-	-	300,000	430,000	-	-	315,010	445,164	-	-
Derivatives liabilities	-	-	-	-	1,892,768	-	279,890	10,205	1,892,768	-	279,890	10,205
Other current liabilities	2,747,676	-	740,635	535,352	(1,892,768)	-	(279,890)	(10,205)	854,908	-	460,745	525,147
LIABILITIES - NON-CURRENT	15,918,446	17,228,276	15,265,868	15,219,916	106,513	117,913	151,199	125,166	15,918,446	17,228,276	15,265,868	15,219,916
Accrued income taxes and other taxes	-	-	-	-	106,513	117,913	151,199	125,166	106,513	117,913	151,199	125,166
Payroll and social charges	106,513	117,913	151,199	125,166	(106,513)	(117,913)	(151,199)	(125,166)	-	-	-	-
EQUITY												
Accumulated other comprehensive income (loss)	(561,845)	86,251	(1,833,547)	(2,054,244)	(159,547)	320,013	230,505	174,355	(721,392)	406,264	(1,603,042)	(1,879,889)
TOTAL OF LIABILITIES AND EQUITY	60,334,748	64,813,130	51,916,866	46,616,471	140,453	750,013	230,505	174,355	60,475,201	65,563,143	52,147,371	46,790,826

Comprehensive income	Previously published			Adjustments			Restated		
	Dec. 2015	Dec. 2014	Dec. 2013	2015	2014	2013	Dec. 2015	Dec. 2014	Dec. 2013
Foreign currency translation adjustments	1,919,798	220,697	444,727	89,508	56,150	88,088	2,009,306	276,847	532,815
Total of comprehensive income	6,559,912	2,256,607	1,371,634	89,508	56,150	88,088	6,649,420	2,312,757	1,459,722

INCOME STATEMENT	Previously published			Adjustments			Restated		
	Dec. 2015	Dec. 2014	Dec. 2013	2015	2014	2013	Dec. 2015	Dec. 2014	Dec. 2013
Finance income (expense), net	508,970	(2,851,395)	(1,648,833)	(508,970)	2,851,395	1,648,833	10,891,555	836,715	994,091
Finance income	-	-	-	10,891,555	836,715	994,091	10,891,555	836,715	994,091
Finance expense	-	-	-	(10,382,585)	(3,688,110)	(2,642,924)	(10,382,585)	(3,688,110)	(2,642,924)

CASH FLOWS	Previously published			Adjustments			Restated		
	Dec. 2015	Dec. 2014	Dec. 2013	2015	2014	2013	Dec. 2015	Dec. 2014	Dec. 2013
Taxes expense	640,656	18,735	267,589	55,992	(46,851)	(2,380)	696,648	(28,116)	265,209
Finance income (expense), net	9,899,982	3,249,521	1,354,307	(10,408,952)	(398,126)	294,526	(508,970)	2,851,395	1,648,833
Share-based compensation	-	-	-	31,951	-	-	31,951	-	-
Other current and non-current liabilities	376,705	219,384	224,367	276,726	(222,833)	(33,107)	653,431	(3,449)	191,260
Interest paid	-	-	-	(2,654,681)	(1,740,330)	(1,175,447)	(2,654,681)	(1,740,330)	(1,175,447)
Interest received	-	-	-	1,237,109	506,324	413,573	1,237,109	506,324	413,573
Operating activities	10,950,499	4,115,381	274,091	(11,461,855)	(1,901,816)	(502,835)	(511,356)	2,213,565	(228,744)
Purchases of property, plant and equipment	-	-	-	(1,829,996)	(1,811,642)	(1,193,300)	(1,829,996)	(1,811,642)	(1,193,300)
Additions to property, plant and equipment and intangible	(5,257,221)	(1,790,441)	(1,019,292)	5,257,221	1,790,441	1,019,292	-	-	-
Sale of property, plant and equipment	-	-	-	44,506	40,600	63,696	44,506	40,600	63,696
Decrease (increase) in investments in subsidiaries	1,398,665	1,927,565	(281,975)	(3,471,731)	(19,399)	110,312	(2,073,066)	1,908,166	(171,663)
Equity effect of acquired company	-	-	915	-	-	(915)	-	-	915
Others	-	-	-	-	-	915	-	-	915
Investing activities	(3,858,556)	137,124	(1,300,352)	-	-	-	(3,858,556)	137,124	(1,300,352)
Payments of loans and financings	(17,683,782)	(10,204,309)	(7,887,692)	2,172,078	1,301,741	(113,170)	(15,511,704)	(8,902,568)	(8,000,862)
Derivatives settled in cash	-	-	-	9,289,777	600,075	616,005	9,289,777	600,075	616,005
Sale of treasury shares	-	-	-	982	-	-	982	-	-
Purchase of treasury shares	(1,431,688)	-	-	(982)	-	-	(1,432,670)	-	-
Financing activities	(5,337,923)	27,440	2,685,255	11,461,855	1,901,816	502,835	6,123,932	1,929,256	3,188,900

INCOME STATEMENT	Previously published		Adjustments		Restated	
	March, 2016	March, 2015	2016	2015	March, 2016	March, 2015
Finance income (expense), net	(3,897,950)	97,953	3,897,950	(97,953)	-	-
Finance income	-	-	2,100,015	4,718,373	2,100,015	4,718,373
Finance expense	-	-	(6,865,290)	(4,634,511)	(6,865,290)	(4,634,511)

Comprehensive income	Previously published		Adjustments		Restated	
	March, 2016	March, 2015	2016	2015	March, 2016	March, 2015
Foreign currency translation adjustments	(648,096)	1,172,176	(479,560)	98,747	(1,127,656)	1,270,923
Total of comprehensive income	(3,389,258)	2,565,895	(479,560)	98,747	(3,868,818)	2,664,642

CASH FLOWS	Previously published		Adjustments		Restated	
	March, 2016	March, 2015	2016	2015	March, 2016	March, 2015
Taxes expense	(1,105,808)	119,106	(466)	(563)	(1,106,274)	118,543
Finance income (expense), net	(1,509,351)	3,809,487	5,407,301	(3,907,440)	3,897,950	(97,953)
Share-based compensation	-	-	41,838	-	41,838	-
Other current and non-current liabilities	1,768,894	(178,190)	(2,018,919)	563	(250,025)	(177,627)
Interest paid	-	-	(341,323)	(505,196)	(341,323)	(505,196)
Interest received	-	-	366,774	174,160	366,774	174,160
Operating activities	2,133,632	(1,417,097)	(1,218,724)	61,351	914,908	(1,355,746)
Purchases of property, plant and equipment	-	-	(70,152)	(297,569)	(70,152)	(297,569)
Additions to property, plant and equipment and intangible	(70,152)	(297,569)	70,152	297,569	-	-
Investing activities	(72,499)	(297,569)	-	-	(72,499)	(297,569)
Payments of loans and financings	(3,451,405)	(5,392,866)	20,465	391,380	(3,430,940)	(5,001,486)
Derivatives settled in cash	-	-	(3,475,670)	3,847,096	(3,475,670)	3,847,096
Purchase of treasury shares	(821,139)	(31,986)	-	-	(821,139)	(31,986)
Financing activities	594,306	(3,749,265)	(3,455,205)	4,238,476	(2,860,899)	489,211

São Paulo, August 5, 2016

Jeremiah O'Callaghan – Investor Relations Officer

Changes in the Consolidated form for the quarterly period ended March 31, 2016 and years ended December 31, 2015, 2014 and 2013 are as follows:

ASSETS	Previously published				Adjustments				Restated			
	March, 2016	Dec, 2015	Dec, 2014	Dec, 2013	2016	2015	2014	2013	March, 2016	Dec, 2015	Dec, 2014	Dec, 2013
ASSETS - CURRENT	42,746,668	49,810,038	37,542,232	28,913,483	-	-	-	-	42,746,668	49,810,038	37,542,232	28,913,483
Derivatives assets	-	-	-	-	-	737,891	-	-	-	737,891	-	-
Prepaid expenses and others	968,904	1,988,210	-	-	(737,891)	-	-	-	968,904	1,250,319	-	-
ASSETS - NON-CURRENT	69,401,079	71,942,916	44,501,450	39,756,738	140,453	750,013	271,906	174,355	69,541,532	72,692,929	44,773,356	39,931,093
Intangible	29,532,012	30,553,962	15,436,512	14,975,663	(23,193,507)	(23,661,428)	(13,032,025)	(12,702,971)	6,338,505	6,892,534	2,404,487	2,272,692
Goodwill	-	-	-	-	23,333,960	24,411,441	13,213,701	12,877,326	23,333,960	24,411,441	13,213,701	12,877,326
TOTAL OF ASSETS	112,147,747	121,752,954	82,043,682	68,670,221	140,453	750,013	271,906	174,355	112,288,200	122,502,967	82,315,588	68,844,576

LIABILITIES	Previously published				Adjustments				Restated			
	March, 2016	Dec, 2015	Dec, 2014	Dec, 2013	2016	2015	2014	2013	March, 2016	Dec, 2015	Dec, 2014	Dec, 2013
LIABILITIES - CURRENT	37,833,650	39,707,467	24,868,001	17,708,869	(37,443,622)	430,000	-	-	390,028	40,137,467	24,868,001	17,708,869
Accrued income taxes and other taxes	-	-	-	-	390,028	843,919	749,759	169,161	390,028	843,919	749,759	169,161
Payroll and social charges	2,867,524	3,735,872	2,611,077	1,761,296	(390,028)	(843,919)	(749,759)	(169,161)	2,477,496	2,891,953	1,861,318	1,592,135
Other financial liabilities	385,023	471,916	-	-	300,000	430,000	-	-	685,023	901,916	-	-
Derivatives liabilities	-	-	-	-	-	-	241,899	14,284	-	-	241,899	14,284
Other current liabilities	2,616,478	1,068,740	798,122	689,535	(1,723,631)	-	(241,899)	(14,284)	892,847	1,068,740	556,223	675,251
LIABILITIES - NON-CURRENT	49,240,988	52,744,122	31,533,156	27,828,098	-	-	41,401	-	49,240,988	52,744,122	31,574,557	27,828,098
Accrued income taxes and other taxes	-	-	-	-	281,140	297,138	244,416	269,681	-	-	-	-
Payroll and social charges	868,368	894,837	639,114	705,179	(281,140)	(297,138)	(244,416)	(269,681)	587,228	597,699	394,698	435,498
Deferred income tax	2,914,863	4,310,495	2,839,966	2,119,594	-	-	41,401	-	2,914,863	4,310,495	2,881,367	2,119,594
EQUITY	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated other comprehensive income (loss)	(561,845)	86,251	(1,833,547)	(2,054,244)	(159,547)	320,013	230,505	174,355	(721,392)	406,264	(1,603,042)	(1,879,889)
TOTAL OF LIABILITIES AND EQUITY	112,147,747	121,752,954	82,043,682	68,670,221	140,453	750,013	271,906	174,355	112,288,200	122,502,967	82,315,588	68,844,576

Comprehensive income	Previously published			Adjustments			Restated		
	Dec, 2015	Dec, 2014	Dec, 2013	2015	2014	2013	Dec, 2015	Dec, 2014	Dec, 2013
Foreing currency translation adjustments	1,919,798	220,697	444,727	755,954	252,956	341,644	2,675,752	473,653	786,371
Total of comprehensive income	7,048,445	2,627,124	1,563,052	755,954	252,956	341,644	7,804,399	2,880,080	1,904,696

INCOME STATEMENT	Previously published			Adjustments			Restated		
	Dec, 2015	Dec, 2014	Dec, 2013	2015	2014	2013	Dec, 2015	Dec, 2014	Dec, 2013
Finance income (expense), net	(1,300,616)	(3,637,620)	(2,380,331)	1,300,616	3,637,620	2,380,331	-	-	-
Finance income	-	-	-	11,573,979	1,538,276	1,255,895	11,573,979	1,538,276	1,255,895
Finance expense	-	-	-	(12,874,595)	(5,175,896)	(3,636,226)	(12,874,595)	(5,175,896)	(3,636,226)

CASH FLOWS	Previously published			Adjustments			Restated		
	Dec, 2015	Dec, 2014	Dec, 2013	2015	2014	2013	Dec, 2015	Dec, 2014	Dec, 2013
Taxes expense	(229,701)	128,517	490,439	2,979,735	1,656,879	166,231	2,750,034	1,785,396	656,670
Finance income (expense), net	11,568,234	3,871,245	1,591,257	(10,267,618)	(233,625)	789,074	1,300,616	3,637,620	2,380,331
Share-based compensation	-	-	-	39,740	-	-	39,740	-	-
Other current and non-current liabilities	293,116	745,835	85,512	(874,500)	(677,592)	193,551	(581,384)	68,243	279,063
Interest paid	-	-	-	(4,144,834)	(2,635,839)	(2,089,504)	(4,144,834)	(2,635,839)	(2,089,504)
Interest received	-	-	-	970,690	556,265	575,992	970,690	556,265	575,992
Operating activities	21,206,366	8,987,035	2,541,047	(15,202,264)	(2,188,943)	(397,653)	6,004,102	6,796,092	2,143,394
Purchases of property, plant and equipment	-	-	-	(5,637,894)	(4,087,755)	(2,454,926)	(5,637,894)	(4,087,755)	(2,454,926)
Additions to property, plant and equipment and intangible	(15,859,628)	(3,569,434)	(1,737,313)	15,859,628	3,569,434	1,737,313	15,859,628	3,569,434	1,737,313
Sale of property, plant and equipment	-	-	-	509,959	155,823	232,676	509,959	155,823	232,676
Decrease (increase) in investments in subsidiaries	13,686	-	1,540	(13,686)	-	(1,540)	-	-	-
Equity effect of acquired company	(5,757,925)	(707,411)	(161,517)	5,757,925	707,411	161,517	-	-	-
Others	-	-	-	(46,612)	(38,356)	(7,083)	(46,612)	(38,356)	(7,083)
Investing activities	(21,603,867)	(4,276,845)	(1,905,913)	2,228,609	(358,521)	(354,284)	(19,375,258)	(4,635,366)	(2,260,197)
Payments of loans and financings	(40,781,836)	(23,501,506)	(18,833,041)	2,838,473	1,331,188	44,535	(37,943,363)	(22,170,318)	(18,788,506)
Derivatives settled in cash	-	-	-	9,639,339	1,216,276	707,403	9,639,339	1,216,276	707,403
Sale of treasury shares	-	-	-	982	-	-	982	-	-
Purchase of treasury shares	(1,431,688)	-	-	(982)	-	-	(1,432,670)	-	-
Financing activities	2,191,682	876,875	2,706,466	12,973,655	2,547,464	751,937	15,165,337	3,424,339	3,458,403

Comprehensive income	Previously published		Adjustments		Restated	
	March, 2016	March, 2015	2016	2015	March, 2016	March, 2015
Foreing currency translation adjustments	(648,096)	1,172,176	(632,475)	525,015	(1,280,571)	1,697,191
Total of comprehensive income	(3,292,740)	2,700,261	(632,475)	525,015	(3,925,215)	3,225,276

INCOME STATEMENT	Previously published		Adjustments		Restated	
	March, 2016	March, 2015	2016	2015	March, 2016	March, 2015
Finance income (expense), net	(4,765,275)	83,862	4,765,275	(83,862)	-	-
Finance income	-	-	2,100,015	4,718,373	2,100,015	4,718,373
Finance expense	-	-	(6,865,290)	(4,634,511)	(6,865,290)	(4,634,511)

CASH FLOWS	Previously published		Adjustments		Restated	
	March, 2016	March, 2015	2016	2015	March, 2016	March, 2015
Taxes expense	(1,230,806)	(278,826)	72,858	840,154	(1,157,948)	561,328
Finance income (expense), net	(1,469,083)	4,451,601	6,234,358	(4,535,463)	4,765,275	(83,862)
Share-based compensation	-	-	39,551	-	39,551	-
Other current and non-current liabilities	643,409	(342,560)	(1,094,703)	342,845	(451,294)	285
Interest and service fees paid	-	-	(784,278)	(821,302)	(784,278)	(821,302)
Interest received	-	-	246,040	229,400	246,040	229,400
Income tax paid	-	-	(688,617)	(528,617)	(688,617)	(528,617)
Operating activities	(4,446,748)	4,537,979	3,354,809	(4,647,220)	(1,091,939)	(109,241)
Additions to property, plant and equipment and intangible	(761,477)	(705,150)	(78,606)	(14,141)	(840,083)	(719,291)
Sale of property, plant and equipment	-	-	83,120	25,641	83,120	25,641
Acquisitions, net of cash acquired	-	(3,905,195)	(130,000)	40,593	(130,000)	(3,864,603)
Investing activities	(761,477)	(4,610,346)	(725,486)	52,093	(686,363)	(4,558,253)
Payments of loans and financings	(7,174,533)	(11,085,810)	126,941	638,392	(7,047,592)	(10,447,418)
Derivatives settled in cash	-	-	(3,356,263)	4,001,294	(3,356,263)	4,001,294
Sale of treasury shares	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-
Financing activities	2,207,031	(1,584,076)	(3,229,323)	4,595,127	(1,022,292)	3,011,051

São Paulo, August 5, 2016

Jeremiah O'Callaghan – Investor Relations Officer