

MATERIAL FACT

JBS Announces That Its Holding Company Entered Into a Leniency Agreement With the Brazilian Federal Prosecutor's Office

JBS S.A. (IBOV: JBSS3, OTCQX: JBSAY, "Company"; "JBS"), pursuant to CVM's Instruction 358 of January 3, 2002, as amended, announces to its shareholders and the market in general that it received confirmation from its Holding Company J&F Participações ("J&F") that, on Tuesday night, May 30, 2017 it entered into a leniency agreement with the Brazilian Federal Prosecutor's Office.

This leniency agreement includes the payment of R\$10.3 billion over 25 years payable solely by J&F and as it relates to JBS includes Federal Police investigations known as Bullish and Weak Flesh.

The Company's Management will keep the market informed about the developments of this agreement as they relate to JBS.

São Paulo, May 31, 2017

**Jeremiah O'Callaghan
Investor Relations Officer**