

MATERIAL FACT

JBS SELLS ITS BEEF OPERATIONS IN ARGENTINA, PARAGUAY AND URUGUAY

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, directly and through its subsidiary JBS Handels GmbH, it signed an agreement to sell its shareholding interest in other subsidiaries that own its beef operations in Argentina, Paraguay and Uruguay to Pul Argentina S.A., Frigomerc S.A. and Pulsa S.A., respectively, entities controlled by Minerva S.A, for a total of US\$300 million. The acquisition price is subject to adjustments equivalent to the difference between net working capital and long-term debt at the closing date, which, on March 31, 2017, was positive at approximately US\$40 million.

The transaction was unanimously approved by JBS' Board of Directors and is subject to the usual regulatory approvals, including antitrust authorities.

The Company intends to use the proceeds from the sale to reduce its financial leverage.

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

São Paulo, June 6, 2017

**Jeremiah O'Callaghan
Investor Relations Officer**