

MATERIAL FACT

JBS SIGNS AGREEMENTS WITH FINANCIAL INSTITUTIONS

JBS S.A. (the “Company” or “JBS” – B3: JBSS3; OTCQX: JBSAY) in accordance with the terms of CVM Instruction No. 358, dated January 3, 2002, as amended, communicates to its shareholders and to the market in general that, together with its Brazilian operating subsidiaries and global leather division (“JBS Brazil”), it has entered into Agreements for the Preservation of Credit Lines (the “Agreements”) with certain financial institutions representing 93% (ninety-three percent) of the principal amount of the indebtedness that JBS Brazil has acquired from financial institutions in Brazil and abroad.

The terms of the Agreements will ensure the financial liquidity and regularity of JBS’ operations, as they allow for the stabilization of short-term indebtedness and the preservation of the bank’s agreements in their original conditions, which is necessary to ensure the stability of JBS’ financial profile.

In this regard, the Agreement involves a group of Brazilian and foreign public and private financial institutions, the purpose of which is to stabilize approximately R\$20.5 billion of JBS Brazil’s indebtedness for a period of 12 (twelve) months (the “Stabilization Period”).

During the Stabilization Period, JBS Brazil will pay in full the interest incurred under the terms of the original contracts, as well as four installments of 2.5% of the principal amount of the indebtedness in question, with the first one to take place upon initiation of the agreement and the remaining in 90, 180 and 270 days, respectively. If certain liquidity events occur, such as the sale of equity interests, with the exception of the sale of the beef operations in Argentina, Paraguay and Uruguay announced to the market on June 6, 2017, JBS Brazil will amortize the indebtedness underlying such Agreement in an amount equivalent to 80% of the net proceeds from such liquidity events.

Concurrently with negotiations with various creditor financial institutions with respect to the Stabilization Period, JBS Brazil has also entered into an agreement with the Itaú Unibanco Group that provides for the renegotiation of indebtedness in the approximate amount of R\$1.2 billion, such that 40% of the total indebtedness will be paid as originally contracted and the remaining 60% will be

renewed, under their original conditions, for 12 months from the originally stipulated maturities.

The Agreements were unanimously approved by the Company's Board of Directors, and will be monitored by Management, who will keep shareholders and the market in general informed of developments.

São Paulo, July 25, 2017.

Jeremiah O'Callaghan
Investor Relations Officer