

MATERIAL FACT

JBS INFORMS THE SALE OF ITS STAKE IN VIGOR IN CONTINUATION OF ITS DIVESTMENT PROGRAM

JBS S.A. ("JBS" or "Company" - B3: JBSS3; OTCQX: JBSAY) in accordance with the terms of CVM Regulation Number 358, dated January 3, 2002, as amended, communicates to its shareholders and to the market in general, further to the Material Fact of June 20, 2017, and in connection with its Divestment Program, that it has been informed by J&F Investimentos S.A. ("J&F"), its controlling shareholder, that J&F is in advanced negotiations with Grupo Lala, S.A.B. de C.V. for the sale of Vigor Alimentos S.A. ("Vigor").

If confirmed, the transaction will involve the sale by JBS of the totality of its shareholding interest in Vigor which corresponds to 19.43% of the share capital of that company. Additionally, the transaction will be presented to the Board of Directors of JBS and Grupo Lala for their approval in meetings scheduled for Thursday, August 3, 2017.

Any facts regarding this matter considered relevant will be promptly disclosed to the market.

São Paulo, August 1, 2017

Jeremiah O'Callaghan
Investor Relations Officer