



MATERIAL FACT

JBS ANNOUNCES THE CONCLUSION OF THE SALE OF ITS STAKE IN VIGOR ALIMENTOS S.A.

JBS S.A. ("JBS" or "Company" - B3: JBSS3; OTCQX: JBSAY) in accordance with the terms of CVM Regulation Number 358, dated January 3, 2002, communicates to its shareholders and to the market in general that, in the context of its Divestiture Program and further to the Material Fact of August 3rd, 2017, today it concluded the sale of the totality of its 19.43% shareholding interest in Vigor Alimentos S.A. to Grupo Lala, S.A.B. de C.V., for approximately R\$1,112 million (Enterprise Value) of which JBS is receiving approximately R\$786 million (Equity Value).

JBS intends to use a portion of the proceeds from this transaction to further reduce debt in connection with its Stabilization Agreement, as announced in the Material Fact of July 25, 2017.

São Paulo, October 26, 2017

Jeremiah O'Callaghan
Investor Relations Officer