



MATERIAL FACT

JBS Announces Adherence to the Special Tax Regularization Program

JBS S.A. ("JBS" or "Company" - B3: JBSS3; OTCQX: JBSAY) in accordance with the terms of CVM Regulation Number 358, dated January 3rd, 2002, communicates to its shareholders and the market in general that, based on the Provisional Measure n° 783 dated May 31st 2017, converted into Law 13,496 of October 24th, 2017, regulated by the Normative Ruling n° 1,711 of the Brazilian Federal Revenue ("RFB") from June 16th 2017 and n° 1733 of August 31st 2017, and by the Ordinance n° 690 from the Attorney General of the National Treasury ("PGFN") of June 29th 2017, it has adhered to the Special Tax Regularization Program ("PERT") regarding tax liabilities related to PIS, COFINS and Income Tax/Social Contribution, registered or not registered in the Federal Debt Roster.

The nominal value of the debit included in PERT totals approximately R\$4.2 billion, including reductions foreseen in the respective Provisional Measures, of which (i) 20% of the total gross amount will be paid in monthly installments until December 2017, totaling R\$1.1 billion; (ii) amounts related to the RFB, totaling R\$1.6 billion, will be paid using tax credits; and (iii) amounts related to PGFN, totaling R\$1.5 billion, will be settled in 145 consecutive monthly installments, starting January 2018. Installment amounts include an 80% reduction in default interest, 50% in default fines and 100% in legal charges and will be adjusted by the SELIC rate. Adherence to PERT represents total savings of approximately R\$1.1 billion.

Considering the net effect of the debits related to PERT, including reductions foreseen in the program and the provisions already booked by JBS, the Company will accrue a negative accounting impact in its 3Q17 net income of approximately R\$2.3 billion.

São Paulo, November 7th, 2017.

Jeremiah O'Callaghan

Investor Relations Officer