

MATERIAL FACT

JBS ANNOUNCES THE APPROVAL OF A NEW SHARE BUYBACK PROGRAM

JBS S.A. (BM&FBOVESPA: JBSS3, OTCQX: JBSAY, "Company") announces to its shareholders and the market in general that its Board of Directors approved a new Share Buyback Program for future sale and/or cancellation ("Buyback Program"), in accordance with article 19, item XVI of the Company's Bylaws and in compliance with Annex 30-XXXVI of the Brazilian Securities Exchange Commission ("CVM") Instruction 480, as of December 7, 2009, as amended by CVM Instruction 567, as of September 17, 2015 ("ICVM 567").

- JBS' Buyback Program, as a continuing policy of the Company, aims to maximize value generation to shareholders by efficiently managing its capital structure.
- In accordance with paragraph 3, article 8, of ICVM 567, there are currently 1,604,052,395 common shares outstanding, all nominative, book-entry and without par value ("Outstanding Shares"). In addition, there were 15,711,890 shares held in treasury.
- According to the terms of the Buyback Program, and in compliance with article 8 of ICVM 567, JBS may buy back up to 160,405,239 common shares issued by the Company, all nominative, book-entry and without par value, which represent up to 5.88% of the total shares and up to 10% of the outstanding shares. The eventual purchase of those shares will be made on the B3 – *Bolsa, Brasil, Balcão* – at market prices.
- Shares eventually purchased in connection with the Buyback Program will not alter the Company's controlling shareholder nor its administrative structure.
- The expiration date in connection with the share buyback program is February 09, 2020, totaling 18 months.
- Brokers that are authorized to intermediate this buyback program are: **(1) ATIVA INVESTIMENTOS S.A. CTCV 147** (AV. DAS AMERICAS , 3500 SALAS 314 A 318 - ED. LONDRES CONDOMÍNIO LE MONDE RIO DE JANEIRO /RJ 22640102); **(2) BGC LIQUIDEZ DTVM** (AV ALM BARROSO, 52 - 23 ANDAR, SALA 2301 – RJ); **(3) BRADESCO S/A CTVM 72** (AV PAULISTA , 1450 7º ANDAR - SAO PAULO /SP 1310100 - Tel.: (55 11) 2178-5757 - Fax: (55 11) 2178-5407); **(4) BRASIL PLURAL CCTVM S/A 120** (R SURUBIM , 373 TERREO - CONJUNTOS 01 - PARTE E 02 – PARTE SAO PAULO /SP 04571050); **(5) BTG PACTUAL CTVM S.A. 85** (AV FARIA LIMA, 3477 11º ANDAR – EDIFÍCIO PATIO MALZONI - SAO PAULO /SP 04538133); **(6) CM CAPITAL MARKETS CCTVM LTDA** (R GOMES DE CARVALHO, 1195 - 4º ANDAR - SAO PAULO - SP, 04547-004 - (55 11) 3842-1122); **(7) CREDIT SUISSE BRASIL S.A. CTVM 45** (R LEOPOLDO COUTO DE MAGALHAES JUNIOR , 700 10º ANDAR (PARTE) E 12º A 14º ANDARES (PARTES) - SAO PAULO /SP 04542000); **(8) GOLDMAN SACHS DO BRASIL CTVM 238** (R LEOPOLDO COUTO DE MAGALHAES JUNIOR , 700 16 E 18 ANDAR SAO PAULO /SP 04542000); **(9) H.COMMCOR DTVM**

LTDA (R BOA VISTA, 254 - 11º ANDAR, CONJ 1101 E 1108 - SAO PAULO - SP, 01014-000 – Tel. 55 11 2127-2777); **(10) SANTANDER CCVM S/A 27** (AV PRES JUSCELINO KUBITSCHKE , 2041, 2235 PARTE - 24º ANDAR SAO PAULO /SP 4543011); **(11) TULLETT PREBON** (R AMAURI, 255 - 8º ANDAR - SAO PAULO - SP, 01448-000); **(12) UBS BRASIL CCTVM S/A 8** (AV. FARIA LIMA , 4.440 7º ANDAR PARTE - SAO PAULO /SP 04538132).

- Shares eventually purchased in connection with the Buyback Program shall be paid with income and capital reserves, with the exception of reserves specified in article 7, paragraph 1, of ICVM 567, with results from the current fiscal year with the exception of those to be allocated as future reserves according to article 7, paragraph 1, of ICVM 567.
- The Board of Directors understands that the eventual implementation of this Buyback Program will not affect the Company's capacity to fulfill its obligations nor the payment of mandatory minimum dividends.

Finally, JBS reiterates its commitment to maintaining its shareholders and the market in general informed as to the next steps of the Buyback Program and of any other matter that may be of interest to the market.

São Paulo, July 3, 2018

Jeremiah O'Callaghan

Investor Relations Officer