

JBS S.A.

National Corporate Taxpayers Register (CNPJ/MF) No. 02.916.265/0001-60

Company Registry Identification (NIRE) No. 35.300.330.587

NOTICE OF MATERIAL EVENT

JBS S.A. ("Company"), in the manner and for purposes of Securities Commission ("CVM") Ruling Nos. 358/2002 and 319/1999, informs its shareholders and the market in general that it will submit to a decision of the shareholders at the Special Shareholders Meeting to be held at the Company's headquarters in São Paulo, State of Sao Paulo, at Avenida Marginal Direita do Tietê, 500, Block I, 3rd Floor, Vila Jaguara, Postal Code 05118-900, on May 29, 2013, at 10:00 am ("AGE"), a proposal for the merger, into the Company, of its subsidiary **Novaprom Food Ingredients Ltda.**, headquartered in the city of São Paulo, state of São Paulo, at Avenida Marginal Direita, 500, Bloco II, Subsolo, Room 3, Vila Jaguara, Postal Code 05118-100, enrolled with the National Corporate Taxpayers Register (CNPJ/MF) under No. 04.995.941/0001-63 and Company Registry Identification (NIRE) No. 35.217.319.555 ("Novaprom"), pursuant to Art. 224 of Law No. 6404/76 ("Merger").

The Merger shall simplify the corporate structure of the Company, resulting in reduced operating costs for more efficient management and, consequently, significant gains for the Company, which shall serve the interests of the Company and its shareholders.

On the date of the Merger, Novaprom shall be a wholly owned subsidiary of the Company. Thus, the Merger shall not cause an increase in the capital or issuance of new shares. Since the composition of the capital stock of the Company shall remain unchanged and the shares representing the share capital of Novaprom shall be extinguished, it shall not be necessary to establish any exchange ratio in the Merger. Moreover, there shall be no change in voting rights, dividends or any other rights granted to the Company's shareholders, compared to voting and equity advantages prior to the Merger.

The Company's Bylaws shall be amended as a result of the Merger to include the activities of Novaprom not currently exercised by the Company, pursuant to the new draft Bylaws set forth in the Management Proposal to the AGE. Adoption of this matter at the AGE shall not entitle shareholders dissenting from the resolution the right to withdraw from the Company by refund of the value of their shares, as the activities included are merely a development or complement to its corporate purpose and inherent to the Company's business.

The Company's managers appointed, *ad referendum* to the AGE, APSIS Consultoria Empresarial Ltda., headquartered in the city of Rio de Janeiro, state of Rio de Janeiro, at Rua Assembleia, 35, 12th floor, enrolled with the National Corporate Taxpayers Register (CNPJ/MF) under No. 08.681.365/0001-30 and with Regional Accounting Council of Rio de Janeiro under No. CRC RJ-005112/O-9 ("APSYS"), to evaluate the net worth of Novaprom to be transferred to the Company by virtue of the Merger.

It is clarified that APSIS already declared: (i) there is no conflict or common interests with the shareholder of Novaprom or with the Company's shareholders, or, further, in respect to the Merger itself; and (ii) the shareholders or managers of the Company or the shareholder or manager of Novaprom have not directed, limited, created difficulties or performed any actions which have or may have compromised access, use or knowledge of information, assets, documents or work methodologies relevant to the quality of the conclusions by APSIS.

The net assets of Novaprom to be merged into the Company were appraised based on a specific balance sheet reported drawn up on March 31, 2013 ("Base Balance Sheet" and the "Base Date", respectively), in which the assets and rights have been valued at market value in accordance with Art. 21 of Law No. 9249, of December 26, 1995 ("Valuation Report"). As a result of its work, APSIS delivered to the Company the Valuation Report, which found that

the value of Novaprom's net worth, on the Base Date, is sixteen million nine hundred and eighteen thousand, nine hundred and seventy-eight *Reais* and twenty-nine cents (R\$16,918,978.29). Changes in equity occurring at Novaprom and the Company after the Base Date until the Merger date shall be reflected in the respective financial statements.

As this concerns the merger of a wholly owned subsidiary, it is unnecessary to refund the amount in regards to the appraisal right of dissident shareholders. For the same reason, the preparation of a comparative valuation report and audited financial statements is not justified, as required by Art. 264 of Law No. 6404/76 and Art. 12 of CVM Ruling 319/1999. Accordingly, the Company's management submitted to CVM a request for confirmation of this understanding. It is estimated that the total costs of the Merger are in the order of one hundred and seventy thousand *Reais* (R\$170,000.00) for services rendered for preparing the Valuation Report, legal publications, corporate filings with the Commercial Registry and other expenses that are necessary for the Merger.

The members of the Fiscal Council and members of the Company's Board of Directors met on May 10, 2013 and May 13, 2013, respectively, and expressed themselves in favor of the Merger, pursuant to the Management Proposal and Merger Protocol and Justification, and the members of the Board of Directors approved the call of the Special Shareholders Meeting. The bases of the Merger, which are provided in detail in the Protocol and Justification of Merger, are subject to final approval by the AGE and by Novaprom's shareholder.

The Protocol and Justification of Merger, the Valuation Report, the Management Proposal, the manifestation by the Company's Fiscal Council and other documents required by the applicable laws and regulation are available to the shareholders, as of this date, at the headquarters and on the websites of the Company (www.jbs.com.br/ri/), the Securities Commission (www.cvm.gov.br) and BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros (www.bmfbovespa.com.br).

São Paulo, May 13, 2013

Jeremiah Alphonsus O'Collaghan
Investor Relations Officer