



Results for 2Q12

JBS S.A. (Bovespa: JBSS3)*

São Paulo, August 14th, 2012

Net Revenue increased 26% in 2Q12

Consolidated EBITDA surpassed R\$1.0 billion

Adjusted Net Income of R\$213 million

2Q12 HIGHLIGHTS

- ✓ JBS posted consolidated net revenue of R\$18.5 billion, 26.3% higher than 2Q11.
- ✓ Consolidated EBITDA was R\$1,012.8 million, an increase of 72.3% compared to 2Q11. EBITDA margin was 5.5%.
 - JBS Mercosul was the highlight of the quarter reporting net revenue of R\$4,317.7 million, an increase of 19.4% over 2Q11. EBITDA increased 47.3% over the same period and was R\$630.3 million with an EBITDA margin of 14.6%.
 - JBS USA Chicken (Pilgrim's Pride Corporation – "PPC") posted net revenue of US\$2.0 billion and EBITDA of US\$125.7 million in the period, reversing the negative result presented in 2Q11.
- ✓ Adjusted net Income in the period was R\$212.9 million excluding deferred income tax liabilities generated by goodwill (this deferred income tax is disbursed only if the company sells the investment that generated goodwill). Reported consolidated net income was R\$169.5 million.
- ✓ The Company ended the quarter with R\$5.475 billion in cash and cash equivalent, corresponding to more than 110% of short-term debt.

1st SEMESTER, 12 (1S12) HIGHLIGHTS

- ✓ During the semester, net revenue totaled R\$34.5 billion, 17.7% higher than 1S11.
- ✓ Consolidated EBITDA was R\$1,709.3 million in 1S12, which is 20.1% above 1S11. EBITDA margin of the semester was 5.0%.
- ✓ Adjusted net Income for the semester was R\$453.2 million excluding deferred income tax liabilities generated by goodwill. First half reported consolidated net income was R\$285.6 million.

Strategic Events

- ✓ Start up in the poultry industry in Brazil through the rental of Frangosul assets, with a processing capacity of 1.1 million birds/day.
- ✓ Ramp up of the beef business in Brazil adding new units with the capacity to process about 8,000 head/day.
- ✓ Independent listing of Vigor S.A. through the conclusion of the Voluntary Public Tender Offer for the Acquisition of JBS Shares in Exchange for Vigor Shares.

JBS S.A. ("JBS") (Bovespa: JBSS3), the global leading producer of animal protein announces today its results for the second quarter of 2012 (2Q12). For the purpose of analysis, this report considers the results for the quarter ended March, 2012 (1Q12) and June, 2011 (2Q11). The consolidated results of JBS are presented in Brazilian Real (R\$) and when separately analyzed, each business unit reports its results in the currency of the country in which it operates. The operations of JBS Australia are an integral part of the subsidiary JBS USA and both results refer to the period of 13 weeks ended June 24, 2012 (2Q12). The quantitative data, such as volumes and heads slaughtered, are not audited.





Results for 2Q12

ANALYSIS OF RESULTS BY BUSINESS UNIT

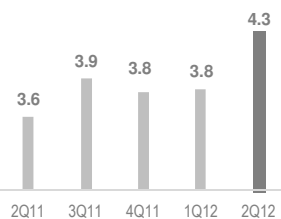
Analysis of the principal financial indicators of JBS by Business Unit (in local currency)

		2Q12	1Q12	Δ%	2Q11	Δ%
Net Revenue						
JBS USA Beef	US\$	4,266.9	4,078.8	4.6%	3,964.0	7.6%
JBS USA Pork	US\$	844.0	855.4	-1.3%	845.8	-0.2%
JBS USA Chicken	US\$	1,974.5	1,888.8	4.5%	1,992.7	-0.9%
JBS Mercosul	R\$	4,317.7	3,827.4	12.8%	3,615.3	19.4%
EBITDA						
JBS USA Beef	US\$	-9.1	-45.4	-	44.7	-
JBS USA Pork	US\$	49.2	55.8	-11.9%	83.6	-41.2%
JBS USA Chicken	US\$	125.7	104.0	20.9%	-47.6	-
JBS Mercosul	R\$	630.3	508.6	23.9%	427.9	47.3%
EBITDA Margin						
JBS USA Beef	%	-0.2%	-1.1%	-	1.1%	-
JBS USA Pork	%	5.8%	6.5%	-	9.9%	-
JBS USA Chicken	%	6.4%	5.5%	-	-2.4%	-
JBS Mercosul	%	14.6%	13.3%	-	11.8%	-

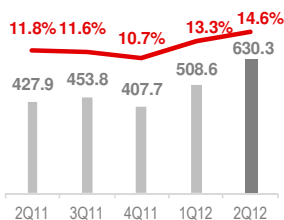
Performance by Business Unit

JBS Mercosul   

Net sales (R\$ billion)

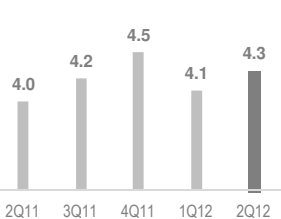


EBITDA (R\$ million)

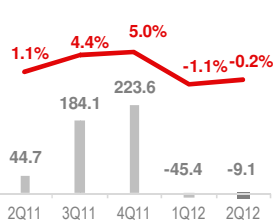


JBS USA 
(Including Australia)

Net sales (US\$ billion)

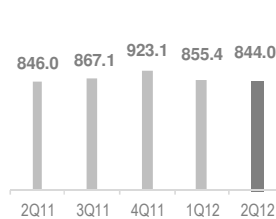


EBITDA (US\$ million)

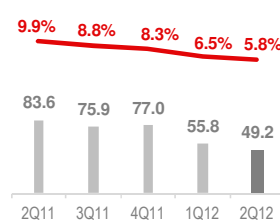


JBS USA 

Net sales (US\$ million)

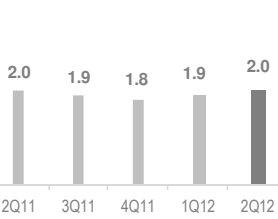


EBITDA (US\$ million)

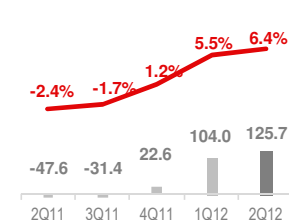


JBS USA (PPC) 

Net sales (US\$ billion)



EBITDA (US\$ million)



— EBITDA Margin (%)





Results for 2Q12

ANALYSIS OF CONSOLIDATED RESULTS

Consolidated analysis of the principal operational indicators of JBS

R\$ million	2Q12	1Q12	Δ%	2Q11	Δ%
Net Revenue	18.468,3	16.011,1	15,3%	14.621,8	26,3%
Cost of Goods Sold	(16.350,8)	(14.357,2)	13,9%	(13.202,3)	23,8%
Gross Income	2.117,5	1.653,9	28,0%	1.419,5	49,2%
Gross Margin	11,5%	10,3%	-	9,7%	-
Selling Expenses	(932,4)	(816,4)	14,2%	(754,7)	23,5%
General and Adm. Expenses	(518,8)	(427,9)	21,2%	(386,1)	34,4%
Net Financial Income (expense)	(389,4)	(155,8)	149,9%	(590,9)	-34,1%
Other Income (expense)	22,0	(12,2)	-	(5,5)	-
Operating Income	299,0	241,6	23,8%	(317,7)	-
Income and social contribution taxes	(114,4)	(112,1)	2,1%	110,7	-
Participation of non-controlling shareholders	15,1	13,4	12,2%	(26,2)	-
Net Income (Loss)	169,5	116,1	46,0%	(180,8)	-
Adjusted Net Income (Loss)⁽¹⁾	212,9	240,3	-11,4%	(246,0)	-
EBITDA	1.012,8	696,5	45,4%	587,7	72,3%
EBITDA Margin	5,5%	4,3%	-	4,0%	-
Net Income (Loss) per share	0,06	0,04	52,1%	(0,07)	-

(1) Excluding the Parent Company's Income and Social Contribution.

Number of Heads Processed and Sales Volume*

	2Q12	1Q12	Δ%	2Q11	Δ%
Heads slaughtered (thousand)					
Cattle	4,083.8	3,717.9	9.8%	3,884.6	5.1%
Hogs	3,147.5	3,307.0	-4.8%	3,072.1	2.5%
Smalls*	1,000.9	934.8	7.1%	839.6	11.3%
Volume Sold (thousand tons)*					
Domestic Market	1,723.7	1,706.1	1.0%	1,610.2	7.0%
Fresh and Chilled Beef	1,447.5	1,449.3	-0.1%	1,348.8	7.3%
Processed Beef	35.8	34.8	2.9%	34.0	5.2%
Others	240.4	222.0	8.3%	227.4	5.7%
Exports	516.7	448.9	15.1%	501.9	2.9%
Fresh and Chilled Beef	479.9	418.2	14.8%	450.3	6.6%
Processed Beef	15.8	14.7	7.6%	19.6	-19.5%
Others	21.0	16.1	30.9%	32.0	-34.4%
TOTAL	2,240.5	2,155.0	4.0%	2,112.2	6.1%

* Not including chicken





Results for 2Q12

CONSOLIDATED RESULTS

Net Revenue

JBS consolidated net revenue in 2Q12 was R\$18,468.3 million, an increase of 26.3% compared to 2Q11 when the net revenue was R\$14,621.8 million. This expansion was caused by the performance in the Brazilian Beef Business, the revenue increase in the JBS USA Beef unit and the devaluation of the real against the U.S. dollar in the period, all of which caused a positive effect in the Company's consolidated results.

In 2Q12, approximately 76% of global sales were generated domestically in the markets where the Company has operations and 24% came from exports.

Year to date (1S12) net revenue totaled R\$34.5 billion, 17.7% higher than the same period last year.

EBITDA

EBITDA was R\$1,012.8 million in 2Q12, an increase of 72.3% compared to 2Q11. The improved consolidated performance was due to the result achieved by JBS Mercosul, which posted growth of 47.3% over 2Q11, and also due to the improvement presented by Pilgrim's. The positive result arising from these two business units was more than sufficient to offset the performance in the JBS USA Beef unit. JBS consolidated EBITDA margin was 5.5% in the quarter.

Year to date consolidated EBITDA was R\$1,709.3 million, which represents an increase of 20.1% over 1S11. EBITDA margin in first half of the year was 5.0%.

Financial Results

Financial results were R\$389.4 million in 2Q12, an improvement of 34.1% over 2Q11. Exchange rate variation in the period was R\$689.2 million negative, driven by 10.9% depreciation of the Real against the USD in the period. On the other hand, derivatives results were positive R\$615.3 million, due to hedge positions at the Company. This result reflects the Company's solid strategy of risk management to minimize the effects of currency fluctuations.

Net Income

Adjusted net Income in 2Q12 was R\$212.9 million excluding deferred income tax liabilities generated by goodwill (this deferred income tax is disbursed only if the company sells the investment that generated goodwill). Consolidated reported net income was R\$169.5 million.

For the first half of 2012, adjusted net Income was R\$453.2 million excluding deferred income tax liabilities generated by goodwill. First half reported consolidated net income was R\$285.6 million.

Capital Expenditure (Capex)

Total capital expenditure of JBS in 2Q12 in property, plant, and equipment was R\$403.1 million, 38% higher than 1Q12. The main investments were in the start up of the chicken operations and in the expansion of beef processing capacity both in Brazil as well as in the addition of storage and distribution capacity, principally in the U.S.





Results for 2Q12

Indebtedness

The Company's gross debt increased 11.1% compared to 1Q12, due to the devaluation of the Brazilian Real against the US dollar, which was 10.9% in the same period. Excluding the FX variation, gross debt remained stable.

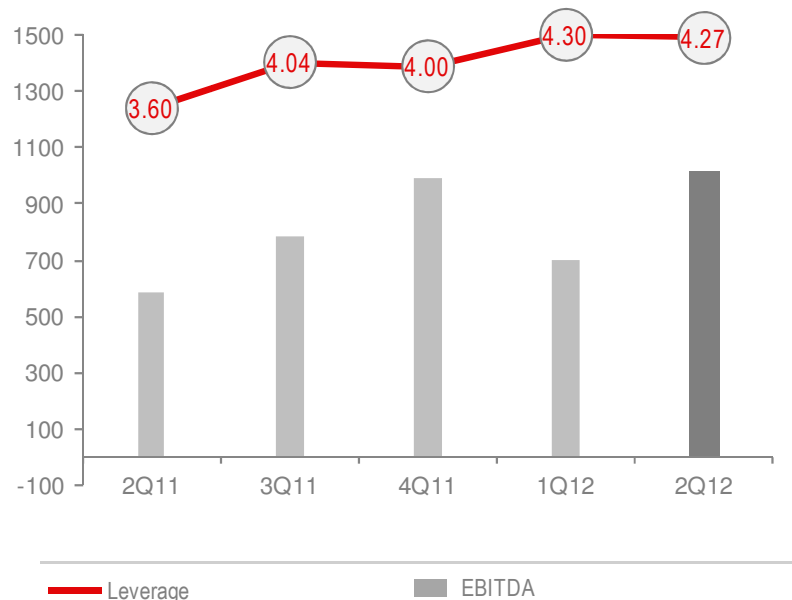
JBS consolidated net debt to EBITDA LTM improved slightly in the quarter. The increase in the gross debt, reflecting the effect of exchange rate variation, was offset by an EBITDA increase in the last twelve months. Eliminating the FX variation in the result, the leverage would have reduced to less than 4.0x.

JBS Consolidated Indebtedness

R\$ million	6/30/12	3/31/12	Var.%
Gross debt	20,752.1	18,686.1	11.1%
(+) Short Term Debt	4,819.2	5,018.7	-4.0%
(+) Long Term Debt	15,932.9	13,667.3	16.6%
(-) Cash and Equivalents	5,475.2	5,150.8	6.3%
Net debt	15,276.9	13,535.3	12.9%
Net debt/EBITDA ⁽¹⁾	4.27x	4.30x	

(1) EBITDA LTM. U.S. dollar exchange rate of the last day of the period.

Leverage





Results for 2Q12

Analysis of Consolidated Net Debt in USD

Converting the Company's total net debt from Real to U.S. Dollar to analyze the evolution of debt without the effects of exchange rate variations, considering that a significant portion of the debt and revenues come from JBS's overseas operations, a reduction of 3.0% of debt in USD can be observed in the last twelve months.

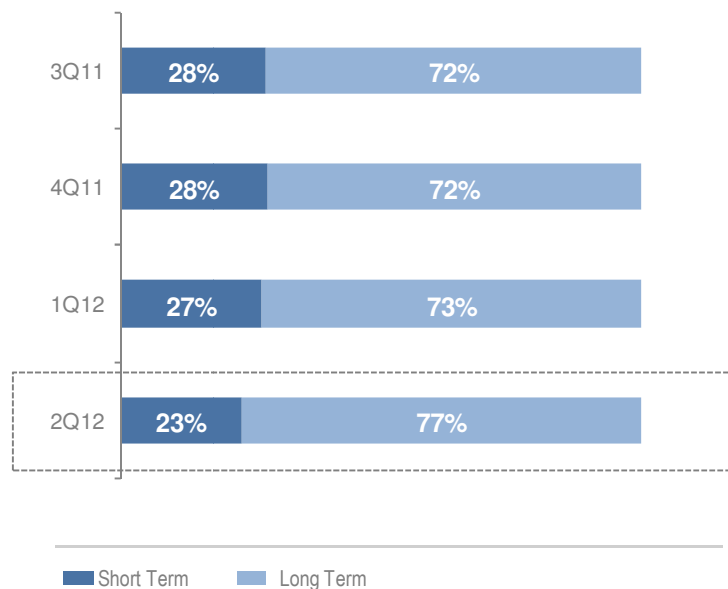
R\$ million	2Q11	3Q11	4Q11	1Q12	2Q12
Consolidated Net Debt in R\$	12,164.1	13,654.4	13,584.0	13,535.3	15,276.9
Exchange Rate	1.5611	1.8544	1.8758	1.8221	2.0213
Consolidated Net Debt in US\$	7,792.0	7,363.2	7,241.7	7,428.4	7,558.0

Cash Position

The Company ended the quarter with R\$5.475 billion in cash or cash equivalent, corresponding to more than 110% of short-term debt, which demonstrates a comfortable liquidity.

The percentage of short-term debt in relation to total debt fell from 27% in 1Q12 to 23% in 2Q12.

ST / LT Debt Profile



Source: JBS





Results for 2Q12

ANALYSIS OF RESULTS BY BUSINESS UNIT

JBS USA Beef (including Australia), 46% of JBS S.A. Net Revenue



Net revenue for this business unit was US\$4,266.9 million in 2Q12, outperforming 2Q11 by 7.6%. This result reflects an increase of 4.3% in volume sold in the U.S. domestic market, combined with prices 7.1% higher. Compared to 1Q12, revenue increased 4.6%, as a consequence of higher export volumes.

Although EBITDA was negative US\$9.1 million in 2Q12, there was an improvement compared to the 1Q12 number, which was negative US\$45.4 million. Margins remained under pressure during the period due to the high price of raw materials. However, this result demonstrates a trend towards improving margins in the sector with the decrease of 4% in average cattle prices in relation to 1Q12, a movement that was more intensified in June. Another significant factor in relation to average selling prices in 2Q12 was the improvement in the industry dynamics that can be perceived by the 4% reduction in average weekly slaughter when compared with the same period last year.

The Company believes in the recovery of margins in this sector through a better balance between supply and demand and improved flow of raw material in the second half of the year. The administration keeps its focus on operating with low cost, with emphasis on increasing profitability of the operation and the pursuit of tailor made customers / markets for each item.

Highlights (US GAAP)

US\$ million	2Q12	1Q12	Δ%	2Q11	Δ%
Heads slaughtered (thousand)	2,027.3	1,960.3	3.4%	2,111.9	-4.0%
Net Revenue	4,266.9	4,078.8	4.6%	3,964.0	7.6%
EBITDA	-9.1	-45.4	-	44.7	-
EBITDA margin %	-0.2%	-1.1%		1.1%	

Breakdown of Net Revenues

Domestic Market	2Q12	1Q12	Δ%	2Q11	Δ%
Net Revenue (US\$ million)	3,138.8	3,105.4	1.1%	2,811.8	11.6%
Volume (tons)	833.7	881.3	-5.4%	799.7	4.3%
Average Price (US\$/Kg)	3.76	3.52	6.8%	3.52	7.1%

Exports	2Q12	1Q12	Δ%	2Q11	Δ%
Net Revenue (US\$ million)	1,128.1	973.3	15.9%	1,152.2	-2.1%
Volume (tons)	286.7	249.4	15.0%	291.3	-1.6%
Average Price (US\$/Kg)	3.93	3.90	0.8%	3.96	-0.5%





Results for 2Q12

JBS USA Pork, 9% of JBS S.A. Net Revenue



Net revenue in the pork business for the quarter was US\$844.0 million, 0.2% below 2Q11. The increase in the number of animals slaughtered year on year was offset by lower average selling prices especially in the export market. Compared to 1Q12, revenue reduced by 1.3% due to the decrease in the number of animals slaughtered resulting in reduced sales volume.

EBITDA was US\$49.2 million in 2Q12 with an EBITDA margin of 5.8%. The quarterly result was influenced by the reduction of average selling prices in general due to oversupply of raw material in the period.

Highlights (US GAAP)

US\$ million	2Q12	1Q12	Δ%	2Q11	Δ%
Animals slaughtered (thousand)	3,147.5	3,307.0	-4.8%	3,072.1	2.5%
Net Revenue	844.0	855.4	-1.3%	845.8	-0.2%
EBITDA	49.2	55.8	-11.9%	83.6	-41.2%
EBITDA margin %	5.8%	6.5%		9.9%	

Breakdown of Net Revenues

Domestic Market	2Q12	1Q12	Δ%	2Q11	Δ%
Net Revenue (US\$ million)	687.7	697.5	-1.4%	701.4	-1.9%
Volume (thousand tons)	287.6	292.3	-1.6%	279.9	2.7%
Average Price (US\$/Kg)	2.39	2.39	0.2%	2.51	-4.6%

Exports	2Q12	1Q12	Δ%	2Q11	Δ%
Net Revenue (US\$ million)	156.3	157.9	-1.0%	144.4	8.2%
Volume (thousand tons)	67.6	68.5	-1.3%	52.9	27.8%
Average Price (US\$/Kg)	2.31	2.30	0.3%	2.73	-15.3%





Results for 2Q12



JBS USA Chicken (Pilgrim's Pride Corporation, a US listed Company controlled by JBS USA), 21% of JBS S.A. Net Revenue

Net revenue in the 2Q12 was US\$1,974.5 million, practically stable compared to 2Q11. EBITDA in the quarter was US\$125.7 million, reversing the negative result of minus US\$47.6 million in 2Q11.

The results for the quarter reinforced the trend towards the resumption of positive margins at PPC, with an expansion of EBITDA margin, which increased to 6.4% in 2Q12 from 5.5% in the previous quarter, due to consistent improvement in selling prices in the domestic market. Net income at PPC was US\$69.4 million in the period. It is also a highlight the effectiveness of the restructuring that has been developed at PPC, which can be observed by a 9% reduction in financial expenses in 2Q12 compared to 2Q11, besides the 14% reduction in administrative and sales expenses during the same period.

Over the past 60 days, there was a sharp rise in grain prices, bringing a challenging scenario for the U.S. poultry industry which should be perceived mainly in 4Q12. However, the Company believes that the industry has the instruments and will work to pass on the increase in production costs to selling prices, thus preserving the profitability of the business.

Highlights (US GAAP)

US\$ million	2Q12	1Q12	Δ%	2Q11	Δ%
Net Revenue	1,974.5	1,888.8	4.5%	1,992.7	-0.9%
EBITDA	125.7	104.0	20.9%	-47.6	-
EBITDA margin %	6.4%	5.5%		-2.4%	





Results for 2Q12



JBS Mercosul, 24% of JBS S.A. Net Revenue

Net revenue at JBS Mercosul came in at R\$4,317.7 million in 2Q12, an increase of 19.4% in comparison with 2Q11 and 12.8% higher than 1Q12, principally due to the increase in the number of cattle slaughtered combined with higher sales volumes.

EBITDA totaled R\$630.3 million in 2Q12, an increase of 47.3% over the same quarter last year. Compared to 1Q12, EBITDA increased 23.9%. EBITDA margin at JBS Mercosul was a highlight and reached 14.6% in the quarter. The result of this business unit reflects an improved cattle cycle in Brazil and the Company's efforts to enhance operational efficiencies and to capture synergies.

JBS Management remains confident in the improvement of the cattle cycle in Brazil and in the increase of availability of livestock in the coming years.

Highlights

R\$ million	2Q12	1Q12	Δ%	2Q11	Δ%
Heads slaughtered (thousand)	2,056.6	1,757.6	17.0%	1,772.7	16.0%
Net Revenue	4,317.7	3,827.4	12.8%	3,615.3	19.4%
EBITDA	630.3	508.6	23.9%	427.9	47.3%
EBITDA margin %	14.6%	13.3%		11.8%	

Breakdown of Net Revenues

Domestic Market	2Q12	1Q12	Δ%	2Q11	Δ%
Net Revenue (million R\$)					
Fresh and Chilled Product	1,965.4	1,828.8	7.5%	1,686.1	16.6%
Processed Items	197.8	190.6	3.8%	159.6	23.9%
Others	585.9	559.1	4.8%	457.4	28.1%
TOTAL	2,749.1	2,578.5	6.6%	2,303.1	19.4%
Volume (thousand tons)					
Fresh and Chilled Product	326.3	275.8	18.3%	269.2	21.2%
Processed Items	35.8	34.8	2.9%	34.0	5.2%
Others	240.4	222.0	8.3%	227.4	5.7%
TOTAL	602.4	532.5	13.1%	530.6	13.5%
Average Price (R\$/Kg)					
Fresh and Chilled Product	6.02	6.63	-9.2%	6.26	-3.8%
Processed Items	5.53	5.48	0.9%	4.69	17.9%
Others	2.44	2.52	-3.2%	2.01	21.4%





Results for 2Q12

JBS Mercosul, 24% of JBS S.A. Net Revenues



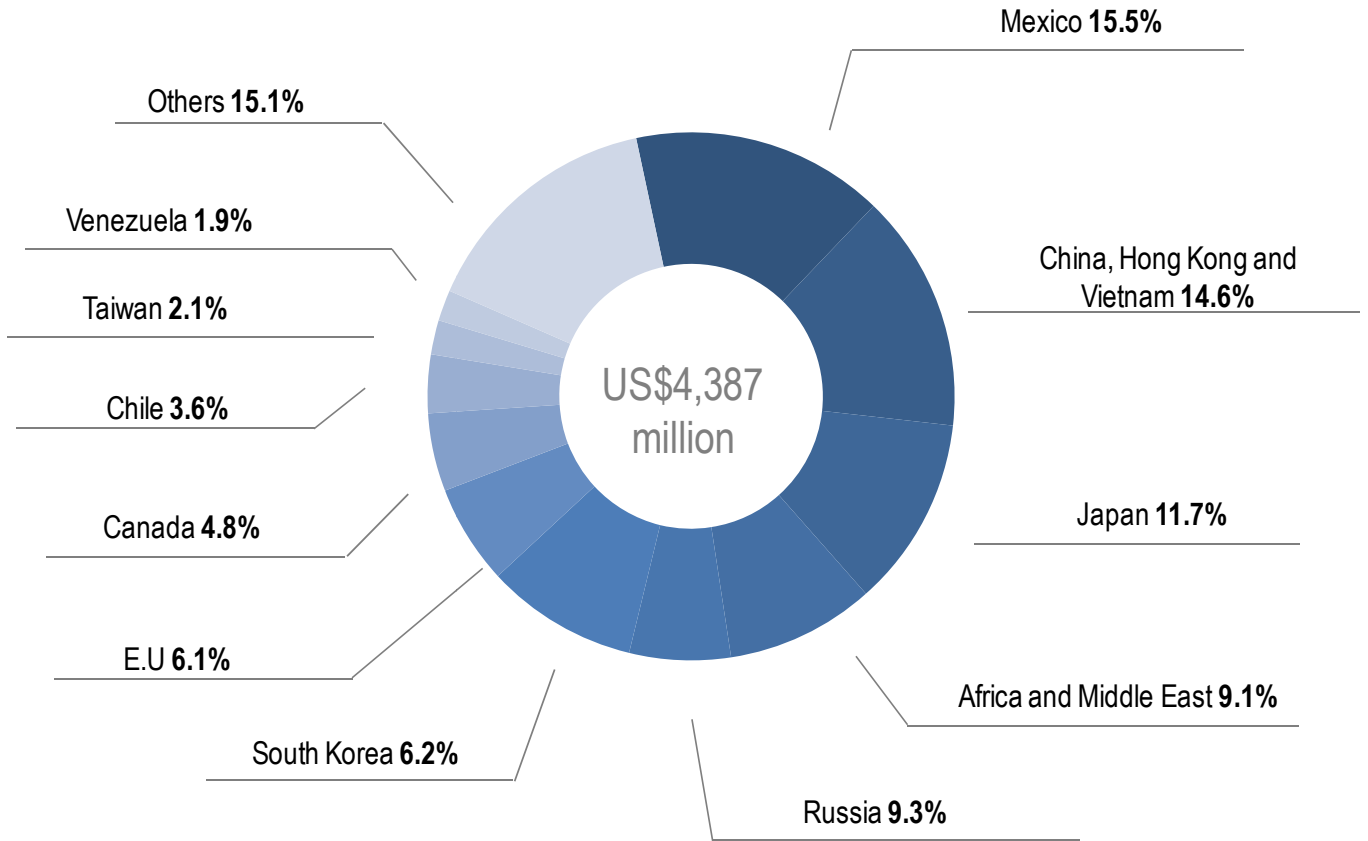
Breakdown of Net Revenues

Exports	2Q12	1Q12	Δ%	2Q11	Δ%
Net Revenue (million R\$)					
Fresh and Chilled Beef	1,025.6	817.9	25.4%	822.1	24.7%
Processed Beef	190.4	173.7	9.6%	189.6	0.4%
Others	352.6	257.3	37.0%	300.5	17.3%
TOTAL	1,568.6	1,248.9	25.6%	1,312.2	19.5%
Volume (thousand tons)					
Fresh and Chilled Beef	125.6	100.3	25.3%	106.1	18.3%
Processed Beef	15.8	14.7	7.6%	19.6	-19.5%
Others	21.0	16.1	30.9%	32.0	-34.4%
TOTAL	162.4	131.0	24.0%	157.8	2.9%
Average Price (R\$/Kg)					
Fresh and Chilled Beef	8.17	8.16	0.1%	7.75	5.4%
Processed Beef	12.06	11.84	1.8%	9.67	24.7%
Others	16.78	16.03	4.7%	9.38	78.9%



TABLES AND CHARTS

Graph I - JBS Consolidated Exports Distribution 1S12



Source: JBS

Table I - Breakdown of Production Costs by Business Unit (%)

2Q12 (%)	Consolidated	JBS Mercosul	USA Beef	USA Pork	USA Chicken
Raw material (livestock)	80.4%	85.8%	87.6%	83.7%	56.2%
Processing (including ingredients and packaging)	10.3%	7.9%	5.2%	7.2%	26.3%
Labor Cost	9.3%	6.4%	7.2%	9.1%	17.4%

Source: JBS



Results for 2Q12



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Results for 2Q12

CONSOLIDATED FINANCIAL STATEMENTS – JBS S.A.

JBS S.A.

Balance sheets (In thousands of Reais)

	Company		Consolidated	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	3,955,537	3,612,867	5,475,236	5,288,194
Trade accounts receivable, net	2,249,386	1,883,093	5,045,674	4,679,846
Inventories	1,912,149	1,544,261	6,333,557	5,405,705
Biological assets	-	-	253,007	209,543
Recoverable taxes	1,416,568	1,330,609	1,787,350	1,690,311
Prepaid expenses	17,165	8,148	134,535	131,033
Other current assets	269,497	256,225	521,268	526,649
TOTAL CURRENT ASSETS	9,820,302	8,635,203	19,550,627	17,931,281
NON-CURRENT ASSETS				
Long-term assets				
Credits with related parties	622,997	88,505	716,870	552,197
Biological assets	-	-	33,700	-
Recoverable taxes	558,281	562,027	622,733	626,126
Judicial deposits and others	183,843	104,207	602,301	389,947
Total long-term assets	1,365,121	754,739	1,975,604	1,568,270
Investments in subsidiaries and in associates	5,991,761	7,561,574	260,070	-
Property, plant and equipment, net	8,240,672	7,803,582	15,661,692	15,378,714
Intangible assets, net	9,530,666	9,531,506	11,737,883	12,532,619
	23,763,099	24,896,662	27,659,645	27,911,333
TOTAL NON-CURRENT ASSETS	25,128,220	25,651,401	29,635,249	29,479,603
TOTAL ASSETS	34,948,522	34,286,604	49,185,876	47,410,884

The accompanying notes are an integral part of the financial statements





Results for 2Q12

JBS S.A.

Balance sheets (In thousands of Reais)

	Company		Consolidated	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Trade accounts payable	885,636	666,375	3,513,481	3,323,886
Loans and financings	4,177,140	4,574,702	4,819,190	5,339,433
Income taxes	-	-	10,576	211,528
Payroll, social charges and tax obligation	437,963	347,863	1,246,611	1,167,163
Payables related to facilities acquisitions	131,445	10,589	131,445	10,589
Other current liabilities	555,859	466,402	515,350	343,100
TOTAL CURRENT LIABILITIES	6,188,043	6,065,931	10,236,653	10,395,699
NON-CURRENT LIABILITIES				
Loans and financings	7,707,714	7,095,193	15,932,936	13,532,761
Convertible debentures	1,280	1,283	1,280	1,283
Payroll, social charges and tax obligation	122,504	-	583,997	683,812
Payables related to facilities acquisitions	52,094	2,048	52,094	2,048
Deferred income taxes	456,226	289,798	832,121	678,372
Provision for lawsuits risk	144,994	140,975	197,977	251,560
Other non-current liabilities	15,348	27,554	288,194	266,161
TOTAL NON-CURRENT LIABILITIES	8,500,160	7,556,851	17,888,599	15,415,997
SHAREHOLDERS' EQUITY				
Capital stock	21,506,247	21,506,247	21,506,247	21,506,247
Capital transaction	79,064	(10,212)	79,064	(10,212)
Capital reserve	373,366	985,944	373,366	985,944
Revaluation reserve	99,205	101,556	99,205	101,556
Profit reserves	1,440,799	1,440,799	1,440,799	1,440,799
Treasury shares	(938,013)	(610,550)	(938,013)	(610,550)
Valuation adjustments to shareholders' equity in subsidiaries	108,581	127,071	108,581	127,071
Accumulated translation adjustments in subsidiaries	(2,696,844)	(2,877,033)	(2,696,844)	(2,877,033)
Retained earnings	287,914	-	287,914	-
Attributable to controlling interest	20,260,319	20,663,822	20,260,319	20,663,822
Attributable to noncontrolling interest	-	-	800,305	935,366
TOTAL SHAREHOLDERS' EQUITY	20,260,319	20,663,822	21,060,624	21,599,188
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	34,948,522	34,286,604	49,185,876	47,410,884

The accompanying notes are an integral part of the financial statements





Results for 2Q12

JBS S.A.

Statements of income for the three months period ended June 30, 2012 and 2011
(In thousands of Reais)

	Company		Consolidated	
	2012	2011	2012	2011
NET SALE REVENUE	3,961,554	3,257,335	18,468,291	14,621,805
Cost of goods sold	(2,897,927)	(2,464,197)	(16,350,838)	(13,202,332)
GROSS INCOME	1,063,627	793,138	2,117,453	1,419,473
OPERATING INCOME (EXPENSE)				
General and administrative expenses	(220,255)	(142,496)	(518,756)	(386,065)
Selling expenses	(353,286)	(312,700)	(932,374)	(754,724)
Financial expense, net	(546,308)	(536,110)	(389,366)	(590,894)
Equity in earnings of subsidiaries	261,296	(49,580)	-	-
Other income (expenses), net	7,339	1,039	22,048	(5,490)
	(851,214)	(1,039,847)	(1,818,448)	(1,737,173)
NET INCOME (LOSS) BEFORE TAXES	212,413	(246,709)	299,005	(317,700)
Current income taxes	459	686	(64,060)	(101,077)
Deferred income taxes	(43,388)	65,267	(50,387)	211,806
	(42,929)	65,953	(114,447)	110,729
NET INCOME (LOSS) OF THE PERIOD	169,484	(180,756)	184,558	(206,971)
ATTRIBUTABLE TO:				
Controlling interest			169,484	(180,756)
Noncontrolling interest			15,074	(26,215)
			184,558	(206,971)
Net income (loss) basic per thousand shares - in reais	59.55	(73.00)	59.55	(73.00)
Net income (loss) diluted per thousand shares - in reais	59.55	(60.86)	59.55	(60.86)

The accompanying notes are an integral part of the financial statements





Results for 2Q12

JBS S.A.

Statements of cash flows for the three months period ended June 30, 2012 and 2011 (In thousands of Reais)

	Company		Consolidated	
	2012	2011	2012	2011
Cash flow from operating activities				
Net income (loss) of the period attributable to controlling interest	169,484	(180,756)	169,484	(180,756)
Adjustments to reconcile loss to cash provided on operating activities				
. Depreciation and amortization	107,162	114,432	318,234	310,186
. Allowance for doubtful accounts	(2,633)	3,729	446	1,698
. Equity in earnings of subsidiaries	(261,296)	49,580	-	-
. Loss (gain) on assets sales	(7,339)	(2,001)	(4,471)	5,931
. Deferred income taxes	43,388	(65,267)	50,387	(211,806)
. Current and non-current financial charges	689,955	146,802	486,294	39,085
. Provision for lawsuits risk	2,669	1,347	3,085	13,355
. Impairment	-	-	3,968	-
	741,390	67,866	1,027,427	(22,307)
Decrease (increase) in operating assets				
Trade accounts receivable	(363,974)	84,770	(466,601)	(125,555)
Inventories	(220,591)	(43,029)	(496,041)	(227,729)
Recoverable taxes	(17,522)	(43,472)	(5,005)	(81,021)
Other current and non-current assets	(45,635)	(17,612)	(36,551)	(48,654)
Related party receivable	(6,618)	(138,917)	(159,307)	(126,298)
Biological assets	-	-	(99,946)	(109,428)
Increase (decrease) operating liabilities				
Trade accounts payable	37,144	52,400	233,652	290,631
Other current and non-current liabilities	268,805	185,870	73,950	120,598
Noncontrolling interest	-	-	15,074	(26,215)
Valuation adjustments to shareholders' equity in subsidiaries	-	-	(3,824)	(32,256)
	392,999	147,876	82,828	(388,234)
Net cash provided by (used in) operating activities				
Cash flow from investing activities				
Additions to property, plant and equipment and intangible assets	(282,687)	(170,548)	(403,060)	(277,118)
Net effect of Vigor deconsolidation	-	-	(211,856)	-
Decrease in investments in subsidiaries	14,618	1,391,853	-	-
Net effect of working capital of acquired / merged company	-	718	-	-
	(268,069)	1,222,023	(614,916)	(277,118)
Net cash provided by (used in) investing activities				
Cash flow from financing activities				
Proceeds from loans and financings	2,434,131	2,097,002	6,048,442	6,358,939
Payments of loans and financings	(1,780,881)	(2,250,626)	(5,284,937)	(4,204,965)
Capital transactions	450	-	(7,070)	-
Shares acquisition of own emission	(324)	(44,019)	(324)	(44,019)
	653,376	(197,643)	756,111	2,109,955
Net cash provided by (used in) financing activities				
Effect of exchange variation on cash and cash equivalents				
	-	-	100,385	(41,697)
Variance in cash and cash equivalents	778,306	1,172,256	324,408	1,402,906
Cash and cash equivalents at the beginning of the year	3,177,231	2,172,618	5,150,828	3,557,276
	3,955,537	3,344,874	5,475,236	4,960,182
Cash and cash equivalents at the end of the period				

The accompanying notes are an integral part of the financial statements





Results for 2Q12

DISCLAIMER

This release contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of JBS. These are merely projections and, as such, are based exclusively on the expectations of JBS' management concerning the future of the business and its continued access to capital to fund the Company's business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors and risks disclosed in JBS' filed disclosure documents and are, therefore, subject to change without prior notice.

