



Results for 3Q12

JBS S.A. (Bovespa: JBSS3)*

São Paulo, November 13th, 2012

JBS Discloses 3Q12 Results

3Q12 Highlights

- ✓ Net Revenue totaled R\$19.4 billion, 24.4% higher than 3Q11
- ✓ Record Consolidated EBITDA was R\$1.38 billion
- ✓ Consolidated EBITDA Margin was 7.1%
- ✓ Adjusted Net Income came in at R\$495.4 million
- ✓ Positive Operating Cash Flow of R\$630 million
- ✓ R\$156.9 million Free Cash Flow
- ✓ Leverage decreased significantly and was 3.68x at the end of the quarter

9M12 Highlights

- ✓ During the first nine months of 2012, net revenue totaled R\$53.8 billion, 20.0% higher than 9M11
- ✓ Consolidated EBITDA was R\$3.24 billion, which was up 46.5% on 9M11
- ✓ Year to date EBITDA margin was 6.0%
- ✓ Adjusted net income in the period was R\$948.6 million

*JBS S.A. ("JBS") (Bovespa: JBSS3), the global leading producer of animal protein announces today its results for the third quarter of 2012 (3Q12). For the purpose of analysis, this report considers the results for the quarter ended June, 2012 (2Q12) and September, 2011 (3Q11). 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 September 23, 2012 (3Q12). The quantitative data, such as volumes and heads slaughtered, are not audited.





Results for 3Q12

3Q12 HIGHLIGHTS

- ✓ JBS posted record net revenue of R\$19.4 billion, 24.4% higher than 3Q11.
- ✓ Consolidated gross profit was R\$2,477.2 million, an increase of 46.2% over 3Q11 and 17.0% over 2Q12.
- ✓ Consolidated EBITDA for the quarter was R\$1,378.8 million, an increase of 75.2% over 3Q11. EBITDA margin was 7.1%.
 - JBS Mercosul presented revenue of R\$4,597.8 million, 17.7% over 3Q11. EBITDA was R\$665.6 million, an increase of 46.7% above the same period last year, with an EBITDA margin of 14.5%, 290 bps higher compared to 3Q11.
 - JBS USA Chicken (Pilgrim's Pride Corporation – "PPC") posted net revenue of US\$2.1 billion and adjusted EBITDA of US\$105.6 million during the quarter, in contrast with the negative result presented in 3Q11. EBITDA margin for this quarter was 5.1%.
 - JBS USA Beef, which includes Australia, presented revenue of US\$4,275.9 million in the quarter, 1.6% above the same period last year. 3Q12 EBITDA returned to its normalized range for this business unit, and came in at US\$175.1 million, with an EBITDA margin of 4.1%.
- ✓ JBS posted a record adjusted net income for the quarter of R\$495.4 million (excluding deferred income tax liabilities generated through goodwill at the holding Company). This tax liability is a provision and is disbursed only if the Company sells the related investment.
- ✓ The Company ended the quarter with R\$5.0 billion in cash, corresponding to more than 90% of short-term debt.
- ✓ Leverage decreased significantly and was 3.68x at the end of the quarter.
- ✓ Quarterly record exports totaled US\$2,534.4 million, a 6.7% increase over 3Q11.

Strategic Events

- ✓ JBS entered the Canadian beef market through the signature of an agreement to manage and operate assets of XL Foods in Canada, including a purchase option of these assets (2 plants, 1 feedlot and a farm) and also the assets that XL Foods has in the United States (2 plants).
- ✓ The Company also signed a term sheet to acquire 100% of the shares of Agroveneto S.A. a company specialized in the production of chicken products which operates out of Nova Veneza in the southern Brazilian state of Santa Catarina. The plant has capacity to process 140,000 birds per day.
- ✓ JBS is scheduled to open 6 new beef plants in Brazil in the coming months as follows: Rolim de Moura, state of Rondonia which is due to initiate operations on 19.Nov.2012, Nova Andradina (Mato Grosso do Sul) with start-up scheduled for 03.Dec.2012, Pontes e Lacerda and Vila Rica, both in the state of Mato Grosso, scheduled to start on 07.Jan.2013, Senador Canedo (Goiás) scheduled for 04.Feb.2013 and Castelo dos Sonhos, in the Northern state of Pará, scheduled for 08.Apr.2013. These plants will add a total capacity of 1.2 million head by 2013, which represents 15% increase over the current capacity in Brazil.





Results for 3Q12

ANALYSIS OF RESULTS BY BUSINESS UNIT

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

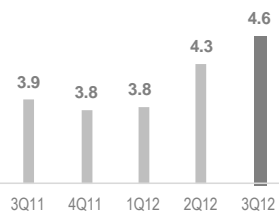
		3Q12	2Q12	Δ%	3Q11	Δ%
Net Revenue						
JBS USA Beef	US\$	4,275.9	4,266.9	0.2%	4,210.6	1.6%
JBS USA Pork	US\$	846.1	844.0	0.2%	867.1	-2.4%
JBS USA Chicken	US\$	2,068.5	1,974.5	4.8%	1,891.2	9.4%
JBS Mercosul	R\$	4,597.8	4,317.7	6.5%	3,906.7	17.7%
EBITDA						
JBS USA Beef	US\$	175.1	-9.1	-	184.1	-4.9%
JBS USA Pork	US\$	40.4	49.2	-17.7%	75.9	-46.7%
JBS USA Chicken	US\$	105.6	125.7	-16.0%	-31.4*	-
JBS Mercosul	R\$	665.6	630.3	5.6%	453.8	46.7%
EBITDA Margin						
JBS USA Beef	%	4.1%	-0.2%	-	4.4%	-
JBS USA Pork	%	4.8%	5.8%	-	8.8%	-
JBS USA Chicken	%	5.1%	6.4%	-	-1.7%	-
JBS Mercosul	%	14.5%	14.6%	-	11.6%	-

*Adjusted EBITDA

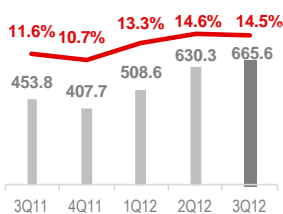
Performance by Business Unit

JBS Mercosul   

Net sales (R\$ billion)

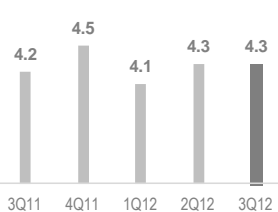


EBITDA (R\$ million)

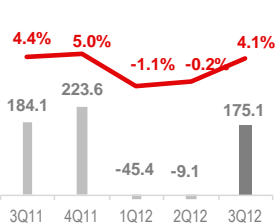


JBS USA 
(Including Australia)

Net sales (US\$ billion)

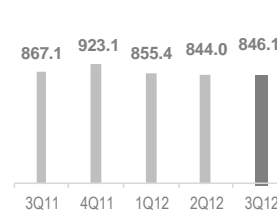


EBITDA (US\$ million)

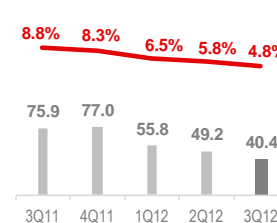


JBS USA 

Net sales (US\$ million)

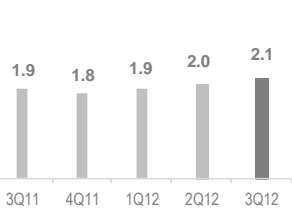


EBITDA (US\$ million)

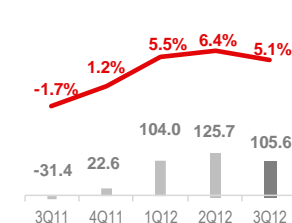


JBS USA (PPC) 

Net sales (US\$ billion)



EBITDA (US\$ million)



— EBITDA Margin (%)





Results for 3Q12

ANALYSIS OF CONSOLIDATED RESULTS

Consolidated analysis of the principal operational indicators of JBS

R\$ million	3Q12	2Q12	Δ%	3Q11	Δ%
Net Revenue	19,366.6	18,468.3	4.9%	15,567.8	24.4%
Cost of Goods Sold	(16,889.4)	(16,350.8)	3.3%	(13,873.6)	21.7%
Gross Income	2,477.2	2,117.5	17.0%	1,694.2	46.2%
Gross Margin	12.8%	11.5%	-	10.9%	-
Selling Expenses	(999.9)	(932.4)	7.2%	(812.6)	23.1%
General and Adm. Expenses	(516.1)	(518.8)	-0.5%	(442.8)	16.6%
Net Financial Income (expense)	(418.7)	(389.4)	7.5%	(519.5)	-19.4%
Other Income (expense)	(0.9)	22.0	-	4.0	-
Operating Income	541.6	299.0	81.1%	(76.7)	-
Income and social contribution taxes	(155.0)	(114.4)	35.4%	(106.0)	46.2%
Participation of non-controlling shareholders	(19.6)	(15.1)	30.1%	115.2	-
Net Income (Loss)	367.0	169.5	116.5%	(67.5)	-
Adjusted Net Income (Loss)⁽¹⁾	495.4	212.9	132.7%	(67.5)	-
EBITDA	1,378.8	1,012.8	36.1%	786.8	75.2%
EBITDA Margin	7.1%	5.5%	-	5.1%	-
Net Income (Loss) per share	0.13	0.06	111.1%	(0.02)	-

(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	4,057.1	4,083.8	-0.7%	3,827.4	6.0%
Hogs	3,302.5	3,147.5	4.9%	3,104.5	6.4%
Smalls*	978.9	1,000.9	-2.2%	890.0	12.5%
Volume Sold (thousand tons)*					
Domestic Market	1,663.6	1,723.7	-3.5%	1,624.7	2.4%
Fresh and Chilled Beef	1,446.5	1,447.5	-0.1%	1,347.9	7.3%
Processed Beef	53.5	35.8	49.6%	36.6	46.2%
Others	163.6	240.4	-31.9%	240.2	-31.9%
Exports	556.8	516.7	7.7%	522.2	6.6%
Fresh and Chilled Beef	518.9	479.9	8.1%	474.4	9.4%
Processed Beef	19.5	15.8	23.7%	19.1	2.3%
Others	18.4	21.0	-12.6%	28.7	-36.1%
TOTAL	2,220.4	2,240.5	-0.9%	2,146.9	3.4%

* Not including poultry

**Not including PPC





Results for 3Q12

CONSOLIDATED RESULTS

Net Revenue

JBS posted consolidated net revenue of R\$19,366.6 million in the 3Q12, an increase of 24.4% compared to 3Q11, which was R\$15,567.8 million. This revenue expansion was driven primarily by the increase in the Brazilian beef business, the start-up of chicken business in Brazil and the devaluation of the Real against the U.S. Dollar in the period. In 3Q12, approximately 74% of global Sales were generated domestically in the markets that the Company is present and 26% came from exports.

Year to date (9M12) net revenue totaled R\$53,846.0 million, 20.0% higher than the same period last year.

Organic Growth

Organic growth in the quarter, excluding the operation of chicken and the additional capacity of beef, both in Brazil, was 20% compared to the same period of 2011. For the nine months of 2012, organic growth was 16.0% compared to 9M11.

EBITDA

EBITDA came in at R\$1,378.8 million in 3Q12, an increase of 75.2% compared to 3Q11. The improved consolidated performance was primarily due to the positive result achieved by JBS in Brazil and as well as the result of the improvements presented at Pilgrim's which reversed its 2011 negative result. JBS consolidated EBITDA margin was 7.1% in the quarter. The results obtained by these two business units and the return to positive operating margins in the U.S. beef operation resulted in a record quarterly EBITDA.

Year to date consolidated EBITDA was R\$3,239.4 million, which represents an increase of 46.6% over 9M11. EBITDA margin for the period of nine months was 6.0%.

Financial Results

Financial results in the quarter came in at R\$418.7 million, an improvement of 19.4% over 3Q11. Net exchange rate variation in the period was negative R\$85.4 million. Derivatives results also were negative R\$16.6 million, resulting from hedging positions costs of the Company.

Net Income

JBS posted a record adjusted net income for the quarter of R\$495.4 million (excluding deferred income tax liabilities generated through goodwill at the holding Company). This tax liability is a provision and is disbursed only if the Company sells the related investment. Consolidated reported net income was R\$367.0 million.

Adjusted net income during the first nine months of 2012 was R\$948.6 million.

Cash Generation

JBS generated R\$630.0 million positive operating cash flow from activities and free cash flow after investment was R\$156.9 million in the 3Q12.

Capital Expenditures - Capex

Total capital expenditure of JBS in 3Q12 in property, plant, and equipment (Capex) was R\$450.6 million, 27% above than 3Q11. Principal 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, mainly in the U.S.





Results for 3Q12

Indebtedness

The Company's gross debt decreased 2.3% compared to 2Q12. JBS' consolidated net debt to EBITDA LTM improved significantly in the quarter and was 3.68x at the end of 3Q12. The leverage improvement is mainly a result of the robust EBITDA reported by the Company in 3Q12, which increased by 36.1% compared to 2Q12.

JBS Consolidated Indebtedness

R\$ million	9/30/12	6/30/12	Var.%
Gross debt	20,284.5	20,752.1	-2.3%
(+) Short Term Debt	5,512.4	4,819.2	14.4%
(+) Long Term Debt	14,772.1	15,932.9	-7.3%
(-) Cash and Equivalents	5,040.7	5,475.2	-7.9%
Net debt ()	15,243.9	15,276.9	-0.2%
Net debt/EBITDA ¹	3.68x	4.27x	

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

Leverage





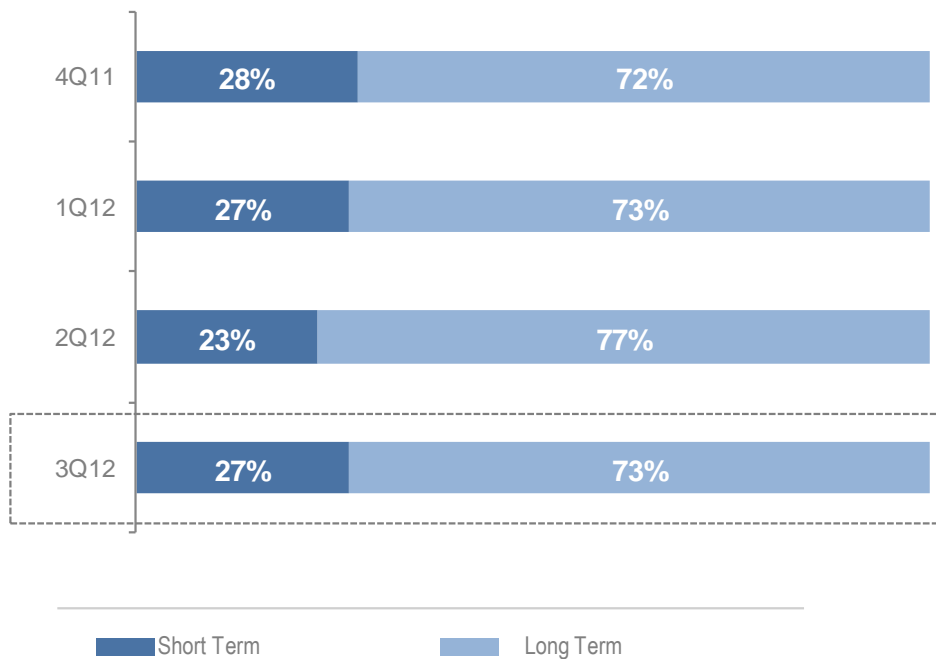
Results for 3Q12

Cash Position

The Company ended the quarter with R\$5,040.7 million in cash, corresponding to more than 90% of short-term debt, besides having guaranteed financing under contract a total of 1.2 billion U.S. dollars, all of which demonstrates comfortable liquidity.

The percentage of short-term debt in relation to total debt was 27% in 3Q12 from 23% in the 2Q12. The increased difference between short and long term indebtedness reflects the strategy of applying cash to pay down Company's debt with higher costs and, thus reducing financial expenses.

ST / LT Debt Profile



Source: JBS





Results for 3Q12

ANALYSIS OF RESULTS BY BUSINESS UNIT

JBS USA Beef (including Australia), 45% of JBS S.A. Net Revenue



Net revenue for this business unit was US\$4,275.9 million in the quarter, outperforming 3Q11 by 1.6% as a result of 3.5% increase in volume sold in the U.S. domestic market, combined with prices 1.1% higher. Compared to 2Q12, revenue remained stable.

This quarter was the turning point when margins became positive in 2012. Although raw material prices remained high during 3Q12, EBITDA at JBS USA Beef unit totaled US\$175.1 million in the period, with an EBITDA margin of 4.1%. The improvement in the dynamics of the sector in the U.S., due to the better balance between supply and demand, permitted an improvement in margins at JBS USA.

Furthermore, the successful performance of the operation in Australia contributed to the results of this business unit.

Highlights (US GAAP)

US\$ million	3Q12	2Q12	Δ%	3Q11	Δ%
Heads slaughtered (thousand)	2,023.8	2,027.3	-0.2%	2,111.0	-4.1%
Net Revenue	4,275.9	4,266.9	0.2%	4,210.6	1.6%
EBITDA	175.1	-9.1	-	184.1	-4.9%
EBITDA margin %	4.1%	-0.2%		4.4%	

Breakdown of Net Revenues

Domestic Market	3Q12	2Q12	Δ%	3Q11	Δ%
Net Revenue (US\$ million)	3,139.3	3,138.8	0.0%	3,002.5	4.6%
Volume (tons)	848.1	833.7	1.7%	819.7	3.5%
Average Price (US\$/Kg)	3.70	3.76	-1.7%	3.66	1.1%

Exports	3Q12	2Q12	Δ%	3Q11	Δ%
Net Revenue (US\$ million)	1,136.6	1,128.1	0.8%	1,208.1	-5.9%
Volume (tons)	250.0	286.7	-12.8%	313.3	-20.2%
Average Price (US\$/Kg)	4.55	3.93	15.6%	3.86	17.9%





Results for 3Q12



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

Net revenue in the pork business for the quarter was US\$846.1 million, 2.4% lower than 3Q11. The increase in the slaughter numbers year on year was offset by lower average selling prices especially in the domestic market. Compared to 2Q12, revenue was stable.

EBITDA was US\$40.4 million in 3Q12 with an EBITDA margin of 4.8%. The quarterly result was influenced by the reduction of average selling prices in general, compared to last year, due to oversupply of finished products in the period.

Highlights (US GAAP)

US\$ million	3Q12	2Q12	Δ%	3Q11	Δ%
Animals slaughtered (thousand)	3,302.5	3,147.5	4.9%	3,104.5	6.4%
Net Revenue	846.1	844.0	0.2%	867.1	-2.4%
EBITDA	40.4	49.2	-17.7%	75.9	-46.7%
EBITDA margin %	4.8%	5.8%	-	8.8%	-

Breakdown of Net Revenues

Domestic Market	3Q12	2Q12	Δ%	3Q11	Δ%
Net Revenue (US\$ million)	718.2	687.7	4.4%	731.3	-1.8%
Volume (thousand tons)	291.7	287.6	1.4%	263.5	10.7%
Average Price (US\$/Kg)	2.46	2.39	3.0%	2.78	-11.3%

Exports	3Q12	2Q12	Δ%	3Q11	Δ%
Net Revenue (US\$ million)	127.9	156.3	-18.2%	135.8	-5.8%
Volume (thousand tons)	54.5	67.6	-19.4%	56.8	-4.0%
Average Price (US\$/Kg)	2.35	2.31	1.5%	2.39	-1.9%





Results for 3Q12



JBS USA Chicken (Pilgrim's Pride Corporation, a US listed Company controlled by JBS USA), 22% of JBS S.A. Net Revenue

Net revenue in the 3Q12 for this business unit came in at US\$2,068.5 million, 9.4% higher than the same period of 2011. Adjusted EBITDA in the 3Q12 was US\$105.6 million, reversing the negative US\$31.4 million in 3Q11. 3Q12 PPC's net income was US\$42.9 million, compared to a US\$162.5 million loss in 3Q11. A highlight was the reduction in the PPC's net debt to US\$1.1 billion at the end of September, as a consequence primarily of the US\$75.6 operating cash flow.

Although the sharp rise in grain prices brought a challenging scenario for the chicken industry during 3Q12, PPC was benefited by the measures it has been adopting to reduce costs and gain efficiencies in operations. In addition, the Company believes that the industry is able to work to pass through the increase in production costs to selling prices in the coming quarters.

Highlights (US GAAP)

US\$ million	3Q12	2Q12	Δ%	3Q11	Δ%
Net Revenue	2,068.5	1,974.5	4.8%	1,891.2	9.4%
Adjusted EBITDA	105.6	125.7	-16.0%	-31.4	-
EBITDA margin %	5.1%	6.4%	-	-1.7%	-





Results for 3Q12



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

Net revenue at JBS Mercosul came in at R\$4,597.8 million in 3Q12, an increase of 17.7% in comparison with 3Q11 and 6.5% higher than 2Q12, due mainly to the increase in selling prices.

EBITDA totaled R\$665.6 million in 3Q12, an increase of 46.7% over the same quarter last year. Compared to 2Q12, EBITDA increased 5.6%. EBITDA margin at JBS Mercosul was 14.5% in the quarter, an expansion of 290 bps over 3Q11. 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.

In Argentina, the Company continues to face a challenging environment, in contrast with the improvement in the activities in Uruguay and Paraguay.

During 3Q12, Frangosul reached full capacity utilization, with a satisfactory performance within the strategy that has been established by the Company.

Highlights

R\$ million	3Q12	2Q12	Δ%	3Q11	Δ%
Heads slaughtered* (thousand)	2,033.3	2,056.6	-1.1%	1,716.3	18.5%
Net Revenue	4,597.8	4,317.7	6.5%	3,906.7	17.7%
EBITDA	665.6	630.3	5.6%	453.8	46.7%
EBITDA margin %	14.5%	14.6%	-	11.6%	-

*cattle only

Breakdown of Net Revenues

Domestic Market	3Q12	2Q12	Δ%	3Q11	Δ%
Net Revenue (million R\$)					
Fresh and Chilled Product	1,925.0	1,965.4	-2.1%	1,814.9	6.1%
Processed Items	256.4	197.8	29.6%	193.0	32.8%
Others	362.0	585.9	-38.2%	528.7	-31.5%
TOTAL	2,543.4	2,749.1	-7.5%	2,536.6	0.3%
Volume (thousand tons)					
Fresh and Chilled Product	306.7	326.3	-6.0%	264.7	15.9%
Processed Items	53.5	35.8	49.6%	36.6	46.2%
Others	163.6	240.4	-31.9%	240.2	-31.9%
TOTAL	523.8	602.4	-13.1%	541.4	-3.3%
Average Price (R\$/Kg)					
Fresh and Chilled Product	6.28	6.02	4.3%	6.86	-8.5%
Processed Items	4.79	5.53	-13.4%	5.27	-9.1%
Others	2.21	2.44	-9.4%	2.20	0.5%





Results for 3Q12

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



Breakdown of Net Revenues

Exports	3Q12	2Q12	Δ%	3Q11	Δ%
Net Revenue (million R\$)					
Fresh and Chilled Beef	1,498.4	1,025.6	46.1%	884.5	69.4%
Processed Beef	204.6	190.4	7.4%	201.6	1.5%
Others	351.4	352.6	-0.3%	284.0	23.7%
TOTAL	2,054.4	1,568.6	31.0%	1,370.1	49.9%
Volume (thousand tons)					
Fresh and Chilled Beef	214.4	125.6	70.7%	104.3	105.5%
Processed Beef	19.5	15.8	23.7%	19.1	2.3%
Others	18.4	21.0	-12.6%	28.7	-36.1%
TOTAL	252.3	162.4	55.4%	152.2	65.8%
Average Price (R\$/Kg)					
Fresh and Chilled Beef	6.99	8.17	-14.4%	8.48	-17.6%
Processed Beef	10.47	12.06	-13.2%	10.55	-0.8%
Others	19.13	16.78	14.0%	9.88	93.7%

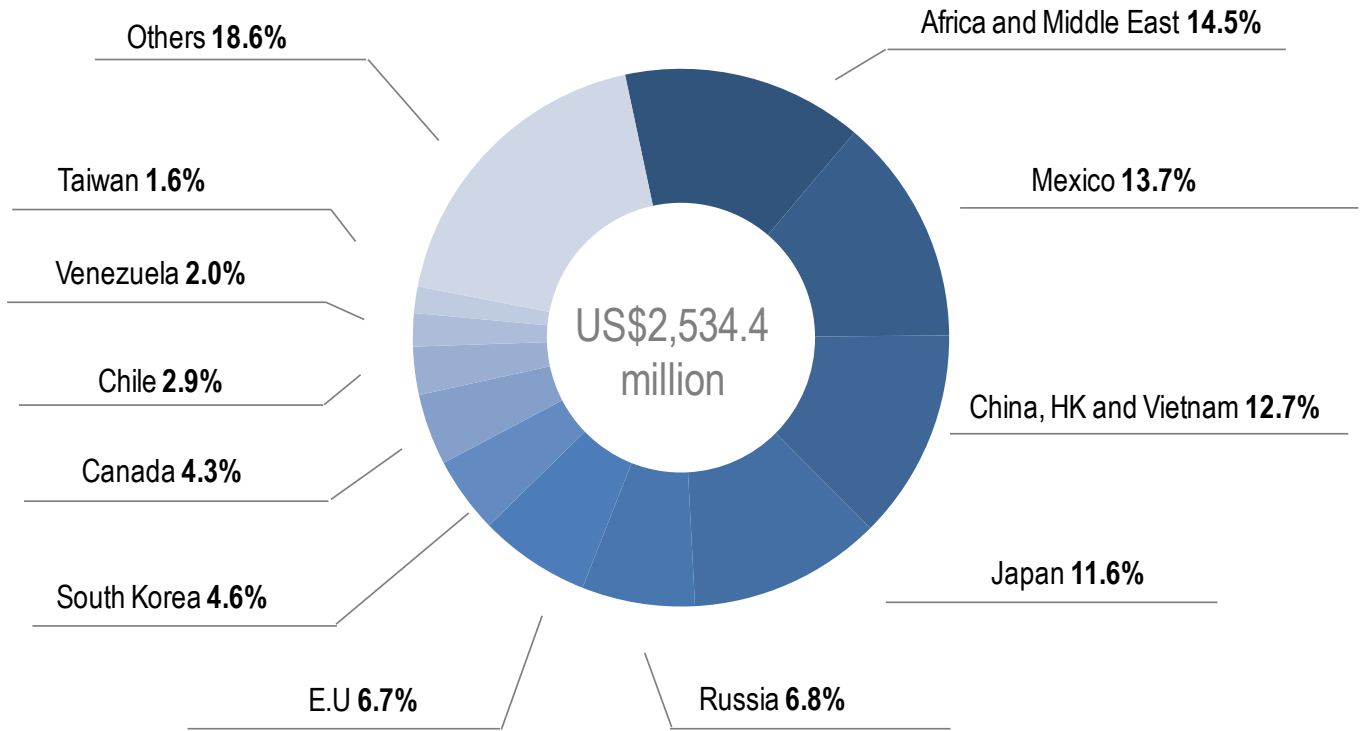




Results for 3Q12

TABLES AND CHARTS

Graph I - JBS Consolidated Exports Distribution 3Q12



Source: JBS

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

3Q12 (%)	Consolidated	JBS Mercosul	USA Beef	USA Pork	USA Chicken
Raw material (livestock)	80.2%	85.2%	87.0%	83.2%	59.4%
Processing (including ingredients and packaging)	10.5%	8.3%	5.6%	7.4%	24.6%
Labor Cost	9.3%	6.4%	7.4%	9.4%	16.0%

Source: JBS





Results for 3Q12

Indices:



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Results for 3Q12

CONSOLIDATED FINANCIAL STATEMENTS – JBS S.A.

JBS S.A.

Balance sheets (In thousands of Reais)

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	3,554,606	3,612,867	5,040,659	5,288,194
Trade accounts receivable, net	2,430,607	1,883,093	5,300,897	4,679,846
Inventories	1,948,854	1,544,261	5,489,591	5,405,705
Biological assets	-	-	895,509	209,543
Recoverable taxes	1,396,507	1,330,609	1,783,754	1,690,311
Prepaid expenses	12,985	8,148	142,157	131,033
Other current assets	206,743	256,225	514,958	526,649
TOTAL CURRENT ASSETS	9,550,302	8,635,203	19,167,525	17,931,281
NON-CURRENT ASSETS				
Long-term assets				
Credits with related parties	877,941	88,505	609,061	552,197
Biological assets	-	-	279,747	-
Recoverable taxes	546,532	562,027	572,432	626,126
Other non-current assets	198,096	104,207	628,429	389,947
Total long-term assets	1,622,569	754,739	2,089,669	1,568,270
Investments in subsidiaries and in associates	6,272,454	7,561,574	257,174	-
Property, plant and equipment, net	8,558,783	7,803,582	15,996,421	15,378,714
Intangible assets, net	9,530,805	9,531,506	11,713,874	12,532,619
TOTAL NON-CURRENT ASSETS	25,984,611	25,651,401	30,057,138	29,479,603
TOTAL ASSETS	35,534,913	34,286,604	49,224,663	47,410,884

The accompanying notes are an integral part of the financial statements





Results for 3Q12

JBS S.A

Balance sheets (In thousands of Reais)

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Trade accounts payable	785,501	666,375	3,361,901	3,323,886
Loans and financings	4,865,817	4,574,702	5,512,434	5,339,433
Income taxes	-	-	9,013	211,528
Payroll, social charges and tax obligation	490,567	347,863	1,392,416	1,167,163
Payables related to facilities acquisitions	116,953	10,589	116,953	10,589
Other current liabilities	426,038	466,402	411,669	343,100
TOTAL CURRENT LIABILITIES	6,684,876	6,065,931	10,804,386	10,395,699
NON-CURRENT LIABILITIES				
Loans and financings	7,183,001	7,095,193	14,772,102	13,532,761
Convertible debentures	1,276	1,283	1,276	1,283
Payroll, social charges and tax obligation	138,195	-	582,066	683,812
Payables related to facilities acquisitions	86,408	2,048	86,408	2,048
Deferred income taxes	584,035	289,798	961,425	678,372
Provision for lawsuits risk	147,894	140,975	202,997	251,560
Other non-current liabilities	15,423	27,554	290,468	266,161
TOTAL NON-CURRENT LIABILITIES	8,156,232	7,556,851	16,896,742	15,415,997
SHAREHOLDERS' EQUITY				
Capital stock	21,506,247	21,506,247	21,506,247	21,506,247
Capital transaction	79,286	(10,212)	79,286	(10,212)
Capital reserve	211,879	985,944	211,879	985,944
Revaluation reserve	98,033	101,556	98,033	101,556
Profit reserves	1,440,799	1,440,799	1,440,799	1,440,799
Treasury shares	(776,526)	(610,550)	(776,526)	(610,550)
Valuation adjustments to shareholders' equity in subsidiaries	104,191	127,071	104,191	127,071
Accumulated translation adjustments in subsidiaries	(2,626,189)	(2,877,033)	(2,626,189)	(2,877,033)
Retained earnings	656,085	-	656,085	-
Attributable to controlling interest	20,693,805	20,663,822	20,693,805	20,663,822
Attributable to noncontrolling interest	-	-	829,730	935,366
TOTAL SHAREHOLDERS' EQUITY	20,693,805	20,663,822	21,523,535	21,599,188
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	35,534,913	34,286,604	49,224,663	47,410,884

The accompanying notes are an integral part of the financial statements





Results for 3Q12

JBS S.A

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

	Company		Consolidated	
	2012	2011	2012	2011
NET SALE REVENUE	4,274,902	3,327,232	19,366,617	15,567,759
Cost of goods sold	(3,135,692)	(2,536,025)	(16,889,422)	(13,873,600)
GROSS INCOME	1,139,210	791,207	2,477,195	1,694,159
OPERATING INCOME (EXPENSE)				
General and administrative expenses	(213,880)	(151,449)	(516,136)	(442,832)
Selling expenses	(412,130)	(330,290)	(999,940)	(812,567)
Financial expense, net	(268,596)	(313,098)	(418,657)	(519,482)
Equity in earnings of subsidiaries	239,599	(82,353)	631	-
Other income (expenses), net	10,605	17,827	(1,510)	4,006
	(644,402)	(859,363)	(1,935,612)	(1,770,875)
NET INCOME (LOSS) BEFORE TAXES	494,808	(68,156)	541,583	(76,716)
Current income taxes	604	653	(27,777)	(79,611)
Deferred income taxes	(128,413)	-	(127,193)	(26,375)
	(127,809)	653	(154,970)	(105,986)
NET INCOME (LOSS) OF THE PERIOD	366,999	(67,503)	386,613	(182,702)
ATTRIBUTABLE TO:				
Controlling interest			366,999	(67,503)
Noncontrolling interest			19,614	(115,199)
			386,613	(182,702)
Net income (loss) basic per thousand shares - in reais	125.69	(22.75)	125.69	(22.75)

The accompanying notes are an integral part of the financial statements





Results for 3Q12

JBS S.A.

Statements of cash flows for the three months period ended on September 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	366,998	(67,503)	366,998	(67,503)
Adjustments to reconcile loss to cash provided on operating activities				
. Depreciation and amortization	109,185	110,070	409,325	317,184
. Allowance for doubtful accounts	-	987	(1,270)	3,601
. Equity in earnings of subsidiaries	(239,599)	82,353	(631)	-
. Loss (gain) on assets sales	(2,164)	(12,661)	7,034	(9,225)
. Deferred income taxes	128,413	-	127,193	26,375
. Current and non-current financial charges	(53,397)	898,623	23,647	1,063,499
. Provision for lawsuits risk	2,900	1,007	4,941	(5,774)
. Impairment	-	-	-	-
	312,336	1,012,876	937,237	1,328,157
Decrease (increase) in operating assets				
Trade accounts receivable	(218,880)	(115,476)	(231,223)	19,585
Inventories	(36,705)	(378,931)	46,755	(327,511)
Recoverable taxes	83,587	(38,782)	102,467	(15,377)
Other current and non-current assets	27,396	(152,148)	(58,986)	(102,233)
Related party receivable	(205,631)	(34,383)	115,274	(16,132)
Biological assets	-	-	(148,367)	210,174
Increase (decrease) operating liabilities				
Trade accounts payable	(102,950)	33,261	(180,508)	(127,240)
Other current and non-current liabilities	(65,205)	101,459	(25,924)	163,118
Noncontrolling interest	-	-	19,614	(115,199)
Valuation adjustments to shareholders' equity in subsidiaries	-	-	53,636	(120,378)
Net cash provided by (used in) operating activities	(206,052)	427,876	629,975	896,964
Cash flow from investing activities				
Additions to property, plant and equipment and intangible assets	(332,694)	(148,909)	(450,589)	(354,728)
Net effect of Vigor deconsolidation	-	-	-	-
Decrease in investments in subsidiaries	1,862	(45,824)	2,067	-
Net effect of working capital of acquired / merged company	-	-	(24,559)	(34,584)
Net cash provided by (used in) investing activities	(330,832)	(194,733)	(473,081)	(389,312)
Cash flow from financing activities				
Proceeds from loans and financings	1,329,699	2,219,061	2,663,469	5,861,414
Payments of loans and financings	(1,193,741)	(2,344,303)	(3,273,610)	(5,916,356)
Payments of debentures	(7)	(1,874)	(7)	(1,874)
Capital transactions	-	(11)	222	(11)
Shares acquisition of own emission	-	(11,011)	-	(11,011)
Net cash provided by (used in) financing activities	135,951	(138,138)	(609,926)	(67,838)
Effect of exchange variation on cash and cash equivalents	-	-	18,455	181,015
Variance in cash and cash equivalents	(400,933)	95,005	(434,577)	620,829
Cash and cash equivalents at the beginning of the year	3,955,539	3,344,875	5,475,236	4,960,185
Cash and cash equivalents at the end of the period	3,554,606	3,439,880	5,040,659	5,581,014

The accompanying notes are an integral part of the financial statements





Results for 3Q12

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.

