



# Results for 4Q11 and 2011

"In God We Trust,  
Nature We Respect"

JBS S.A. (Bovespa: JBSS3)\*

São Paulo, March 21<sup>st</sup>, 2012

**JBS reached net revenue of R\$62 billion and positive operating cash flow of R\$606 million in 2011**

## 2011 HIGHLIGHTS

---

- ✓ JBS posted consolidated net revenue of R\$61.8 billion, 12.9% higher than 2010.
- ✓ EBITDA was R\$3.2 billion, a decrease of 16.3% over 2010, due to the negative result from Pilgrim's Pride. Consolidated EBITDA margin was 5.1%.
  - JBS USA Beef, including Australia, presented revenue of US\$16.5 billion in the year, an increase of 25.6% over 2010. The EBITDA was US\$739.1 million, 11.4% higher than 2010.
  - JBS USA Pork business unit net revenue totaled US\$3.5 billion, 17.5% higher than 2010. The EBITDA was US\$338.2 million, 22.2% higher when compared to the previous year.
  - JBS Mercosul posted net revenue of R\$14.9 billion, an increase of 11.9% year over year. The EBITDA increased 23.9% over the same period and was R\$1.6 billion.
- ✓ JBS generated net cash from operating activities in 2011 of R\$606.5 million.
- ✓ Net loss in the period was R\$75.7 million, caused by Pilgrim's Pride (PPC) which posted a loss of US\$495.7 million (US GAAP) in 2011. Excluding this item, net income would have been approximately R\$482.6 million.
- ✓ The Company ended the year with R\$5.3 billion in cash or cash equivalent, corresponding to 100% of short-term debt.
- ✓ Leverage remained stable at 3.0x, excluding PPC.

## 4Q11 HIGHLIGHTS

---

- ✓ JBS posted consolidated net revenue of R\$16.9 billion, 18.3% higher than 4Q10.
- ✓ EBITDA was R\$940.6 million, an increase of 8.6% over 4Q10. The EBITDA margin was 5.6%.
- ✓ Net income was R\$25.6 million in the 4Q11.

---

\*JBS S.A. ("JBS") (Bovespa: JBSS3), the global leading producer of animal protein announces today its results for the fourth quarter of 2011 (4Q11) and for the full year of 2011. For the purpose of analysis, this report considers the results for the quarter ended September 30, 2011 (3Q11) and December 31, 2010 (4Q10) as well as the fiscal year 2010.

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 December 25, 2011 (4Q11). The quantitative data, such as volumes and heads slaughtered, are not audited.





# Results for 4Q11 and 2011

## Message from the President

As we look back at 2011 we can draw some relevant conclusions regarding the performance of JBS such as the fact that we surpassed R\$60 billion in net revenue. Last year, our attention continued to be focused on integrating the relevant acquisitions we made over the last number of years. Nonetheless, we had expressive organic growth in the order of 13% and we generated positive operating cash in excess of R\$600 million last year reverting a negative operating cash flow in 2010. Besides, all our business units significantly outperformed 2010 with the exception of Pilgrim's Pride Corporation, our US chicken business, which suffered under the influence of an odd year for the sector in the US.

Last year also marked the end of a cycle in terms of major expenditure within the Company. A period marked by substantial investments in plant and property to increase our efficiency and forward our integration has come to a close and after all that was done, we are pleased to see that our overall expense has been reduced by US\$100 million. Thus, we reached a high level in our US beef and pork operations and we have also witnessed substantial improvements in our operations here in South America.

Regarding Pilgrim's, we made a decision to realign our business strategy and the results can be seen in the form of a more lean and agile firm fast advancing towards operational excellence. And although there is more to be done, we can already see the results of our efforts. In the last quarter of 2011, our PPC chicken business maintained revenues at above US\$1.8 million while EBITDA showed considerable improvement coming in at over US\$22 million and that compared with the negative EBITDA of above US\$31 million the previous quarter. A negative EBITDA margin of 1.7% in 3Q11 turned 1.2% positive in the last quarter.

We had significant improvements in 2011 and a clear indication is the positive consolidated net income of R\$25.6 million in the last quarter of 2011 compared with a negative R\$67.5 million in the previous quarter remembering that the whole period was negatively influenced by the underperformance of the Chicken Unit.

Even with all adversities faced by poultry industry in United States last year, we finished 2011 in a situation more favorable than 2010, reducing our loss in 74.1%. If we were to eliminate the negative result at PPC, JBS would have had net income of around R\$500 million last year.

Looking at organic growth, the expressive performance last year can be seen in the revenue growth in each and every business unit with particular focus on the beef business unit in the US which showed robust growth of above 25%. Lets not forget that the pork and chicken units also demonstrated growth of 17.5% and 9.5% respectively. Here in South America, sales increased by almost 12% regardless of the difficult situation in Argentina where we have gradually reduced our operations to just two production units.

Although it is natural that we focus on our financial performance at these times, lets spare a thought for the tremendous effort JBS has made in advancing sustainability in our sector. Later this year, in May, we will publish our Sustainability Report together with our Annual Report which will highlight the progress made last year. In this report, you will be able to read about the actions we have been taking over the last number of years and particularly last year, the results of the independent audits that have been carried out on our work and the collective efforts we have been active in at the Global Roundtable for Sustainable Beef (GRSB) as well as locally in Brazil at the Grupo de Trabalho da Pecuaria Sustentavel (GTPS). We have no fear in saying that we believe that JBS is today the leading Company in the Brazilian Agibusiness sector in





# Results for 4Q11 and 2011

terms of initiatives and processes we have pioneered. As a result we commit ourselves in the eyes of the communities we operate, the environmental sector as a whole and our many clients to exercise our activities in the most sustainable manner possible.

To finalize, we look at 2012 as the continuation of a period where we will continue to reap the results of the foundation laid in the recent past. Our priority this year again is in maintaining careful management of each of our business units, keeping this simple, agile avoiding the pitfalls of complacency and bureaucracy. Our focus continues to be on improved operational efficiency and in maintaining our organic growth. We, however, will always keep a watchful eye on opportunities that could bring value to our business model and to our shareholders.

We have overcome the challenge of integrating our various businesses and we have demonstrated our ability to manage this Company in light of all the businesses we have incorporated in last number of years. In 2012, we will be especially focused on cash generation with a view towards reducing leverage with a resulting value accretion for our shareholders.

**Wesley Mendonça Batista**  
CEO of JBS S.A.





# Results for 4Q11 and 2011

## ANALYSIS OF CONSOLIDATED RESULTS

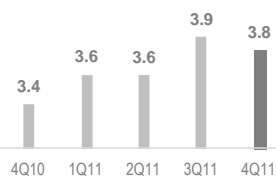
### Analysis of the principal financial indicators of JBS by Business Unit (in local currency)

		4Q11	3Q11	Δ%	4Q10	Δ%	2011	2010	Δ%
<b>Net Revenue</b>									
JBS USA Beef	US\$	4,491.6	4,210.6	6.7%	3,588.7	25.2%	16,459.6	13,103.6	25.6%
JBS USA Pork	US\$	923.1	867.1	6.5%	799.4	15.5%	3,472.6	2,956.7	17.5%
JBS USA Chicken	US\$	1,829.3	1,891.2	-3.3%	1,811.3	1.0%	7,535.7	6,881.7	9.5%
JBS Mercosul	R\$	3,800.5	3,906.7	-2.7%	3,362.8	13.0%	14,926.6	13,333.6	11.9%
<b>EBITDA</b>									
JBS USA Beef	US\$	223.6	184.1	21.5%	194.8	14.8%	739.1	663.7	11.4%
JBS USA Pork	US\$	77.0	75.9	1.4%	102.4	-24.8%	338.2	276.8	22.2%
JBS USA Chicken	US\$	22.6	(31.4)	-	124.8	-81.9%	(149.8)	481.9	-
JBS Mercosul	R\$	407.7	453.8	-10.2%	238.8	70.7%	1,597.6	1,289.6	23.9%
<b>EBITDA Margin</b>									
JBS USA Beef	%	5.0%	4.4%	-	5.4%	-	4.5%	5.1%	-
JBS USA Pork	%	8.3%	8.8%	-	12.8%	-	9.7%	9.4%	-
JBS USA Chicken	%	1.2%	-1.7%	-	6.9%	-	-2.0%	7.0%	-
JBS Mercosul	%	10.7%	11.6%	-	7.1%	-	10.7%	9.7%	-

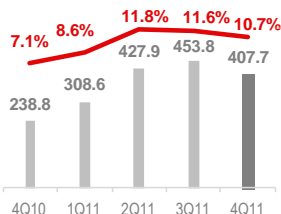
## Performance by Business Unit

JBS Mercosul 

Net sales (R\$ billion)

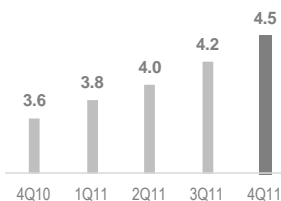


EBITDA (R\$ million)

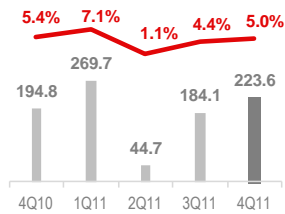


JBS USA (Including Australia) 

Net sales (US\$ billion)

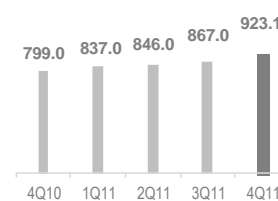


EBITDA (US\$ million)

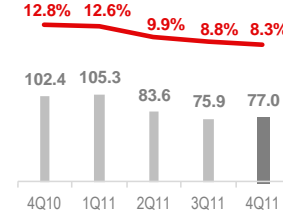


JBS USA 

Net sales (US\$ million)

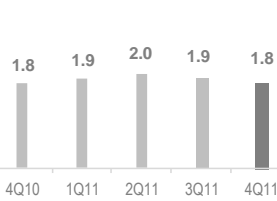


EBITDA (US\$ million)

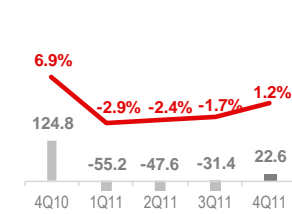


JBS USA (PPC) 

Net sales (US\$ billion)



EBITDA (US\$ million)



— EBITDA Margin (%)





# Results for 4Q11 and 2011

## Consolidated analysis of the principal operational indicators of JBS

R\$ million	4Q11	3Q11	Δ%	4Q10	Δ%	2011	2010	Δ%
<b>Net Revenue</b>	<b>16,934.5</b>	<b>15,567.8</b>	<b>8.8%</b>	<b>14,319.6</b>	<b>18.3%</b>	<b>61,796.8</b>	<b>54,712.8</b>	<b>12.9%</b>
Cost of Goods Sold	(15,040.0)	(13,873.6)	8.4%	(12,522.7)	20.1%	(55,100.2)	(47,994.8)	14.8%
<b>Gross Income</b>	<b>1,894.5</b>	<b>1,694.2</b>	<b>11.8%</b>	<b>1,796.9</b>	<b>5.4%</b>	<b>6,696.6</b>	<b>6,718.0</b>	<b>-0.3%</b>
<b>Gross Margin</b>	<b>11.2%</b>	<b>10.9%</b>	-	<b>12.5%</b>	-	<b>10.8%</b>	<b>12.3%</b>	-
Selling Expenses	(839.3)	(812.6)	3.3%	(717.7)	17.0%	(3,144.1)	(2,627.2)	19.7%
General and Adm. Expenses	(491.4)	(442.8)	11.0%	(511.6)	-4.0%	(1,739.2)	(1,641.0)	6.0%
Net Financial Income (expense)	(549.2)	(519.5)	5.7%	(950.3)	-42.2%	(2,010.7)	(2,223.0)	-9.5%
Other Income (expense)	(22.4)	4.0	-	(82.2)	-72.7%	(32.7)	(168.2)	-
<b>Operating Income</b>	<b>(7.9)</b>	<b>(76.7)</b>	<b>-89.8%</b>	<b>(464.8)</b>	<b>-98.3%</b>	<b>(230.1)</b>	<b>58.6</b>	-
<b>Discontinued Operations Result</b>	<b>0.0</b>	<b>0.0</b>	-	<b>0.0</b>	-	<b>0.0</b>	<b>12.2</b>	-
Income and social contribution taxes	(15.3)	(106.0)	-85.6%	(34.7)	-55.9%	(92.8)	(325.4)	-71.5%
Participation of non-controlling shareholders	(48.7)	(115.2)	-57.7%	39.8	-	(247.2)	38.2	-
<b>Net Income (Loss)<sup>(1)</sup></b>	<b>25.6</b>	<b>(67.5)</b>	-	<b>(539.3)</b>	-	<b>(75.7)</b>	<b>(292.8)</b>	-
<b>EBITDA</b>	<b>940.6</b>	<b>786.8</b>	<b>19.5%</b>	<b>865.9</b>	<b>8.6%</b>	<b>3,151.0</b>	<b>3,766.1</b>	<b>-16.3%</b>
EBITDA Margin	5.6%	5.1%	-	6.0%	-	5.1%	6.9%	-
<b>Net Income (Loss) per share</b>	<b>0.01</b>	<b>(0.02)</b>	-	<b>(0.22)</b>	-	<b>(0.03)</b>	<b>(0.12)</b>	-

(1) Participation of Controlling Shareholders.

## Number of Heads Slaughtered and Sales Volume\*

	4Q11	3Q11	Δ%	4Q10	Δ%	2011	2010	Δ%
<b>Heads slaughtered (thousand)</b>								
Cattle	3,625.7	3,827.4	-5.3%	3,632.3	-0.2%	15,088.9	15,112.6	-0.2%
Hogs	3,651.9	3,104.5	17.6%	3,587.2	1.8%	13,132.2	12,841.8	2.3%
Smalls	894.7	890.0	0.5%	890.2	0.5%	3,198.3	2,531.1	26.4%
<b>Volume Sold (thousand tons)</b>								
<b>Domestic Market</b>	<b>1,667.9</b>	<b>1,624.7</b>	<b>2.7%</b>	<b>1,777.0</b>	<b>-6.1%</b>	<b>6,642.5</b>	<b>6,696.6</b>	<b>-0.8%</b>
Fresh and Chilled Beef	1,423.2	1,347.9	5.6%	1,511.0	-5.8%	5,587.9	5,635.8	-0.9%
Processed Beef	35.9	36.6	-1.9%	38.7	-7.2%	139.2	158.2	-12.0%
Others	208.9	240.2	-13.0%	227.3	-8.1%	915.4	902.6	1.4%
<b>Exports</b>	<b>502.9</b>	<b>522.2</b>	<b>-3.7%</b>	<b>492.6</b>	<b>2.1%</b>	<b>2,055.4</b>	<b>2,030.9</b>	<b>1.2%</b>
Fresh and Chilled Beef	472.4	474.4	-0.4%	442.9	6.7%	1,865.5	1,798.3	3.7%
Processed Beef	14.4	19.1	-24.6%	18.1	-20.5%	70.7	103.5	-31.7%
Others	16.1	28.7	-43.9%	31.6	-49.0%	119.2	129.0	-7.6%
<b>TOTAL</b>	<b>2,170.9</b>	<b>2,146.9</b>	<b>1.1%</b>	<b>2,269.6</b>	<b>-4.4%</b>	<b>8,697.9</b>	<b>8,727.5</b>	<b>-0.3%</b>

\* Not including chicken





# Results for 4Q11 and 2011

## CONSOLIDATED RESULTS

---

### Net Revenue

JBS consolidated net revenue in 2011 was R\$61,796.8 million, an increase of 12.9% compared to R\$54,712.8 million in 2010. This expansion was caused primarily by the performance in the USA Beef and Pork Units, which posted average price increases of 20% during the year, besides the JBS Mercosul result which also presented double digit growth.

In 2011, approximately 75% of global sales were generated domestically in the markets that the Company is present and 25% came from exports.

In 4Q11 the Company posted revenue of R\$16,934.5 million, 18.3% above the same period in 2010 and 8.8% higher than 3Q11.

### EBITDA

2011 EBITDA was R\$3,151.0 million, a decline of 16.3% compared to 2010. This result was due to foreign exchange variation during the period and the underperformance of Pilgrim's Pride (JBS USA Chicken), which posted a negative EBITDA of US\$149.8 million in 2011, compared to a positive EBITDA of US\$481.9 in 2010. Excluding PPC's results in both years, the EBITDA would have grown 16.6%.

During 4Q11, EBITDA totaled R\$940.6 million, an increase of 8.6% and 19.5% when compared to 4Q10 and 3Q11, respectively. The 4Q11 EBITDA margin was 5.6%.

### Net Income / Loss

Net loss in 2011 was R\$75.7 million, equivalent to minus R\$0.03 EPS, due to the Chicken Operation which incurred a loss of US\$495.7 million (US GAAP), equivalent to R\$833.3 million. Excluding PPC results and considering the JBS 67% stake in PPC, net profit in 2011 would have reached approximately R\$482.6 million.

### Cash Generation

JBS generated R\$606.5 million positive cash flow in 2011 from operating activities before investments.

### Capital Expenditure

In 2011, total capital expenditure (CAPEX) of JBS in property, plant, and equipment was R\$1,173.8 million, 4.2% lower than 2010. In 4Q11 capex amounted to R\$226.6 million. The main focus of investments were for improvement of productivity and increase in storage capacity and distribution in all regions.





# Results for 4Q11 and 2011

## Indebtedness

JBS' net debt to EBITDA, excluding Pilgrim's Pride (PPC), a US Listed Company controlled by JBS, remained stable in 4Q11 at 3.0x.

Pilgrim's Pride was excluded from the debt calculation of JBS due to the fact that PPC is a *non-recourse* subsidiary controlled by JBS.

### JBS (excluding PPC)

R\$ million	12/31/11	9/30/11	Var. %
<b>Gross debt</b>	<b>16,201.8</b>	<b>16,501.1</b>	<b>-1.8%</b>
(+) Short Term Debt	5,310.1	5,315.7	-0.1%
(+) Long Term Debt	10,891.7	11,185.3	-2.6%
<b>(-) Cash and Equivalents</b>	<b>5,195.7</b>	<b>5,387.8</b>	<b>-3.6%</b>
<b>Net debt</b>	<b>11,006.1</b>	<b>11,113.3</b>	<b>-1.0%</b>
Net debt/EBITDA <sup>(1)</sup>	<b>3.0x</b>	<b>3.0x</b>	

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

Including Pilgrim's Pride, leverage also remained stable at 4.0x. PPC presented negative EBITDA of US\$149.8 million in 2011, compared to positive US\$481.9 million in 2010, a negative swing of US\$631.7 million.

### JBS including Pilgrim's Pride

R\$ million	12/31/11	9/30/11	Var. %
<b>Gross debt</b>	<b>18,872.2</b>	<b>19,235.4</b>	<b>-1.9%</b>
(+) Short Term Debt	5,339.4	5,344.7	-0.1%
(+) Long Term Debt	13,532.8	13,890.7	-2.6%
(-) Cash and Equivalents	5,288.2	5,581.0	-5.2%
<b>Net debt</b> ( )	<b>13,584.0</b>	<b>13,654.4</b>	<b>-0.5%</b>
Net debt/EBITDA <sup>1</sup>	<b>4.0x</b>	<b>4.0x</b>	

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



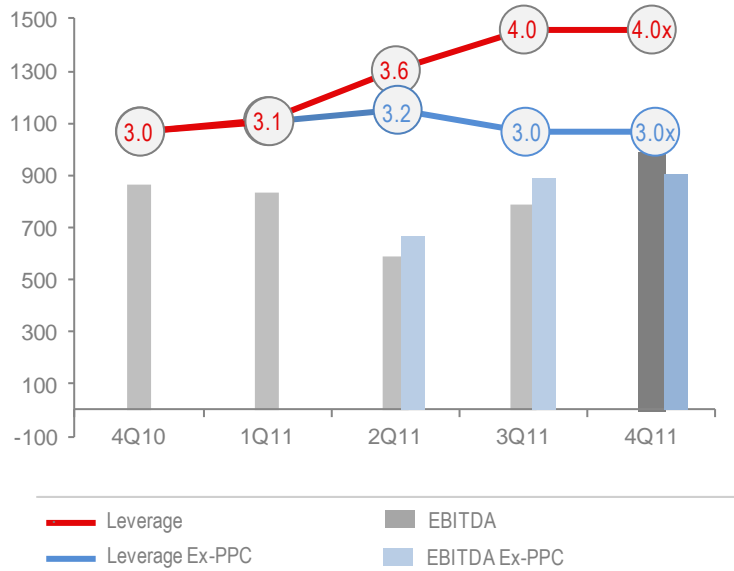


# Results for 4Q11 and 2011

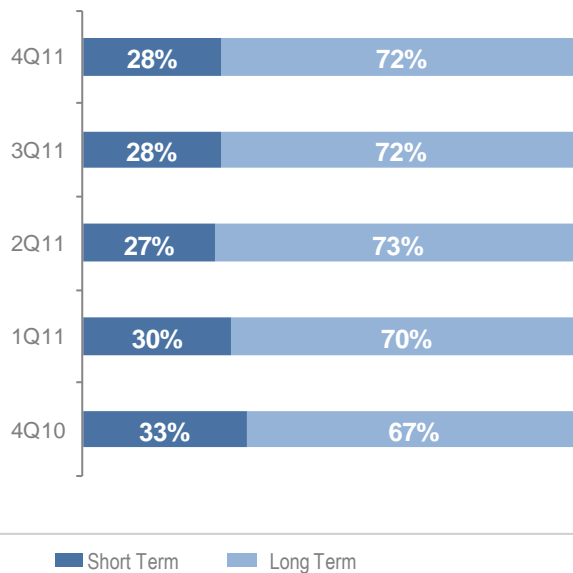
## Cash Position

The Company ended the quarter with R\$5.3 billion in cash or cash equivalent, corresponding to 100% of short-term debt.

### Leverage



### ST / LT Debt Profile







# Results for 4Q11 and 2011

## ANALYSIS OF RESULTS BY BUSINESS UNIT

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



4Q11 net revenue for this business unit was US\$4,491.6 million, outperforming 4Q10 by 25.2%. This result reflects an increase in average sales prices in the domestic and export markets. Compared to 3Q11, revenue increased 6.7%. EBITDA was US\$223.6 million in the fourth quarter, an increase of 14.8% compared with 4Q10 and an increase of 21.5% sequentially. The 4Q11 EBITDA margin was 5.0%.

In 2011 revenue totaled US\$16,459.6 million, an increase of 25.6% over 2010. 2011 EBITDA was US\$739.1 million, 11.4% above 2010, with an EBITDA margin in 2011 of 4.5%.

The Company remains focused on reducing operating cost, with emphasis on increasing profitability per head processed and improving sales mix.

### Highlights (US GAAP)

US\$ million	4Q11	3Q11	Δ%	4Q10	Δ%	2011	2010	Δ%
Heads slaughtered (thousand)	2,108.7	2,111.0	-0.1%	2,047.3	3.0%	8,334.7	8,194.8	1.7%
Net Revenue	4,491.6	4,210.6	6.7%	3,588.7	25.2%	16,459.6	13,103.6	25.6%
EBITDA	223.6	184.1	21.5%	194.8	14.8%	739.1	663.7	11.4%
EBITDA margin %	5.0%	4.4%		5.4%		4.5%	5.1%	

### Breakdown of Net Revenues

Domestic Market	4Q11	3Q11	Δ%	4Q10	Δ%	2011	2010	Δ%
Net Revenue (US\$ million)	3,261.8	3,002.5	8.6%	2,864.9	13.9%	11,850.2	9,780.0	21.2%
Volume (tons)	872.9	819.7	6.5%	917.0	-4.8%	3,401.1	3,304.5	2.9%
Average Price (US\$/Kg)	3.74	3.66	2.0%	3.12	19.6%	3.48	2.96	17.7%

Exports	4Q11	3Q11	Δ%	4Q10	Δ%	2011	2010	Δ%
Net Revenue (US\$ million)	1,229.9	1,208.1	1.8%	723.8	69.9%	4,609.4	3,323.5	38.7%
Volume (tons)	304.7	313.3	-2.8%	295.5	3.1%	1,190.0	1,116.6	6.6%
Average Price (US\$/Kg)	4.04	3.86	4.7%	2.45	64.8%	3.87	2.98	29.9%





# Results for 4Q11 and 2011



## JBS USA Pork, 10% of JBS S.A. Net Revenue

Net revenue for the quarter was US\$923.1 million, 15.5% above 4Q10, reflecting primarily an increase in export average sales prices. Compared to 3Q11, the increase was 6.5% as a result of a higher number of heads processed, due to better demand, both in the domestic and export market, during the period.

In this business unit, EBITDA reached US\$77.0 million in 4Q11, 24.8% lower y-o-y. Compared to 3Q11 EBITDA increased by 1.4%. EBITDA margin was 8.3% in 4Q11 reflecting a 20.1% increase in pork prices.

In 2011, revenue totaled US\$3.472,6 million, 17.5% higher than 2010. EBITDA was US\$338.2 million, 22.2% above 2010, which was US\$276.8 million. EBITDA margin for the year was 9.7%.

## Highlights (US GAAP)

US\$ million	4Q11	3Q11	Δ%	4Q10	Δ%	2011	2010	Δ%
Animals slaughtered (thousand)	3,651.9	3,104.5	17.6%	3,587.2	1.8%	13,132.2	12,841.8	2.3%
Net Revenue	923.1	867.1	6.5%	799.4	15.5%	3,472.6	2,956.7	17.5%
EBITDA	77.0	75.9	1.4%	102.4	-24.8%	338.2	276.8	22.2%
EBITDA margin %	8.3%	8.8%		12.8%		9.7%	9.4%	

## Breakdown of Net Revenues

Domestic Market	4Q11	3Q11	Δ%	4Q10	Δ%	2011	2010	Δ%
Net Revenue (US\$ million)	763.9	731.3	4.5%	695.2	9.9%	2,879.8	2,567.7	12.2%
Volume (thousand tons)	310.5	263.5	17.8%	348.0	-10.8%	1,175.0	1,285.1	-8.6%
Average Price (US\$/Kg)	2.46	2.78	-11.4%	2.00	23.1%	2.45	2.00	22.5%

Exports	4Q11	3Q11	Δ%	4Q10	Δ%	2011	2010	Δ%
Net Revenue (US\$ million)	159.2	135.8	17.2%	104.2	52.8%	592.8	388.9	52.4%
Volume (thousand tons)	65.8	56.8	16.0%	64.4	2.2%	247.0	214.6	15.1%
Average Price (US\$/Kg)	2.42	2.39	1.1%	1.62	49.5%	2.40	1.81	32.6%





# Results for 4Q11 and 2011



**JBS USA Chicken (Pilgrim's Pride Corporation, a US listed Company controlled by JBS USA), 20% of JBS S.A. Net Revenue**

4Q11 net revenue was US\$1,829.3 million, 1.0% higher than 4Q10, reflecting an increase in chicken prices during the period which partially offset the reduction in volumes sold. Compared to 3Q11, revenue decreased 3.3%. 4Q11 adjusted EBITDA was US\$22.6 million, reversing the negative result of US\$31.4 million in 3Q11.

In 2011 revenue reached US\$7,535.7 million, 9.5% higher than 2010, while adjusted EBITDA was minus US\$149.8 million in 2011, compared to a positive result of US\$481.9 million in the previous year.

During 2011 the poultry industry in the U.S. operated with excess production and high inventory levels, which resulted in the inability of the transfer production costs to selling prices.

Because of these adversities Pilgrim's Pride realigned its business strategy and management structure to become a lean and agile company, with operational excellence, taking the "spirit of ownership" forward in the organization. In addition, PPC has reshaped its pricing system, reducing the dependence on long term contracts with fixed prices, and creating more flexible models that reflect current market conditions.

## Highlights (US GAAP)

US\$ million	4Q11	3Q11	Δ%	4Q10	Δ%	2011	2010	Δ%
Net Revenue	1,829.3	1,891.2	-3.3%	1,811.3	1.0%	7,535.7	6,881.7	9.5%
EBITDA	22.6	(31.4)	-	124.8	-	(149.8)	481.9	-
EBITDA margin %	1.2%	-1.7%		6.9%		-2.0%	7.0%	





# Results for 4Q11 and 2011



## JBS Mercosul, 25% of JBS S.A. Net Revenue

Net revenue of JBS Mercosul came in at R\$3,800.5 million in 4Q11, an increase of 13.0% in comparison with 4Q10, as a result of an increase in domestic sales prices and export volumes. Compared to 3Q11, revenue decreased 2.7%. EBITDA for the quarter was R\$407.7 million, an increase of 70.7% in comparison with 4Q10. EBITDA margin in 4Q11 was 10.7%.

JBS Mercosul revenue in 2011 totaled R\$14,926.6 million, 11.9% higher than 2010, while EBITDA went from R\$1,289.6 million in 2010 to R\$1,597.6 million in 2011, an increase of 23.9%.

Results for JBS Mercosul reflects the continuity of the work on operational improvements, optimization of installed capacity in its plants in Brazil and the expansion of sales of products with higher aggregate value in the domestic market.

Operations in Argentina are still challenging and impacted the outcome of the business unit during 2011 due to government restrictions in the release of export orders, compensation for the closure of plants in the country and significant wage increases following the inflation indexes.

## Highlights

R\$ million	4Q11	3Q11	Δ%	4Q10	Δ%	2011	2010	Δ%
Heads slaughtered (thousand)	1,517.0	1,716.3	-11.6%	1,585.0	-4.3%	6,754.2	6,819.6	-1.0%
Net Revenue	3,800.5	3,906.7	-2.7%	3,362.8	13.0%	14,926.6	13,333.6	11.9%
EBITDA	407.7	453.8	-10.2%	238.8	70.7%	1,597.6	1,289.6	23.9%
EBITDA margin %	10.7%	11.6%	-0.9pp	7.1%	3.6pp	10.7%	9.7%	1pp

## Breakdown of Net Revenues

Domestic Market	4Q11	3Q11	Δ%	4Q10	Δ%	2011	2010	Δ%
<b>Net Revenue (million R\$)</b>								
Fresh and Chilled Product	1,748.9	1,814.9	-3.6%	1,646.4	6.2%	6,875.5	5,923.3	16.1%
Processed Items	195.9	193.0	1.5%	139.8	40.1%	731.5	503.2	45.4%
Others	553.3	528.7	4.7%	434.4	27.4%	1,987.8	1,677.3	18.5%
<b>TOTAL</b>	<b>2,498.0</b>	<b>2,536.6</b>	<b>-1.5%</b>	<b>2,220.6</b>	<b>12.5%</b>	<b>9,594.8</b>	<b>8,103.8</b>	<b>18.4%</b>
<b>Volume (thousand tons)</b>								
Fresh and Chilled Product	239.7	264.7	-9.4%	246.1	-2.6%	1,011.9	1,011.1	0.1%
Processed Items	35.9	36.6	-1.9%	38.7	-7.2%	139.2	158.2	-12.0%
Others	208.9	240.2	-13.0%	227.3	-8.1%	915.4	902.6	1.4%
<b>TOTAL</b>	<b>484.5</b>	<b>541.4</b>	<b>-10.5%</b>	<b>512.0</b>	<b>-5.4%</b>	<b>2,066.5</b>	<b>2,071.9</b>	<b>-0.3%</b>
<b>Average Price (R\$/Kg)</b>								
Fresh and Chilled Product	7.30	6.86	6.4%	6.69	9.1%	6.79	5.86	16.0%
Processed Items	5.46	5.27	3.6%	3.62	50.8%	5.25	3.18	65.2%
Others	2.65	2.20	20.5%	1.91	38.7%	2.17	1.86	16.9%





# Results for 4Q11 and 2011

JBS Mercosul, 25% of JBS S.A. Net Revenues



## Breakdown of Net Revenues

Exports	4Q11	3Q11	Δ%	4Q10	Δ%	2011	2010	Δ%
<b>Net Revenue (million R\$)</b>								
Fresh and Chilled Beef	892.4	884.5	0.9%	703.5	26.9%	3,471.7	3,354.5	3.5%
Processed Beef	159.5	201.6	-20.9%	195.0	-18.2%	717.0	813.4	-11.9%
Others	250.5	284.0	-11.8%	243.7	2.8%	1,143.1	1,061.9	7.6%
<b>TOTAL</b>	<b>1,302.4</b>	<b>1,370.1</b>	<b>-4.9%</b>	<b>1,142.2</b>	<b>14.0%</b>	<b>5,331.8</b>	<b>5,229.8</b>	<b>2.0%</b>
<b>Volume (thousand tons)</b>								
Fresh and Chilled Beef	101.9	104.3	-2.3%	83.0	22.8%	428.5	460.7	-7.0%
Processed Beef	14.4	19.1	-24.6%	18.1	-20.5%	70.7	103.5	-31.7%
Others	16.1	28.7	-43.9%	31.6	-49.0%	119.2	129.0	-7.6%
<b>TOTAL</b>	<b>132.5</b>	<b>152.1</b>	<b>-12.9%</b>	<b>132.7</b>	<b>-0.2%</b>	<b>618.4</b>	<b>693.3</b>	<b>-10.8%</b>
<b>Average Price (R\$/Kg)</b>								
Fresh and Chilled Beef	8.75	8.48	3.2%	8.47	3.3%	8.10	7.28	11.3%
Processed Beef	11.07	10.55	4.9%	10.76	2.9%	10.14	7.86	29.0%
Others	15.56	9.90	57.3%	7.71	101.8%	9.59	8.23	16.5%

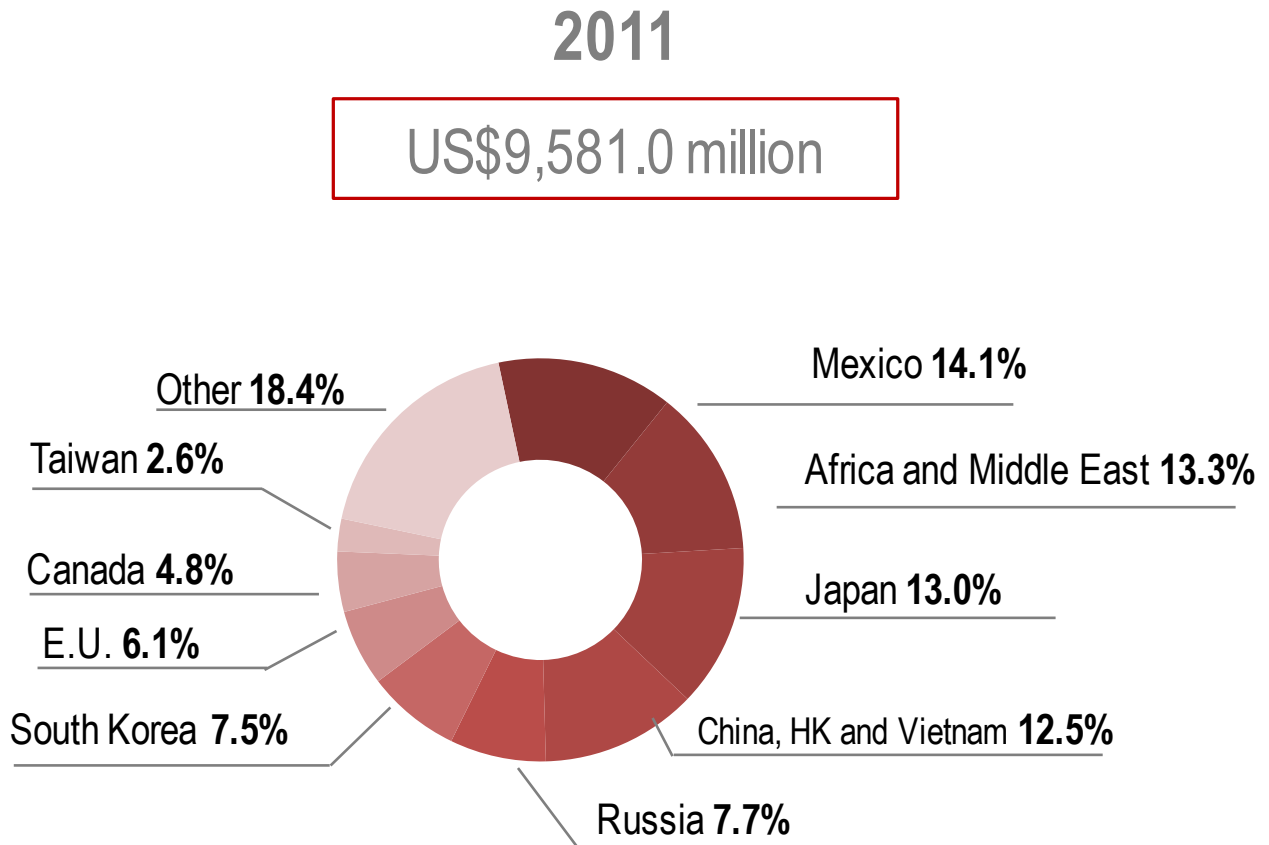




# Results for 4Q11 and 2011

## TABLES AND CHARTS

Graph I - JBS Consolidated Exports Distribution



Source: JBS

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

4Q11 (%)	Consolidated	JBS Mercosul	USA Beef	USA Pork	USA Chicken
Raw material (livestock)	80.2%	85.9%	87.2%	82.2%	56.1%
Processing (including ingredients and packaging)	10.5%	8.1%	5.5%	7.4%	26.2%
Labor Cost	9.4%	6.0%	7.2%	10.4%	17.6%





# Results for 4Q11 and 2011



To Contact JBS:



## Head Office

Avenida Marginal Direita do Tietê, 500  
CEP: 05118-100 – São Paulo – SP  
Brazil

Phone: (55 11) 3144-4000

Fax: (55 11) 3144-4279

[www.jbs.com.br](http://www.jbs.com.br)

## Investor Relations

Phone: (55 11) 3144-4447

E-mail: [ir@jbs.com.br](mailto:ir@jbs.com.br)

[www.jbs.com.br/ir](http://www.jbs.com.br/ir)





# Results for 4Q11 and 2011

## CONSOLIDATED FINANCIAL STATEMENTS – JBS S.A.

### JBS S.A.

#### Balance sheets (In thousands of Reais)

	Company		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3,612,867	3,000,649	5,288,194	4,074,574
Trade accounts receivable, net	1,883,093	1,672,729	4,679,846	4,036,104
Inventories	1,544,261	1,109,472	5,405,705	4,476,934
Biological assets	-	-	209,543	417,028
Recoverable taxes	1,330,609	1,088,310	1,690,311	1,419,784
Prepaid expenses	8,148	13,844	131,033	107,825
Other investment and discontinued operations	-	504,002	-	504,002
Other current assets	256,225	161,066	526,649	351,817
<b>TOTAL CURRENT ASSETS</b>	<b>8,635,203</b>	<b>7,550,072</b>	<b>17,931,281</b>	<b>15,388,068</b>
<b>NON-CURRENT ASSETS</b>				
<b>Long-term assets</b>				
Credits with related parties	88,505	-	552,197	332,679
Judicial deposits and others	104,207	88,218	389,947	448,875
Recoverable taxes	562,027	553,770	626,126	616,297
<b>Total long-term assets</b>	<b>754,739</b>	<b>641,988</b>	<b>1,568,270</b>	<b>1,397,851</b>
Investments in subsidiaries	7,561,574	10,443,000	-	-
Property, plant and equipment, net	7,803,582	7,598,963	15,378,714	14,624,201
Intangible assets, net	9,531,506	9,531,739	12,532,619	12,425,499
	<b>24,896,662</b>	<b>27,573,702</b>	<b>27,911,333</b>	<b>27,049,700</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>25,651,401</b>	<b>28,215,690</b>	<b>29,479,603</b>	<b>28,447,551</b>
<b>TOTAL ASSETS</b>	<b>34,286,604</b>	<b>35,765,762</b>	<b>47,410,884</b>	<b>43,835,619</b>

The accompanying notes are an integral part of the financial statements







# Results for 4Q11 and 2011

## JBS S.A.

### Balance sheets (In thousands of Reais)

	Company		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Trade accounts payable	666,375	566,982	3,323,886	2,962,395
Loans and financings	4,574,702	4,342,593	5,339,433	4,966,198
Income taxes	-	-	211,528	14,251
Payroll, social charges and tax obligation	347,863	375,600	1,167,163	1,095,687
Payables related to facilities acquisitions	10,589	45,746	10,589	45,746
Other current liabilities	466,402	509,482	343,100	332,208
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,065,931</b>	<b>5,840,403</b>	<b>10,395,699</b>	<b>9,416,485</b>
<b>NON-CURRENT LIABILITIES</b>				
Loans and financings	7,095,193	6,679,915	13,532,761	10,217,156
Convertible debentures	1,283	3,462,212	1,283	3,462,212
Payroll, social charges and tax obligation	-	-	683,812	317,633
Payables related to facilities acquisitions	2,048	5,144	2,048	5,144
Deferred income taxes	289,798	390,774	678,372	1,003,050
Provision for lawsuits risk	140,975	136,002	251,560	321,660
Debts with related parties	-	1,532,002	-	-
Other non-current liabilities	27,554	124,939	266,161	397,430
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>7,556,851</b>	<b>12,330,988</b>	<b>15,415,997</b>	<b>15,724,285</b>
<b>SHAREHOLDERS' EQUITY</b>				
Capital stock	21,506,247	18,046,067	21,506,247	18,046,067
Capital transaction	(10,212)	(9,949)	(10,212)	(9,949)
Capital reserve	985,944	985,944	985,944	985,944
Revaluation reserve	101,556	106,814	101,556	106,814
Profit reserves	1,440,799	1,511,246	1,440,799	1,511,246
Treasury shares	(610,550)	(485,169)	(610,550)	(485,169)
Valuation adjustments to shareholders' equity in subsidiaries	127,071	(1,719)	127,071	(1,719)
Accumulated translation adjustments in subsidiaries	(2,877,033)	(2,558,863)	(2,877,033)	(2,558,863)
<b>Attributable to controlling interest</b>	<b>20,663,822</b>	<b>17,594,371</b>	<b>20,663,822</b>	<b>17,594,371</b>
<b>Attributable to noncontrolling interest</b>	<b>-</b>	<b>-</b>	<b>935,366</b>	<b>1,100,478</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>20,663,822</b>	<b>17,594,371</b>	<b>21,599,188</b>	<b>18,694,849</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>34,286,604</b>	<b>35,765,762</b>	<b>47,410,884</b>	<b>43,835,619</b>

The accompanying notes are an integral part of the financial statements





# Results for 4Q11 and 2011

## JBS S.A.

### Statements of income for the years ended December 31, 2011 and 2010 (In thousands of Reais)

	Company		Consolidated	
	2011	2010	2011	2010
<b>NET SALE REVENUE</b>	<b>13,060,853</b>	<b>11,770,293</b>	<b>61,796,761</b>	<b>54,712,832</b>
Cost of goods sold	<u>(10,023,868)</u>	<u>(9,338,628)</u>	<u>(55,100,207)</u>	<u>(47,994,792)</u>
<b>GROSS INCOME</b>	<b>3,036,985</b>	<b>2,431,665</b>	<b>6,696,554</b>	<b>6,718,040</b>
<b>OPERATING INCOME (EXPENSE)</b>				
General and administrative expenses	(595,453)	(503,405)	(1,739,198)	(1,641,024)
Selling expenses	(1,274,996)	(995,067)	(3,144,069)	(2,627,201)
Financial expense, net	(1,468,238)	(1,927,045)	(2,010,728)	(2,223,021)
Equity in earnings of subsidiaries	113,264	815,611	-	-
Other income (expenses), net	28,031	(85,645)	(32,667)	(168,224)
	<u>(3,197,392)</u>	<u>(2,695,551)</u>	<u>(6,926,662)</u>	<u>(6,659,470)</u>
<b>LOSS BEFORE TAXES</b>	<b>(160,407)</b>	<b>(263,886)</b>	<b>(230,108)</b>	<b>58,570</b>
Current income taxes	2,710	2,853	(520,711)	(358,774)
Deferred income taxes	81,992	(44,012)	427,934	33,346
	<u>84,702</u>	<u>(41,159)</u>	<u>(92,777)</u>	<u>(325,428)</u>
<b>LOSS OF CONTINUED OPERATIONS</b>	<b>(75,705)</b>	<b>(305,045)</b>	<b>(322,885)</b>	<b>(266,858)</b>
Net income of discontinued operations	-	12,246	-	12,246
<b>LOSS OF THE YEAR</b>	<b>(75,705)</b>	<b>(292,799)</b>	<b>(322,885)</b>	<b>(254,612)</b>
<b>ATTRIBUTABLE TO:</b>				
Controlling interest			(75,705)	(292,799)
Noncontrolling interest			<u>(247,180)</u>	<u>38,187</u>
			<u>(322,885)</u>	<u>(254,612)</u>
<b>Loss basic per thousand shares - in reais</b>	<b>(27.77)</b>	<b>(117.46)</b>	<b>(27.77)</b>	<b>(117.46)</b>
<b>Loss diluted per thousand shares - in reais</b>	<b>(27.77)</b>	<b>81.71</b>	<b>(27.77)</b>	<b>81.71</b>

The accompanying notes are an integral part of the financial statements





# Results for 4Q11 and 2011

JBS S.A.

## Statements of cash flows for the years ended December 31, 2011 and 2010 (In thousands of Reais)

	Company		Consolidated	
	2011	2010	2011	2010
<b>Cash flow from operating activities</b>				
Loss of the year attributable to controlling interest	(75,705)	(292,799)	(75,705)	(292,799)
Adjustments to reconcile loss to cash provided on operating activities				
. Depreciation and amortization	436,501	286,115	1,291,411	1,215,454
. Allowance for doubtful accounts	10,021	7,180	15,577	16,132
. Equity in earnings of subsidiaries	(113,264)	(815,611)	-	-
. Net income on discontinued operations	-	(12,246)	-	(12,246)
. Gain on assets sales	(24,998)	6,961	(8,132)	11,005
. Deferred income taxes	(81,992)	44,012	(427,934)	(33,346)
. Current and non-current financial charges	1,544,673	448,829	1,611,274	642,763
. Provision for lawsuits risk	5,562	(73,368)	9,865	(22,509)
. Impairment	-	25,514	63,193	83,831
	<b>1,700,798</b>	<b>(375,413)</b>	<b>2,479,549</b>	<b>1,608,285</b>
<b>Decrease (increase) in operating assets</b>				
Trade accounts receivable	(149,369)	(531,026)	(278,778)	(957,276)
Inventories	(433,292)	(350,936)	(627,902)	(1,251,438)
Recoverable taxes	(195,802)	(239,357)	(295,794)	(275,947)
Other current and non-current assets	(104,145)	31,791	(43,156)	225,296
Related party receivable	(360,521)	-	(171,501)	(2,101)
Biological assets	-	-	247,255	(189,908)
<b>Increase (decrease) operating liabilities</b>				
Trade accounts payable	77,789	(60,870)	(28,742)	344,962
Other current and non-current liabilities	(100,210)	(311,617)	(75,275)	(67,419)
Related party payable	-	1,598,237	-	-
Noncontrolling interest	-	-	(247,180)	38,187
Valuation adjustments to shareholders' equity in subsidiaries	-	-	(351,964)	(943,717)
<b>Net cash provided by (used in) operating activities</b>	<b>435,248</b>	<b>(239,191)</b>	<b>606,512</b>	<b>(1,471,076)</b>
<b>Cash flow from investing activities</b>				
Additions to property, plant and equipment and intangible assets	(569,741)	(533,831)	(1,173,780)	(1,225,581)
Increase in investments in subsidiaries	(963,638)	(3,038,408)	-	-
Decrease in investments in subsidiaries	2,491,708	-	-	-
Proceeds received from termination agreement of Inalca JBS	504,002	-	504,002	-
Net effect of working capital of acquired (merged) company	718	-	(34,584)	(338,119)
<b>Net cash provided by (used in) investing activities</b>	<b>1,463,049</b>	<b>(3,572,239)</b>	<b>(704,362)</b>	<b>(1,563,700)</b>
<b>Cash flow from financing activities</b>				
Proceeds from loans and financings	6,181,618	5,693,809	17,532,838	14,191,471
Payments of loans and financings	(7,341,304)	(4,309,777)	(16,224,978)	(13,462,647)
Debentures payment	(749)	-	(749)	-
Capital increase	-	1,600,000	-	1,600,000
Transaction costs for issuing of titles and securities	-	(55,252)	-	(55,252)
Capital transactions	(263)	-	(263)	-
Shares acquisition of own emission	(125,381)	(213,728)	(125,381)	(213,728)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,286,079)</b>	<b>2,715,052</b>	<b>1,181,467</b>	<b>2,059,844</b>
<b>Effect of exchange variation on cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>130,003</b>	<b>11,122</b>
Variance in cash and cash equivalents	612,218	(1,096,378)	1,213,620	(963,810)
Cash and cash equivalents at the beginning of the year	3,000,649	4,097,027	4,074,574	5,038,384
<b>Cash and cash equivalents at the end of the year</b>	<b>3,612,867</b>	<b>3,000,649</b>	<b>5,288,194</b>	<b>4,074,574</b>

The accompanying notes are an integral part of the financial statements





# Results for 4Q11 and 2011

## 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.*

