



Results for 3Q11

"In God We Trust,
Nature We Respect"

JBS S.A. (Bovespa: JBSS3)*

JBS posted net revenue in excess of R\$15 billion and operating cash flow of R\$897 million in the quarter

3Q11 HIGHLIGHTS

São Paulo, November 14th, 2011

Net Revenue

- ✓ JBS posted consolidated net revenue of R\$15,567.8 million, 10.6% higher than 3Q10.
- ✓ JBS USA Beef presented revenue of US\$4,210.6 million, an increase of 25.4% over 3Q10.
- ✓ JBS USA Pork business unit net revenue totaled US\$867.1 million, 12.3% higher than the same quarter last year.
- ✓ Pilgrim's Pride Corporate (PPC) revenue was US\$1,891.2 million, 10% higher than 3Q10.
- ✓ JBS Mercosul posted revenue of R\$3,906.7 million, an increase of 11.9% year over year.

Operational Performance

- ✓ The consolidated gross margin was 10.9%, 102 bps higher than the previous quarter.
- ✓ Consolidated EBITDA was R\$786.8 million in the quarter with an EBITDA margin of 5.1%, 101 bps higher compared to 2Q11.
- ✓ JBS Mercosul EBITDA totaled of R\$453.8 million, 21.4% higher than 3Q10, with an EBITDA margin of 11.6%.
- ✓ JBS USA Beef business unit presented EBITDA of US\$184.1 million, 77.9% higher when compared to the 3Q10, and an EBITDA margin of 4.4%.
- ✓ The EBITDA of the JBS USA Pork business unit was US\$75.9 million with an EBITDA margin of 8.8%.

Financial Performance

- ✓ JBS generated net cash from operating activities of R\$897.0 million in the quarter, excluding capital expenditure (capex).
- ✓ Net cash generation after capex was R\$507.7 million in the quarter and the net cash variation was R\$620.8 million positive.
- ✓ The Company ended the quarter with R\$5.6 billion in cash or cash equivalent, an increase of 12.5% over 2Q11 and 100% higher than the short-term debt.
- ✓ Excluding the effect of FX variations in the net debt denominated in U.S. dollars, the Company reduced its debt by R\$530 million, approximately.
- ✓ The effective Company's hedge policy made possible to minimize the effects of exchange rate in the results.
- ✓ The loss of R\$67.5 million was impacted by approximately R\$439 million, caused by Pilgrim's Pride results and exchange rate variation which is a non-cash items. Excluding these items, net income would have been R\$372 million approximately.

JBS S.A. ("JBS") (Bovespa: JBSS3), the global leading producer of animal protein announces today its results for the third quarter of 2011 (3Q11). For the purpose of analysis, this report considers the results for the quarters ended June 30, 2011 (2Q11) and September 30, 2010 (3Q10). 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 25, 2011 (3Q11). The quantitative data, such as volumes and number of heads slaughtered, are not audited.





Results for 3Q11

Message from the President

This third quarter of 2011 was a period of significant importance for JBS with net revenues exceeding R\$15 billion and operational cash flow generation of R\$897 million. The period marks a new phase for the entire group. After a series of acquisitions in recent years which placed the company among the global leaders of the food industry, we are at a unique moment in our history. Before detailing what we will do from now on, let me remind you of the events of the last few months.

Between July and September we had a significant improvement in our operations. We captured synergies among units around the world, especially in Brazil and in the United States and integrated many activities. It was a period of time when we put all our attention on management, focused on internal activities and dedicated our efforts to improve every step of the execution of our processes.

These changes assured JBS good results in the third quarter with a strong cash generation which gives us confidence that we can maintain this good performance. We ended the third quarter of 2011 with R\$5.6 billion in cash. Also in this context I would like to acknowledge the progress in the professionalization of the company, with the evolution of the whole management of the group and I thank the staff for their continuous effort and dedication. We made some adjustments to make sure that we have the right persons in the right places.

In order to explain these results, it is important to highlight some changes we made. In late August, we consolidated our leather operations in Brazil to centralize and focus efforts on value-added products. We decided to shut down four plants to shift production and to improve efficiency in other four units - Lins / SP, Cascavel/CE, Itumbiara/GO and Uberlândia/MG. This reorganization has not reduced our production capacity of finished and semi finished leather products and is an important step in order to devote ourselves to the processes that offer higher margins. In addition, the reorganization in the leather business allows us to save R\$45 million per year.

In our beef business, we also promoted a rationalization process in the Brazilian industry. In September, we stopped activities of three plants - Presidente Epitácio/SP, Teófilo Otoni/MG and Maringá/PR - and rearranged the deboning/fabrication of three others. These changes allowed us to increase our production by 5%, using the units more efficiently. With these adjustments, we estimate savings of R\$200 million on annualized basis.

In the dairy business which has some of the most recognized brands in the sector in Brazil, such as Vigor, Leco, Danúbio, Serrabella and Faixa Azul, in recent months we registered strong growth of double digits. In recent months, this growth occurred organically without any acquisition. We see the dairy sector as a business with significant opportunities and we have plans to increase our presence in 2012 that will be important to ensure and increase our presence on it. In due course, these strategies will be announced.





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In the U.S., the chicken business continued to underperform. However, some indicators already point to an improvement in 2012. The eggs sets have reduced from week to week and we are extremely positive about the business for next year, as balance between supply and demand improves. Despite the adversities in the chicken market, third-quarter sales were US\$1.89 billion, a growth of 10% over the same period last year.

The U.S. operations, however, remained firm in the beef and pork markets. The U.S. Beef (including Australia) business unit revenue in the third quarter grew 25% over the same period last year and reached US\$4.21 billion. Of this total, more than US\$3 billion were sold domestically, an improvement of 27.6% over 2010. The remaining US\$1.21 billion came from exports, which increased by 20.1%. In the pork business, our revenues were US\$867.1 million, of which US\$731.3 million came from sales to U.S. market and US\$135.8 million from exports.

In recent years, JBS has focused on structuring some shared service areas within each business unit. Some examples both in Mercosul and U.S. are in operations, consolidated sales, purchasing, technology, human resources, as well as others always aiming at gaining costs and efficiency at regional level. From now on, we will begin a new phase in which we will identify where some of these global services can be integrated globally and we will be pushing towards reaching this integration more efficiently.

I would like to mention once again this important moment in our company. This October we initiated the process of strengthening the value of our brands and we took important steps towards bringing more value added products to the consumer market. I am sure that we will modernize the beef business worldwide through our initiatives to transform a commodity type of product into a branded and value added item. This strategy began in Brazil, but certainly will not be limited to the borders of this country. This is the new phase at JBS.

As we approach the end of another year, we recall that 2011 was a year in which we improved our operational skills. Now, with our businesses in Mercosul and the U.S. adjusted and highly competitive, as our numbers demonstrated, we are more convinced than ever that we will initiate 2012 with the energy needed to achieve even better results, with strong cash flow generation and high value enhancement for our shareholders. In doing so, we continue to focus on what we do best, to grow in an organized and sustainable manner.

Wesley Mendonça Batista
CEO of JBS S.A.





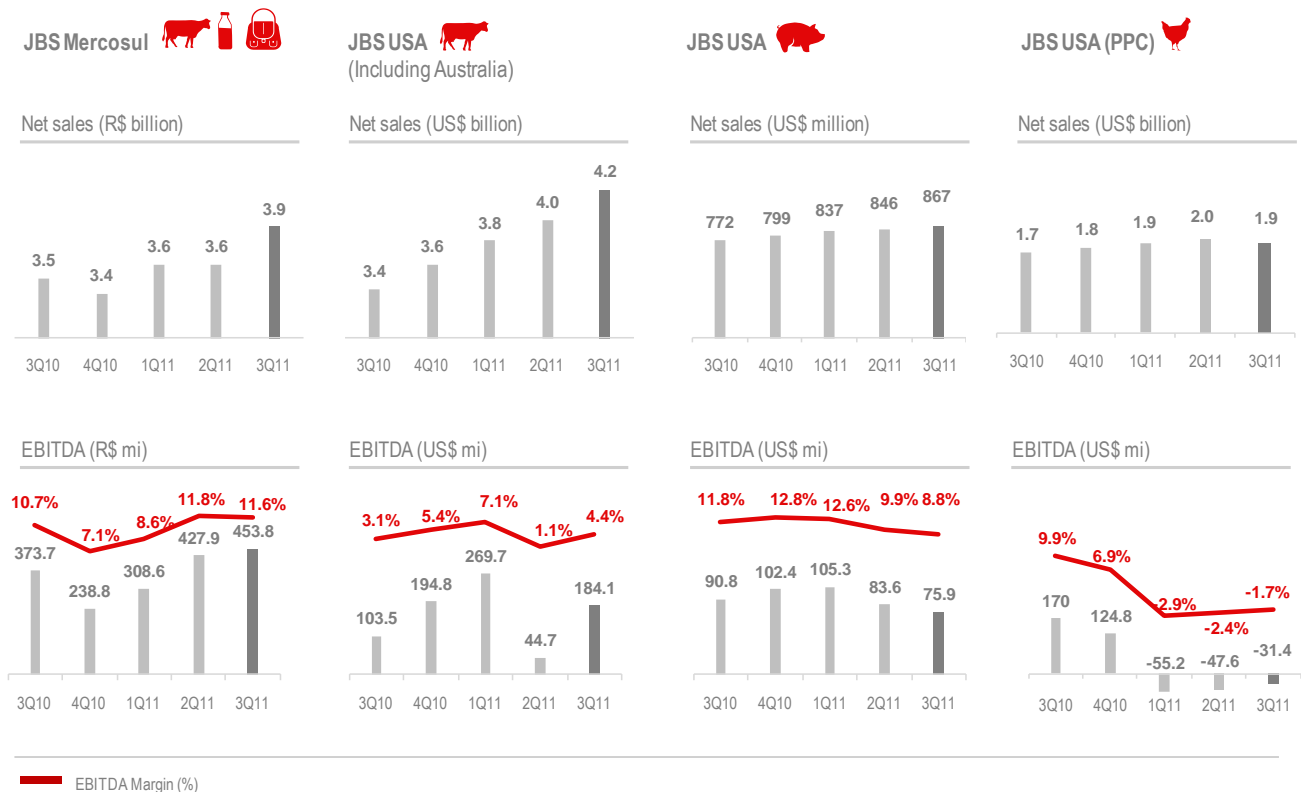
Results for 3Q11

ANALYSIS OF CONSOLIDATED RESULTS

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

		3Q11	2Q11	Δ%	3Q10	Δ%
Net Revenue						
JBS USA Beef	US\$	4,210.6	3,964.0	6.2%	3,358.4	25.4%
JBS USA Pork	US\$	867.1	845.8	2.5%	772.2	12.3%
JBS USA Chicken	US\$	1,891.2	1,992.7	-5.1%	1,719.9	10.0%
JBS Mercosul	R\$	3,906.7	3,615.3	8.1%	3,491.0	11.9%
EBITDA						
JBS USA Beef	US\$	184.1	44.7	311.9%	103.5	77.9%
JBS USA Pork	US\$	75.9	83.6	-9.2%	90.8	-16.4%
JBS USA Chicken	US\$	(31.4)	(47.6)	34.0%	170.0	-
JBS Mercosul	R\$	453.8	427.9	6.0%	373.7	21.4%
EBITDA Margin						
JBS USA Beef	%	4.4%	1.1%	3.2pp	3.1%	1.3pp
JBS USA Pork	%	8.8%	9.9%	-1.1pp	11.8%	-3pp
JBS USA Chicken	%	-1.7%	-2.4%	0.7pp	9.9%	-
JBS Mercosul	%	11.6%	11.8%	-0.2pp	10.7%	0.9pp

Performance by Business Unit





Results for 3Q11

Consolidated analysis of the principal operational indicators of JBS

R\$ million	3Q11	2Q11	Δ%	3Q10	Δ%
Net Revenue	15,567.8	14,621.8	6.5%	14,069.6	10.6%
Cost of Goods Sold	(13,873.6)	(13,202.3)	5.1%	(12,291.3)	12.9%
Gross Income	1,694.2	1,419.5	19.4%	1,778.3	-4.7%
Gross Margin	10.9%	9.7%	-	12.6%	-
Selling Expenses	(812.6)	(754.7)	7.7%	(699.4)	16.2%
General and Adm. Expenses	(442.8)	(386.1)	14.7%	(362.5)	22.2%
Net Financial Income (expense)	(519.5)	(590.9)	-12.1%	(363.1)	43.1%
Other Income (expense)	4.0	(5.5)	-	(62.4)	-
Operating Income	(76.7)	(317.7)	-75.9%	291.0	-
Income and social contribution taxes	(106.0)	110.7	-	(124.5)	-14.9%
Participation of non-controlling shareholders	(115.2)	(26.2)	339.4%	23.0	-
Net Income (Loss)⁽¹⁾	(67.5)	(180.8)	-	143.4	-
EBITDA	786.8	587.7	33.9%	1,036.4	-24.1%
EBITDA Margin	5.1%	4.0%	-	7.4%	-
Net Income (Loss) per share	(0.02)	(0.07)	-	0.06	-

(1) Participation of Controlling Shareholders.

Number of Heads Slaughtered and Sales Volume*

	3Q11	2Q11	Δ%	3Q10	Δ%
Heads slaughtered (thousand)					
Cattle	3,827.4	3,884.6	-1.5%	3,742.0	2.3%
Hogs	3,104.5	3,072.1	1.1%	3,121.3	-0.5%
Smalls	890.0	839.6	6.0%	854.8	4.1%
Volume Sold (thousand tons)					
Domestic Market	1,624.7	1,610.2	0.9%	1,642.8	-1.1%
Fresh and Chilled Beef	1,347.9	1,348.8	-0.1%	1,375.5	-2.0%
Processed Beef	36.6	34.0	7.6%	41.7	-12.1%
Others	240.2	227.4	5.6%	225.6	6.4%
Exports	522.2	501.9	4.0%	559.0	-6.6%
Fresh and Chilled Beef	474.4	450.3	5.3%	505.2	-6.1%
Processed Beef	19.1	19.6	-2.5%	24.2	-21.0%
Others	28.7	32.0	-10.3%	29.6	-2.9%
TOTAL	2,146.9	2,112.2	1.6%	2,201.8	-2.5%

* Not including chicken





Results for 3Q11

CONSOLIDATED RESULTS

Net Revenues

JBS posted consolidated net revenue of R\$15,567.8 million in 3Q11, an increase of 10.6% compared to 3Q10. Highlights of the quarter were the JBS USA Beef and Pork business units, which presented growth of 25.4% and 12.3% respectively, when compared to 3Q10, partially offset by the devaluation of the real against the U.S. dollar.

In this quarter, 75% of revenues were generated in the domestic market and exports represented 25% approximately. The Company has benefited from its geographical distribution to supply all consumer markets globally.

EBITDA

EBITDA for 3Q11 was R\$786.8 million, a decline of 24.1% compared to 3Q10, due to the underperformance by Pilgrim's Pride (JBS USA Chicken). When compared to 2Q11, EBITDA increased 33.9%, reflecting the substantial improvement of the JBS USA Beef business unit, in addition to the continuous capture of synergies and operational improvements.

During the first nine months of 2011, the EBITDA of the Beef and Pork business units in the US totaled US\$776.8 million, 20.8% higher than the corresponding period of 2010. JBS Mercosul EBITDA was R\$1,190.0 million in 9M11, 10.1% higher year over year.

Financial Results

Net financial results for the quarter improved 12.1% compared to 2Q11. Even with the strong FX oscillation of the real against the U.S. dollar during the 3Q11, the Company was successful in its hedge policy and minimized these effects during the period.

Net Income / Loss

The loss for the period was R\$67.5 million, equivalent to minus R\$0.02 EPS, due to the Chicken Operations which incurred a loss of US\$162.5 million as well as a net negative foreign exchange result of R\$170.6 million, which is a non-cash item. If these items were not taken into account, JBS profit would have been R\$372.1 million.

Cash Generation

The company generated R\$897.0 million cash flow from operating activities before investments. The net cash generation in the period after investment and financing, was R\$620.8 million.

Capital Expenditure

In 3Q11, the total capital expenditure (CAPEX) of JBS in property, plant, and equipment was R\$354.7 million. The main investments were for the improvement of productivity and the increase in storage capacity and distribution.





Results for 3Q11

Indebtedness

JBS' net debt to EBITDA ratio, excluding Pilgrim's Pride (PPC), a US Listed Company controlled by JBS, reduced from 3.2x in 2Q11 to 3.0x in 3Q11, due to the increase in the EBITDA of the JBS USA Beef and JBS Mercosul business units.

Excluding the FX effect of the net debt in U.S. dollars, the debt decreased R\$530.0 million compared to 2Q11. PPC's gross debt remained stable and its cash position increased by 7.6% in U.S. dollars, compared to 2Q11. Therefore, its net debt remained constant in local currency.

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	9/30/11	6/30/11	Var. %
Gross debt	16,501.1	14,661.4	12.5%
(+) Short Term Debt	5,315.7	4,558.1	16.6%
(+) Long Term Debt	11,185.3	10,103.3	10.7%
(-) Cash and Equivalents	5,387.8	4,809.0	12.0%
Net debt	11,113.3	9,852.5	12.8%
Net debt/EBITDA ⁽¹⁾	3.0x	3.2x	

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

Including Pilgrim's Pride's performance in the results of JBS, the leverage went from 3.6x in 2Q11 to 4.0x in 3Q11. PPC presented negative EBITDA of US\$-172.4 million in the nine months of 2011, compared to positive US\$357.1million in the same period of last year, which significantly reduced the annualized EBITDA used to calculate the ratio.

Excluding the exchange rate variation effect of the JBS Consolidated debt denominated in U.S. dollars, the net debt dropped R\$530 million approximately.

JBS including Pilgrim's Pride

R\$ million	9/30/11	6/30/11	Var. %
Gross debt	19,235.4	17,124.3	12.3%
(+) Short Term Debt	5,344.7	4,582.5	16.6%
(+) Long Term Debt	13,890.7	12,541.8	10.8%
(-) Cash and Equivalents	5,581.0	4,960.2	12.5%
Net debt ()	13,654.4	12,164.1	12.3%
Net debt/EBITDA ¹	4.0x	3.6x	

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



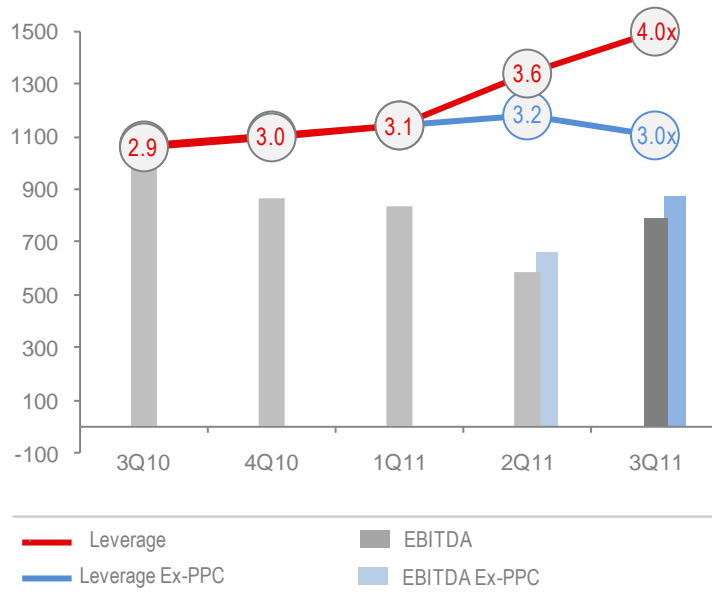


Results for 3Q11

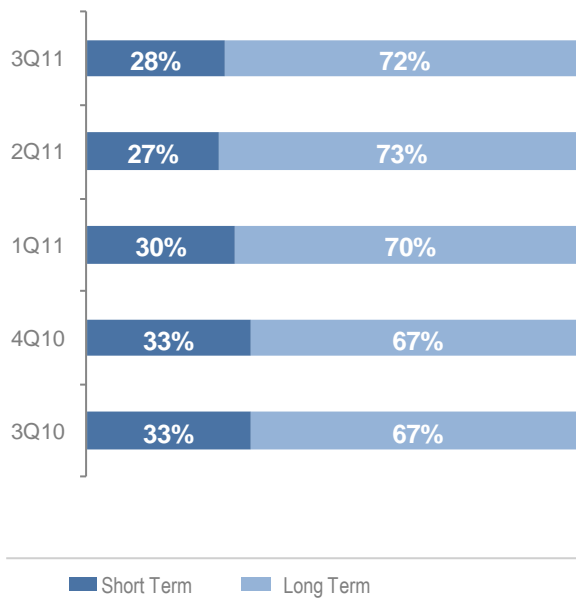
Cash Position

The Company ended the quarter with R\$5.6 billion in cash or cash equivalents, more than a 100% of the Company's short-term debt. The 12.5% increase in cash position in relation to 2Q11, reflects the operating cash flow generation of R\$897.0 million and a positive net variation in cash of R\$620.8 million in the quarter.

Leverage



ST / LT Profile





Results for 3Q11

ANALYSIS OF RESULTS BY BUSINESS UNIT

JBS USA Beef (including Australia), 45.3% of JBS S.A. Net Revenues



Net revenue for the period was US\$4,210.6 million, outperforming 3Q10 by 25.4%. 3Q11 results reflect an increase in average sales prices in the domestic and exports markets combined with better utilization of production capacity. Compared to 2Q11, the revenue increased 6.2%.

EBITDA was US\$184.1 million in the period, an increase of 77.9% over 3Q10. The EBITDA margin was 4.4% in 3Q11. This result reflects the stabilized raw material price and the good export performance.

The YTD (9M11) EBITDA of the JBS USA Beef business unit totaled US\$515.5 million, compared to US\$468.9 million in the same period of last year, a 9.9% increase.

Highlights (US GAAP)

US\$ million	3Q11	2Q11	Δ%	3Q10	Δ%
Heads slaughtered (thousand)	2,111.0	2,111.9	0.0%	2,080.2	1.5%
Net Revenue	4,210.6	3,964.0	6.2%	3,358.4	25.4%
EBITDA	184.1	44.7	311.9%	103.5	77.9%
EBITDA margin %	4.4%	1.1%	3.2pp	3.1%	1.3pp

Breakdown of Net Revenues

Domestic Market	3Q11	2Q11	Δ%	3Q10	Δ%
Net Revenue (US\$ million)	3,002.5	2,811.8	6.8%	2,352.9	27.6%
Volume (tons)	819.7	799.7	2.5%	829.6	-1.2%
Average Price (US\$/Kg)	3.66	3.52	4.2%	2.84	29.1%
Exports	3Q11	2Q11	Δ%	3Q10	Δ%
Net Revenue (US\$ million)	1,208.1	1,152.2	4.9%	1,005.5	20.1%
Volume (tons)	313.3	291.3	7.6%	311.0	0.8%
Average Price (US\$/Kg)	3.86	3.96	-2.5%	3.23	19.3%





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JBS USA Pork, 9.3% of JBS S.A. Net Revenues

Net revenue for the period was US\$867.1 million, 12.3% above 3Q10, reflecting the increase in export volumes and average sales prices. Compared to the previous quarter, there was a 2.5% increase.

EBITDA reached US\$75.9 million in the quarter, 16.4% lower yoy. Compared to 2Q11 EBITDA, there was a 9.2% decrease. EBITDA margin was 8.8% in 3Q11. Despite the EBITDA margin loss of 110 bps, the performance of JBS USA Pork remains strong. The 3Q11 margin reflects an annual cost increase of 17.8% in pork prices, which was partially offset by lower operational and administrative expenses.

For the first nine months of 2011, the EBITDA totaled US\$261.5 million, a record for the period, 50.0% higher than the same period in 2010, which was US\$174.4 million.

Highlights (US GAAP)

US\$ million	3Q11	2Q11	Δ%	3Q10	Δ%
Animals slaughtered (thousand)	3,104.5	3,072.1	1.1%	3,121.3	-0.5%
Net Revenue	867.1	845.8	2.5%	772.2	12.3%
EBITDA	75.9	83.6	-9.2%	90.8	-16.4%
EBITDA margin %	8.8%	9.9%		11.8%	

Breakdown of Net Revenues

Domestic Market	3Q11	2Q11	Δ%	3Q10	Δ%
Net Revenue (US\$ million)	731.3	701.4	4.3%	679.8	7.6%
Volume (thousand tons)	263.5	279.9	-5.9%	308.1	-14.5%
Average Price (US\$/Kg)	2.78	2.51	10.7%	2.21	25.8%

Exports	3Q11	2Q11	Δ%	3Q10	Δ%
Net Revenue (US\$ million)	135.8	144.4	-6.0%	92.4	47.0%
Volume (thousand tons)	56.8	52.9	7.3%	52.9	7.3%
Average Price (US\$/Kg)	2.39	2.73	-12.3%	1.75	36.9%





Results for 3Q11



JBS USA Chicken (Pilgrim's Pride Corporation, a US listed Company which is controlled by JBS USA), 20.3% of JBS S.A. Net Revenues

Net revenue for the period was US\$1,891.2 million, 10.0% higher than 3Q10, reflecting an increase in volumes sold. Compared to 2Q11, revenue decreased by 5.1%.

Adjusted EBITDA was minus US\$31.4 million, compared to minus US\$47.6 million in 2Q11. The negative result reflects high input costs, including grain prices, and an oversupply which prevented the transfer of costs to selling prices.

The poultry industry has been continuously reducing its production. This is a clear signal that there is an imbalance between supply and demand, which has caused negative margins across the industry. This is expected to normalize in 2012. Moreover, inventory levels are returning to the industry historical average.

The Company has already captured US\$295 million in operational improvements, from an estimated total of US\$400 million, which minimized the impact of the increase in production costs. PPC remains optimistic about chicken prices recovery for the next year based in industry fundamentals and also reinforces the success that it has been obtaining by substituting 12 months fixed prices contracts by modified contracts with more flexible shorter periods.

Highlights (US GAAP)

US\$ million	3Q11	2Q11	Δ%	3Q10	Δ%
Net Revenue	1,891.2	1,992.7	-5.1%	1,719.9	10.0%
Adjusted EBITDA	(31.4)	(47.6)	-	170.0	-
EBITDA margin %	-1.7%	-2.4%		9.9%	





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JBS Mercosul, 25.1% of JBS S.A. Net Revenues

Net revenue of JBS Mercosul was R\$3,906.7 million during 3Q11, an increase of 11.9% in comparison to 3Q10, as a result of an increase in sales prices. In comparison with 2Q11, the revenue increased 8.1%.

EBITDA was R\$453.8 million in 3Q11, an increase of 21.4% in comparison with 3Q10. In relation to 2Q11 EBITDA increased 6.0%. EBITDA margin in the period was 11.6%.

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

For the nine months of 2011, net revenue totaled R\$11,126.2 million, 11.6% higher over the same period of 2010, while EBITDA rose from R\$1,060.4 million in 9M10 to R\$1,190.0 million in 9M11, an increase of 12.2%.

Highlights

R\$ million	3Q11	2Q11	Δ%	3Q10	Δ%
Heads slaughtered (thousand)	1,716.3	1,772.7	-3.2%	1,661.8	3.3%
Net Revenue	3,906.7	3,615.3	8.1%	3,491.0	11.9%
EBITDA	453.8	427.9	6.0%	373.7	21.4%
EBITDA margin %	11.6%	11.8%		10.7%	

Breakdown of Net Revenues

Domestic Market	3Q11	2Q11	Δ%	3Q10	Δ%
Net Revenue (million R\$)					
Fresh and Chilled Product	1,814.9	1,686.1	7.6%	1,523.1	19.2%
Processed Items	193.0	159.6	20.9%	124.5	55.0%
Others	528.7	457.4	15.6%	447.8	18.0%
TOTAL	2,536.6	2,303.1	10.1%	2,095.5	21.1%
Volume (thousand tons)					
Fresh and Chilled Product	264.7	269.2	-1.7%	237.8	11.3%
Processed Items	36.6	34.0	7.6%	41.7	-12.1%
Others	240.2	227.4	5.6%	225.6	6.4%
TOTAL	541.4	530.6	2.0%	505.1	7.2%
Average Price (R\$/Kg)					
Fresh and Chilled Product	6.86	6.26	9.5%	6.40	7.1%
Processed Items	5.27	4.69	12.3%	2.99	76.4%
Others	2.20	2.01	9.5%	1.98	10.9%





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JBS Mercosul, 25.1% of JBS S.A. Net Revenues



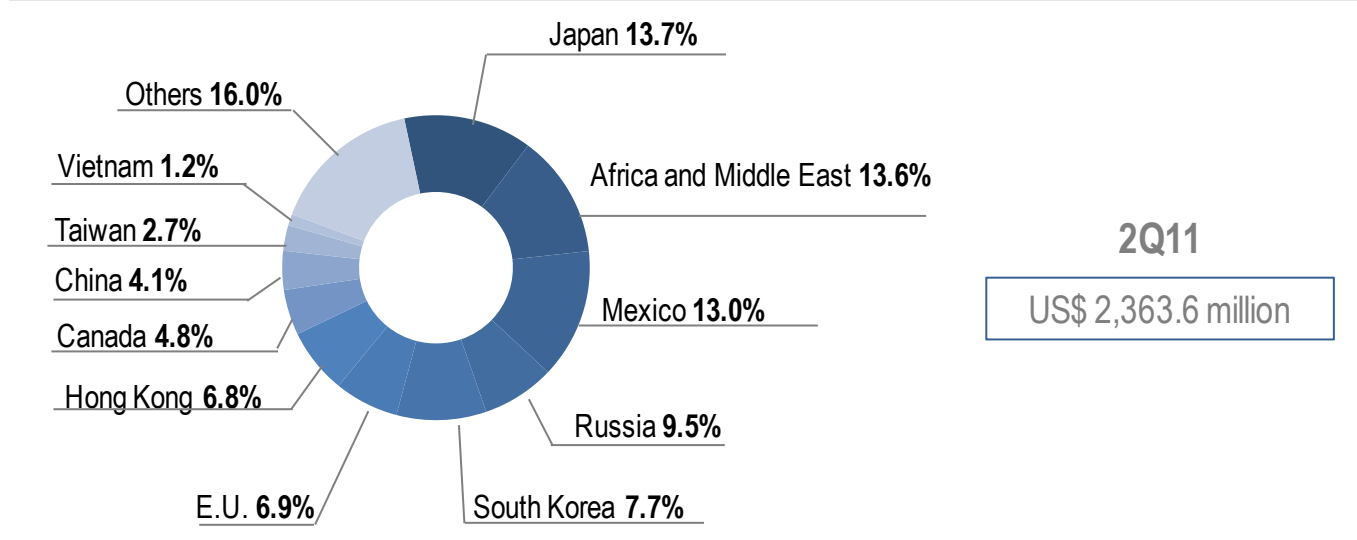
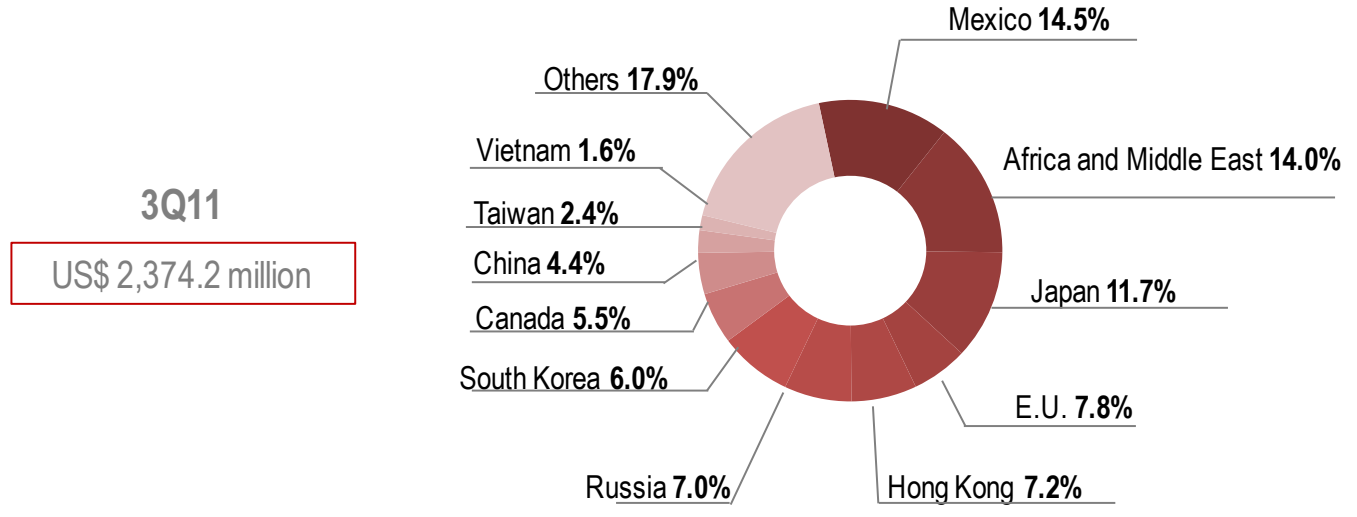
Breakdown of Net Revenues

Exports	3Q11	2Q11	Δ%	3Q10	Δ%
Net Revenue (million R\$)					
Fresh and Chilled Beef	884.5	822.1	7.6%	972.3	-9.0%
Processed Beef	201.6	189.6	6.3%	184.7	9.1%
Others	284.0	300.5	-5.5%	238.5	19.1%
TOTAL	1,370.1	1,312.2	4.4%	1,395.5	-1.8%
Volume (thousand tons)					
Fresh and Chilled Beef	104.3	106.1	-1.7%	141.4	-26.2%
Processed Beef	19.1	19.6	-2.5%	24.2	-21.0%
Others	28.7	32.0	-10.3%	29.6	-2.9%
TOTAL	152.2	157.8	-3.5%	195.2	-22.0%
Average Price (R\$/Kg)					
Fresh and Chilled Beef	8.48	7.75	9.5%	6.88	23.3%
Processed Beef	10.55	9.67	9.1%	7.63	38.2%
Others	9.88	9.38	5.3%	8.06	22.6%



TABLES AND CHARTS

Graph I - JBS Consolidated Exports Distribution



Source: JBS

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

3Q11 (%)	Consolidated	JBS Mercosul	USA Beef	USA Pork	USA Chicken
Raw material (livestock)	79.9%	85.7%	86.2%	83.9%	59.6%
Processing (including ingredients and packaging)	10.6%	8.2%	5.9%	6.7%	24.0%
Labor Cost	9.5%	6.1%	7.9%	9.4%	16.4%



Results for 3Q11



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Results for 3Q11

CONSOLIDATED FINANCIAL STATEMENT – JBS S.A.

JBS S.A.

Balance sheets (In thousands of Reais)

	Company		Consolidated	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	3,439,880	3,000,649	5,581,014	4,074,574
Trade accounts receivable, net	1,796,544	1,672,729	4,468,304	4,036,104
Inventories	1,488,333	1,109,472	5,475,929	4,476,934
Biological assets	-	-	362,811	417,028
Recoverable taxes	1,240,493	1,088,310	1,576,378	1,419,784
Prepaid expenses	16,105	13,844	122,976	107,825
Other investment and discontinued operations	-	504,002	-	504,002
Other current assets	365,819	161,066	659,467	351,817
TOTAL CURRENT ASSETS	8,347,174	7,550,072	18,246,879	15,388,068
NON-CURRENT ASSETS				
Long-term assets				
Credits with related parties	245,699	-	447,409	332,679
Judicial deposits and others	98,310	88,218	443,114	448,875
Recoverable taxes	563,745	553,770	626,218	616,297
Total long-term assets	907,754	641,988	1,516,741	1,397,851
Investments in subsidiaries	8,291,553	10,443,000	-	-
Property, plant and equipment, net	7,830,528	7,598,963	15,317,336	14,624,201
Intangible assets, net	9,532,280	9,531,739	12,542,009	12,425,499
TOTAL NON-CURRENT ASSETS	26,562,115	28,215,690	29,376,086	28,447,551
TOTAL ASSETS	34,909,289	35,765,762	47,622,965	43,835,619





Results for 3Q11

JBS S.A

Balance sheets (In thousands of Reais)

	Company		Consolidated	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Trade accounts payable	640,420	566,982	2,948,485	2,962,395
Loans and financings	4,497,343	4,342,593	5,344,667	4,966,198
Income taxes	-	-	230,197	14,251
Payroll, social charges and tax obligation	443,641	375,600	1,251,605	1,095,687
Payables related to facilities acquisitions	11,180	45,746	11,180	45,746
Other current liabilities	507,370	509,482	357,596	332,208
TOTAL CURRENT LIABILITIES	6,099,954	5,840,403	10,143,730	9,416,485
NON-CURRENT LIABILITIES				
Loans and financings	7,401,620	6,679,915	13,890,712	10,217,156
Convertible debentures	158	3,462,212	158	3,462,212
Payroll, social charges and tax obligation	-	-	341,942	317,633
Payables related to facilities acquisitions	2,410	5,144	2,410	5,144
Deferred income taxes	309,554	390,774	746,744	1,003,050
Provision for lawsuits risk	139,881	136,002	331,007	321,660
Debts with related parties	-	1,532,002	-	-
Other non-current liabilities	30,050	124,939	254,070	397,430
TOTAL NON-CURRENT LIABILITIES	7,883,673	12,330,988	15,567,043	15,724,285
SHAREHOLDERS' EQUITY				
Capital stock	21,506,247	18,046,067	21,506,247	18,046,067
Capital transaction	(9,961)	(9,949)	(9,961)	(9,949)
Capital reserve	390,347	500,775	390,347	500,775
Revaluation reserve	102,763	106,814	102,763	106,814
Profit reserves	1,511,246	1,511,246	1,511,246	1,511,246
Valuation adjustments to shareholders' equity in subsidiaries	(3,976)	(1,719)	(3,976)	(1,719)
Accumulated translation adjustments in subsidiaries	(2,473,764)	(2,558,863)	(2,473,764)	(2,558,863)
Retained earnings (loss)	(97,240)	-	(97,240)	-
Attributable to controlling interest	20,925,662	17,594,371	20,925,662	17,594,371
Attributable to noncontrolling interest	-	-	986,530	1,100,478
TOTAL SHAREHOLDERS' EQUITY	20,925,662	17,594,371	21,912,192	18,694,849
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	34,909,289	35,765,762	47,622,965	43,835,619





Results for 3Q11

JBS S.A

Statements of income for the three-months period ended September 30, 2011 and 2010 (In thousands of Reais)

	Company		Consolidated	
	2011	2010	2011	2010
NET SALE REVENUE	3,327,232	3,104,689	15,567,759	14,069,599
Cost of goods sold	<u>(2,536,025)</u>	<u>(2,418,238)</u>	<u>(13,873,600)</u>	<u>(12,291,272)</u>
GROSS INCOME	791,207	686,451	1,694,159	1,778,327
OPERATING INCOME (EXPENSE)				
General and administrative expenses	(151,449)	(143,967)	(442,832)	(362,491)
Selling expenses	(330,290)	(281,760)	(812,567)	(699,374)
Financial expense, net	(313,098)	(139,210)	(519,482)	(363,072)
Equity in earnings of subsidiaries	(82,353)	65,410	-	-
Other income (expenses), net	17,827	(40,801)	4,006	(62,439)
	<u>(859,363)</u>	<u>(540,328)</u>	<u>(1,770,875)</u>	<u>(1,487,376)</u>
INCOME (LOSS) BEFORE TAXES	(68,156)	146,123	(76,716)	290,951
Current income taxes	653	701	(79,611)	(58,288)
Deferred income taxes	-	(3,387)	(26,375)	(66,245)
	<u>653</u>	<u>(2,686)</u>	<u>(105,986)</u>	<u>(124,533)</u>
NET INCOME (LOSS) OF THE PERIOD	(67,503)	143,437	(182,702)	166,418
ATTRIBUTABLE TO:				
Controlling interest			(67,503)	143,437
Noncontrolling interest			(115,199)	22,981
			<u>(182,702)</u>	<u>166,418</u>
Net Income (loss) basic per thousand shares - in reais	(22.75)	56.86	(22.75)	56.86
Net Income (loss) diluted per thousand shares - in reais	(22.75)	47.55	(22.75)	47.55





Results for 3Q11

JBS S.A.

Statements of cash flows for the three-months period ended September 30, 2011 (In thousands of Reais)

	Company		Consolidated	
	2011	2010	2011	2010
Cash flow from operating activities				
Net income (loss) of the period	(67,503)	143,437	(67,503)	143,437
Adjustments to reconcile net income to cash provided				
. Depreciation and amortization	110,070	70,548	317,184	301,616
. Allowance for doubtful accounts	987	1,248	3,601	2,557
. Equity in earnings of subsidiaries	82,353	(65,410)	-	-
. Gain on assets sales	(12,661)	12,185	(9,225)	15,985
. Deferred income taxes	-	3,387	26,375	66,245
. Current and non-current financial charges	898,623	(266,536)	1,063,499	(93,760)
. Provision for lawsuits risk	1,007	3,529	(5,774)	(24,657)
	1,012,876	(97,612)	1,328,157	411,423
Decrease (increase) assets				
Trade accounts receivable	(115,476)	95,241	19,585	(75,893)
Inventories	(378,931)	(98,135)	(327,511)	(217,961)
Recoverable taxes	(38,782)	(88,135)	(15,377)	(156,606)
Other current and non-current assets	(152,148)	92,784	(102,233)	(241,815)
Related party receivable	(34,383)	-	(16,132)	151,248
Biological assets	-	-	210,174	(59,862)
Increase (decrease) liabilities				
Trade accounts payable	33,261	195,806	(127,240)	(62,748)
Other current and non-current liabilities	101,459	(151,638)	163,118	(14,833)
Related party payable	-	(354,746)	-	-
Noncontrolling interest	-	-	(115,199)	22,981
Valuation adjustments to shareholders' equity in subsidiaries	-	-	(120,378)	50,560
	427,876	(406,435)	896,964	(193,506)
Net cash provided by (used in) operating activities				
Cash flow from investing activities				
Additions to property, plant and equipment and intangible assets	(148,909)	(167,866)	(354,728)	(358,845)
Decrease (increase) in investments in subsidiaries	(45,824)	14,605	-	-
Net effect of working capital of acquired (merged) company	-	-	(34,584)	(212,572)
	(194,733)	(153,261)	(389,312)	(571,417)
Net cash provided by (used in) investing activities				
Cash flow from financing activities				
Proceeds from loans and financings	2,219,061	2,282,806	5,861,414	2,538,563
Payments of loans and financings	(2,344,303)	(817,808)	(5,916,356)	(877,297)
Debentures payment	(1,874)	-	(1,874)	-
Capital increase	-	(18,889)	-	(18,889)
Capital transactions	(11)	(9,949)	(11)	(9,949)
Shares acquisition of own emission	(11,011)	(5,331)	(11,011)	(5,331)
	(138,138)	1,430,829	(67,838)	1,627,097
Net cash used in financing activities				
Effect of exchange variation on cash and cash equivalents				
	-	-	181,015	25,190
Variance in cash and cash equivalents	95,005	871,133	620,829	887,364
Cash and cash equivalents at the beginning of the period	3,344,875	1,781,236	4,960,185	3,515,090
	3,439,880	2,652,369	5,581,014	4,402,454
Cash and cash equivalents at the end of the period				





Results for 3Q11

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 no

