



# Results for 2Q11

"In God We Trust,  
Nature We Respect"

**São Paulo, August 15<sup>th</sup>, 2011** – JBS S.A. ("JBS") (Bovespa: JBSS3), the global leading producer of animal protein announces today its results for the second quarter of 2011 (2Q11). For the purpose of analysis, this report considers the results for the quarters ended March 31, 2011 (1Q11) and June 30, 2010 (2Q10).

The consolidated financial statements are in accordance with the International Financing Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and also in accordance with accounting policies adopted in Brazil.

The consolidated results of JBS are presented in Brazilian Real (R\$) and when separately analyzed, each business unit reports its results in the currency of the country in which it operates. The operations of JBS Australia are an integral part of the subsidiary JBS USA and both results refer to the period of 13 weeks ended June 26, 2011 (2Q11). The quantitative data, such as volumes and number of heads slaughtered, are not audited.

## 2Q11 HIGHLIGHTS

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- ✓ JBS posted net revenue of R\$14,621.8 million, 3.6% higher than 2Q10. Excluding the effects of FX variation, revenue growth was 16.3%. In local currency, each business units presented the following growth, comparing with 2Q10:
  - JBS USA Beef: 19.1%
  - JBS USA Pork: 14.4%
  - JBS USA Chicken: 16.7%
  - JBS Mercosul: 2.7%
  
- ✓ JBS Mercosul presented EBITDA of R\$427.9 million, 27.9% higher than 2Q10 with an EBITDA Margin of 11.8%.
- ✓ The Company completed the capitalization of its debentures into JBS S.A. shares at R\$7.04.
- ✓ JBS raised US\$2.0 billion in long-term debt through its subsidiary JBS USA, with an average cost below 4.5% per annum, which will be used to pay down shorter term debts in Brazil. The total savings from this operation are estimated at US\$ 150 million per annum.
- ✓ The Company ended the quarter with R\$5.0 billion in cash, equivalent to more than a 100% of the short-term debt.



# Results for 2Q11

## ANALYSIS OF CONSOLIDATED RESULTS

### Analysis of the principal financial indicators of JBS by Business Unit

		2Q11	1Q11	Δ%	2Q10	Δ%
<b>Net Revenue</b>						
JBS USA Beef	US\$	3,964.0	3,793.3	4.5%	3,328.9	19.1%
JBS USA Pork	US\$	845.8	836.6	1.1%	739.2	14.4%
JBS USA Chicken	US\$	1,992.7	1,892.5	5.3%	1,707.6	16.7%
JBS Mercosul	R\$	3,615.3	3,604.2	0.3%	3,521.9	2.7%
<b>EBITDA</b>						
JBS USA Beef	US\$	44.7	269.7	-83.4%	194.9	-77.1%
JBS USA Pork	US\$	83.6	105.3	-20.6%	48.7	71.7%
JBS USA Chicken	US\$	-47.6	-55.2	-	127.6	-
JBS Mercosul	R\$	427.9	308.3	38.8%	334.5	27.9%
<b>EBITDA Margin</b>						
JBS USA Beef	%	1.1%	7.1%	-	5.9%	-
JBS USA Pork	%	9.9%	12.6%	-	6.6%	-
JBS USA Chicken	%	-2.4%	-2.9%	-	7.5%	-
JBS Mercosul	%	11.8%	8.6%	-	9.5%	-

### Performance by Business Unit

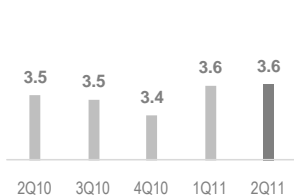
JBS Mercosul 

JBS USA   
(Including Australia)

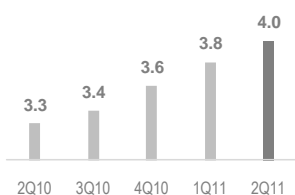
JBS USA 

JBS USA (PPC) 

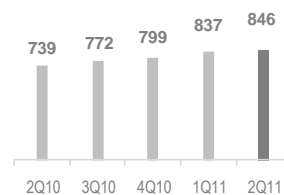
Net sales (R\$ billion)



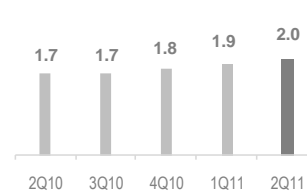
Net sales (US\$ billion)



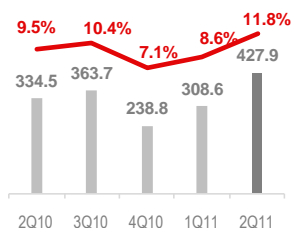
Net sales (US\$ million)



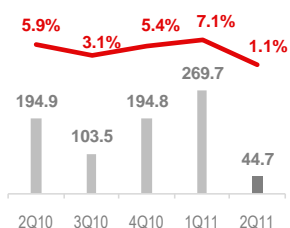
Net sales (US\$ billion)



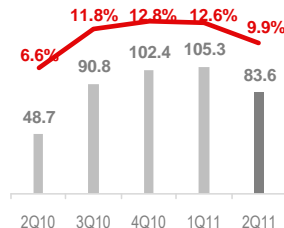
EBITDA (R\$ mi) EBITDA margin



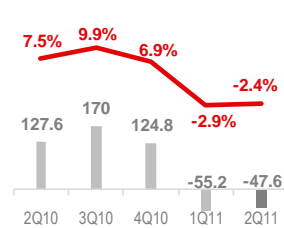
EBITDA (US\$ mi) EBITDA margin



EBITDA (US\$ mi) EBITDA margin



EBITDA (US\$ mi) EBITDA margin



EBITDA Margin (%)



# Results for 2Q11

## Consolidated analysis of the principal operational indicators of JBS

R\$ million	2Q11	1Q11	Δ%	2Q10	Δ%
<b>Net Revenue</b>	<b>14,621.8</b>	<b>14,672.7</b>	<b>-0.3%</b>	<b>14,116.3</b>	<b>3.6%</b>
Cost of Goods Sold	(13,202.3)	(12,984.3)	1.7%	(12,372.1)	6.7%
<b>Gross Income</b>	<b>1,419.5</b>	<b>1,688.4</b>	<b>-15.9%</b>	<b>1,744.2</b>	<b>-18.6%</b>
<b>Gross Margin</b>	<b>9.7%</b>	<b>11.5%</b>	<b>-</b>	<b>12.4%</b>	<b>-</b>
Selling Expenses	(754.7)	(737.5)	2.3%	(654.1)	15.4%
General and Adm. Expenses	(386.1)	(418.9)	-7.8%	(443.1)	-12.9%
Net Financial Income (expense)	(590.9)	(351.1)	68.3%	(539.8)	9.5%
Other Income (expense)	(5.5)	(8.8)	-37.4%	43.9	-
<b>Operating Income</b>	<b>(317.7)</b>	<b>172.2</b>	<b>-</b>	<b>151.2</b>	<b>-</b>
Income and social contribution taxes	110.7	(82.2)	-	(136.8)	-
Participation of non-controlling shareholders	(26.2)	(57.0)	-54.0%	10.8	-
<b>Net Income (Loss)<sup>(1)</sup></b>	<b>(180.8)</b>	<b>147.0</b>	<b>-</b>	<b>3.7</b>	<b>-</b>
<b>EBITDA</b>	<b>587.7</b>	<b>835.9</b>	<b>-29.7%</b>	<b>1,000.0</b>	<b>-41.2%</b>
EBITDA Margin	4.0%	5.7%	-	7.1%	-
<b>Net Income (Loss) per share</b>	<b>(0.07)</b>	<b>0.06</b>	<b>-</b>	<b>0.00</b>	<b>-</b>

(1) Participation of Controlling Shareholders.

## Number of Heads Slaughtered and Sales Volume

	2Q11	1Q11	Δ%	2Q10	Δ%
<b>Heads slaughtered (thousand)</b>					
Cattle	3,884.6	3,750.2	3.6%	4,037.7	-3.8%
Hogs	3,072.1	3,303.6	-7.0%	3,017.6	1.8%
Smalls	839.6	574.0	46.3%	1,041.7	-19.4%
<b>Volume Sold (thousand tons)*</b>					
<b>Domestic Market</b>	<b>1,610.2</b>	<b>1,739.7</b>	<b>-7.4%</b>	<b>1,684.5</b>	<b>-4.4%</b>
Fresh and Chilled Beef	1,348.8	1,468.0	-8.1%	1,424.0	-5.3%
Processed Beef	34.0	32.7	3.9%	39.5	-13.9%
Others	227.4	238.9	-4.8%	221.0	2.9%
<b>Exports</b>	<b>501.9</b>	<b>528.4</b>	<b>-5.0%</b>	<b>546.8</b>	<b>-8.2%</b>
Fresh and Chilled Beef	450.3	468.4	-3.9%	478.4	-5.9%
Processed Beef	19.6	17.6	11.4%	29.5	-33.4%
Others	32.0	42.4	-24.4%	39.0	-17.9%
<b>TOTAL</b>	<b>2,112.2</b>	<b>2,268.0</b>	<b>-6.9%</b>	<b>2,231.3</b>	<b>-5.3%</b>

\* Not including chicken



# Results for 2Q11

## CONSOLIDATED RESULTS

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### Net Revenues

JBS posted consolidated net revenue of R\$14,621.8 million in 2Q11, an increase of 3.6% compared to 2Q10. All business units presented organic growth from 2Q10 to 2Q11, in their local currency, reflecting an overall increase in average prices and strong demand in emerging markets.

Due to the appreciation of the real against the dollar, the net revenue in Reais stayed practically stable in comparison to 1Q11. Excluding the Fx variation, revenue increased by 4.1%.

### EBITDA

EBITDA for 2Q11 was R\$587.7 million, a decline of 41.2% compared to 2Q10, due to the underperformance by Pilgrim's Pride (JBS USA Chicken), and the weak performance of JBS USA Beef division.

However, during the first semester of 2011, the EBITDA of the Beef and Pork business units in the US totaled US\$503.3 million, 12.1% higher than the corresponding semester of 2010.

### Financial Results

Financial Results for the quarter increased 9.5% when compared with 2Q10 due to Fx hedge position.

### Net Income / Loss

The loss for the period was R\$180.8 million, equivalent to minus R\$0.07 EPS, due to the Chicken Operations which incurred a net loss of US\$ 128.1 million and the challenges faced by the Beef Operations in the US, as mentioned above.

### Capital Expenditure

In 2Q11, the total capital expenditure (CAPEX) of JBS in property, plant, and equipment was R\$277.1 million. The principal investments were for the improvement of productivity and the increase in storage capacity and distribution.

### Issuance of Debt at JBS USA

The Company concluded the issuance of long-term debt totaling more than US\$2.0 billion through its wholly owned subsidiary, JBS USA, with an average cost below 4.5% per annum. Part of this amount is already on the 2Q11 balance sheet, which explains the increase in gross debt. The purpose of this issuance is to pay down more expensive shorter term debt in Brazil, reducing financial cost and increasing tax efficiency. The benefit of this operation is estimated to be US\$150 million annually.



# Results for 2Q11

## Indebtedness

JBS' net debt to EBITDA, excluding Pilgrim's Pride (PPC), a US Listed Company controlled by JBS, increased from 2.9x in 1Q11 to 3.2x in 2Q11. The increase in leverage reflects the underperformance of the Beef business unit in the US, combined with an increase in the need for working capital, due to the increase in raw material costs and production inputs.

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	6/30/2011	3/31/2011	Var.%
<b>Gross debt</b>	<b>14,661.4</b>	<b>12,599.9</b>	<b>16.4%</b>
(+) Short Term Debt	4,558.1	4,484.7	1.6%
(+) Long Term Debt	10,103.3	8,115.2	24.5%
(-) Cash and Equivalents	4,809.0	3,352.8	43.4%
<b>Net debt</b>	<b>9,852.5</b>	<b>9,247.1</b>	<b>6.5%</b>
Net debt/EBITDA (1)	<b>3.2x</b>	<b>2.9x</b>	

(1) EBITDA LTM

Including Pilgrim's Pride's performance in the results of JBS, the leverage went from 3.1x in 1Q11 to 3.6x in 2Q11. PPC presented negative EBITDA in the first semester of 2011 which significantly reduced the annualized EBITDA used to calculate the ratio.

On June 24<sup>th</sup>, 2011 PPC announced an amendment to its financial structure to suspend the existing covenants of the fixed-charge coverage and of the senior secured debt ratio until 4Q12.

### JBS including Pilgrim's Pride

R\$ million	6/30/2011	3/31/2011	Var.%
<b>Gross debt</b>	<b>17,124.3</b>	<b>15,162.7</b>	<b>12.9%</b>
(+) Short Term Debt	4,582.5	4,585.7	-0.1%
(+) Long Term Debt	12,541.8	10,577.0	18.6%
(-) Cash and Equivalents	4,960.2	3,557.3	39.4%
<b>Net debt</b>	<b>12,164.1</b>	<b>11,605.5</b>	<b>4.8%</b>
Net debt/EBITDA (1)	<b>3,6x</b>	<b>3.1x</b>	

(1) EBITDA LTM

## Cash Position

The Company ended the quarter with R\$5.0 billion in cash or cash equivalents, more than a 100% of the Company's short-term debt.



# Results for 2Q11

## ANALYSIS OF RESULTS BY BUSINESS UNIT

### JBS USA Beef (including Australia) – 43% of JBS S.A. Net Revenues



Net revenue for the period was US\$3,964.0 million, outperforming 2Q10 by 19.1%. 2Q11 results reflect an increase in average sales prices. Comparing to 1Q11, the revenue increase was 4.5%.

EBITDA was US\$44.7 million in the period, a decrease of 77.1% and 83.4% over 2Q10 and 1Q11, respectively, with an EBITDA margin of 1.1% in 2Q11. The results of the quarter reflect difficulties encountered by the Australian operation, primarily due to a strong Australian dollar and the impact of the mark-to-market hedge structure for the long position on cattle in the US, which depreciated significantly in the quarter due to the drought that hit the southern U.S. and the resulting increase in the supply of cattle for slaughter.

The operations in Australia, besides suffering from currency appreciation, faced other challenges like the increase in collections by the Government, the carbon tax project and the increase in labor costs without any corresponding increase in productivity.

Despite the lower than expected results for the quarter, EBITDA for the 1<sup>st</sup> semester of 2011 of the Beef and Pork units in the U.S. totaled US\$503.3 million, compared to US\$449 million in the first semester of last year, a 12.1% increase.

### Highlights (US GAAP)

US\$ million	2Q11	1Q11	Δ%	2Q10	Δ%
Heads slaughtered (thousand)	2,111.9	2,003.1	5.4%	2,187.4	-3.5%
Net Revenue	3,964.0	3,793.3	4.5%	3,328.9	19.1%
EBITDA	44.7	269.7	-83.4%	194.9	-77.1%
EBITDA margin %	1.1%	7.1%		5.9%	

### Breakdown of Net Revenues

Domestic Market	2Q11	1Q11	Δ%	2Q10	Δ%
Net Revenue (US\$ million)	2,811.8	2,774.1	1.4%	2,384.7	17.9%
Volume (tons)	799.7	908.7	-12.0%	829.7	-3.6%
Average Price (US\$/Kg)	3.52	3.05	15.2%	2.87	22.3%

Exports	2Q11	1Q11	Δ%	2Q10	Δ%
Net Revenue (US\$ million)	1,152.2	1,019.2	13.0%	944.2	22.0%
Volume (tons)	291.3	280.8	3.7%	291.1	0.1%
Average Price (US\$/Kg)	3.96	3.63	9.0%	3.24	21.9%



# Results for 2Q11



## JBS USA Pork – 10% of JBS S.A. Net Revenues

Net revenue for the period was US\$845.8 million, 14.4% above 2Q10, reflecting a significant increase in export volumes and average sales prices. Compared to the previous quarter, the increase was 1.1%.

EBITDA reached US\$83.6 million in the quarter, 71.7% higher y-o-y. EBITDA margin was 9.9% in 2Q11. Comparing with EBITDA of 1Q11, there was a 20.6% decrease.

The Pork Business unit performance remains strong due to an increase in the sales prices of pork items and significant demand from the export market, combined with streamlined operation, lower cost of production and an adjusted product mix with higher aggregate value products in order to maximize performance.

For the 1<sup>st</sup> Semester of 2011, the EBITDA totaled US\$188.9 million, 125.9% greater than the same period in 2010, which was US\$83.6 million.

### Highlights (US GAAP)

US\$ million	2Q11	1Q11	Δ%	2Q10	Δ%
Animals slaughtered (thousand)	3,072.1	3,303.6	-7.0%	3,017.6	1.8%
Net Revenue	845.8	836.6	1.1%	739.2	14.4%
EBITDA	83.6	105.3	-20.6%	48.7	71.7%
EBITDA margin %	9.9%	12.6%		6.6%	

### Breakdown of Net Revenues

Domestic Market	2Q11	1Q11	Δ%	2Q10	Δ%
Net Revenue (US\$ million)	701.4	683.2	2.7%	639.1	9.7%
Volume (thousand tons)	279.9	321.0	-12.8%	310.2	-9.8%
Average Price (US\$/Kg)	2.51	2.13	17.7%	2.06	21.6%

Exports	2Q11	1Q11	Δ%	2Q10	Δ%
Net Revenue (US\$ million)	144.4	153.4	-5.9%	100.1	44.3%
Volume (thousand tons)	52.9	71.5	-26.0%	49.7	6.4%
Average Price (US\$/Kg)	2.73	2.15	27.2%	2.01	35.5%



# Results for 2Q11



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

Net revenue for the period was US\$1,992.7 million, 16.7% higher than 2Q10, reflecting an increase in volumes sold. Compared to 1Q11, the increase was 5.3%.

EBITDA was minus US\$47.6 million, compared to minus US\$55.2 million in 1Q11. The negative EBITDA reflects the high input grain prices, weak demand in the period and falling prices for certain products, principally the domestically sold cuts. Exports continue to grow, reaching record levels, higher than the U.S. chicken industry average levels.

The Company announced the closure of its Dallas plant due to occur by late September. Production from this plant will be redistributed to the other plants in east Texas, increasing the capacity utilization and efficiency of these plants as well as reducing production costs.

PPC remains focused on reducing costs, extracting synergies and achieving operational efficiencies to mitigate the effects of grains in the cost of goods sold. In addition, the Company is committed to improving the product mix and to increase the sales prices to reflect the current market conditions.

### Highlights (US GAAP)

US\$ million	2Q11	1Q11	Δ%	2Q10	Δ%
Net Revenue	1,992.7	1,892.5	5.3%	1,707.6	16.7%
EBITDA	(47.6)	(55.2)	-	127.6	-
EBITDA margin %	-2.4%	-2.9%		7.5%	





# Results for 2Q11



## JBS Mercosul - 25% of JBS S.A. Net Revenues

Net revenue of JBS Mercosul showed an increase of 2.7% in comparison to 2Q10, reaching R\$3,615.3 million, reflecting an increase in sales prices and in export prices. In comparison with 1Q11, the revenue was practically stable.

EBITDA was R\$427.9 million in 2Q11, an increase of 27.9% in comparison with 2Q10. In relation to the 1Q11 EBITDA increased 38.8%. EBITDA margin in the period was 11.8%.

JBS Mercosul results reflect strong demand in the domestic market combined with a recovery in exports of further processed products. Besides this, Brazilian operations presented a significant reduction in production costs due to gains in synergies and scale.

### Highlights

R\$ million	2Q11	1Q11	Δ%	2Q10	Δ%
Heads slaughtered (thousand)	1,772.7	1,747.1	1.5%	1,850.3	-4.2%
Net Revenue	3,615.3	3,604.2	0.3%	3,521.9	2.7%
EBITDA	427.9	308.3	38.8%	334.5	27.9%
EBITDA margin %	11.8%	8.6%		9.5%	

### Breakdown of Net Revenues

Domestic Market	2Q11	1Q11	Δ%	2Q10	Δ%
<b>Net Revenue (million R\$)</b>					
Fresh and Chilled Product	1,686.1	1,625.6	3.7%	1,468.2	14.8%
Processed Items	159.6	183.0	-12.8%	121.8	31.0%
Others	457.4	448.5	2.0%	410.9	11.3%
<b>TOTAL</b>	<b>2,303.1</b>	<b>2,257.1</b>	<b>2.0%</b>	<b>2,000.9</b>	<b>15.1%</b>
<b>Volume (thousand tons)</b>					
Fresh and Chilled Product	269.2	238.3	12.9%	284.1	-5.2%
Processed Items	34.0	32.7	3.9%	39.5	-13.9%
Others	227.4	238.9	-4.8%	221.0	2.9%
<b>TOTAL</b>	<b>530.6</b>	<b>510.0</b>	<b>4.1%</b>	<b>544.6</b>	<b>-2.6%</b>
<b>Average Price (R\$/Kg)</b>					
Fresh and Chilled Product	6.26	6.82	-8.2%	5.17	21.2%
Processed Items	4.69	5.59	-16.1%	3.08	52.2%
Others	2.01	1.88	7.1%	1.86	8.1%



# Results for 2Q11

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

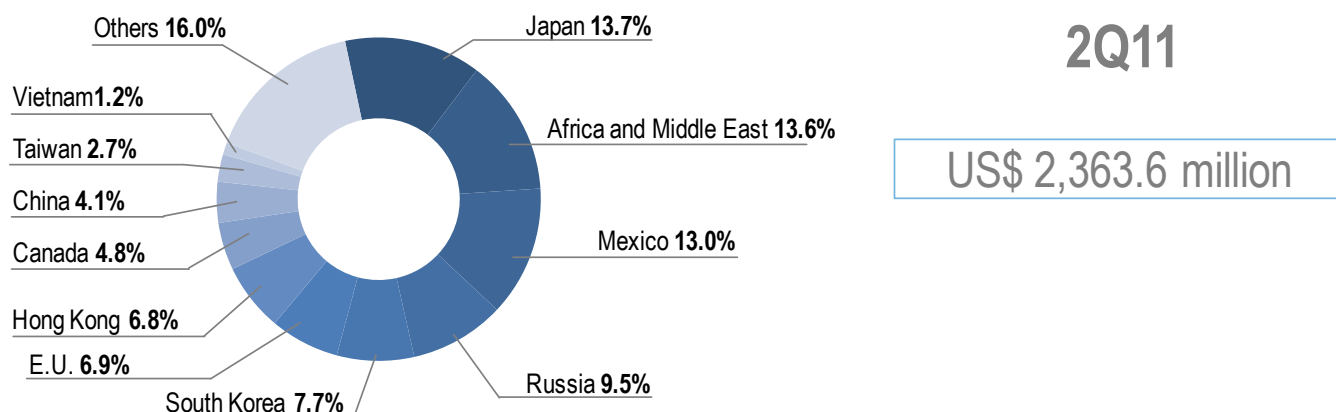


## Breakdown of Net Revenues

Exports	2Q11	1Q11	Δ%	2Q10	Δ%
<b>Net Revenue (million R\$)</b>					
Fresh and Chilled Beef	822.1	872.7	-5.8%	993.0	-17.2%
Processed Beef	189.6	166.3	14.1%	226.5	-16.3%
Others	300.5	308.1	-2.5%	301.5	-0.3%
<b>TOTAL</b>	<b>1,312.2</b>	<b>1,347.0</b>	<b>-2.6%</b>	<b>1,521.0</b>	<b>-13.7%</b>
<b>Volume (thousand tons)</b>					
Fresh and Chilled Beef	106.1	116.1	-8.6%	137.6	-22.9%
Processed Beef	19.6	17.6	11.4%	29.5	-33.4%
Others	32.0	42.4	-24.4%	39.0	-17.9%
<b>TOTAL</b>	<b>157.8</b>	<b>176.1</b>	<b>-10.4%</b>	<b>206.0</b>	<b>-23.4%</b>
<b>Average Price (R\$/Kg)</b>					
Fresh and Chilled Beef	7.75	7.52	3.1%	7.22	7.3%
Processed Beef	9.67	9.44	2.4%	7.69	25.8%
Others	9.38	7.27	29.0%	7.73	21.3%

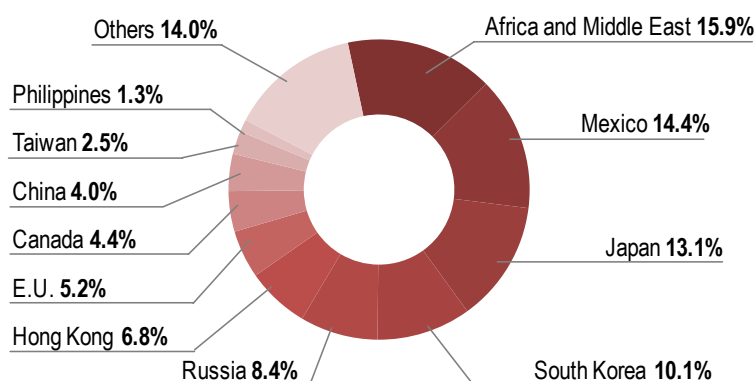
## TABLES AND CHARTS

**Graph I - JBS Consolidated Exports Distribution**



**1Q11**

US\$ 2,450.3 million



Source: JBS

**Tables I - Breakdown of Production Cost by Business Unit (%)**

2Q11 (%)	Consolidated	JBS Mercosul	USA Beef	USA Pork	USA Chicken
Raw material (livestock)	79.7%	85.1%	86.3%	84.9%	58.6%
Processing (including ingredients and packaging)	11.0%	8.9%	5.9%	6.7%	25.1%
Labor Cost	9.3%	6.0%	7.8%	8.4%	16.3%



# Results for 2Q11

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To Contact JBS:

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# Results for 2Q11

## CONSOLIDATED FINANCIAL STATEMENT – JBS S.A.

JBS S.A.

Balance sheets  
(In thousands of Reais)

	Company		Consolidated	
	June 30, 2011	Dec 31, 2010	June 30, 2011	Dec 31, 2010
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3,344,874	3,000,649	4,960,182	4,074,574
Trade accounts receivable, net	1,498,848	1,672,729	3,934,861	4,036,104
Inventories	1,109,402	1,109,472	4,616,191	4,476,934
Biological assets	-	-	516,368	417,028
Recoverable taxes	1,200,092	1,088,310	1,639,375	1,515,013
Prepaid expenses	12,172	13,844	119,036	107,825
Other investment and discontinued operations	-	504,002	-	504,002
Other current assets	222,590	161,066	440,263	351,817
<b>TOTAL CURRENT ASSETS</b>	<b>7,387,978</b>	<b>7,550,072</b>	<b>16,226,276</b>	<b>15,483,297</b>
<b>NON-CURRENT ASSETS</b>				
<b>Long-term assets</b>				
Credits with related parties	190,647	-	376,836	332,679
Judicial deposits and others	93,326	88,218	411,709	448,875
Recoverable taxes	566,515	553,770	625,039	616,297
<b>Total long-term assets</b>	<b>850,488</b>	<b>641,988</b>	<b>1,413,584</b>	<b>1,397,851</b>
Investments in subsidiaries	7,504,360	10,443,000	-	-
Property, plant and equipment, net	7,778,995	7,598,963	14,323,594	14,624,201
Intangible assets, net	9,531,114	9,531,739	12,327,542	12,425,499
	24,814,469	27,573,702	26,651,136	27,049,700
<b>TOTAL NON-CURRENT ASSETS</b>	<b>25,664,957</b>	<b>28,215,690</b>	<b>28,064,720</b>	<b>28,447,551</b>
<b>TOTAL ASSETS</b>	<b>33,052,935</b>	<b>35,765,762</b>	<b>44,290,996</b>	<b>43,930,848</b>



# Results for 2Q11

JBS S.A.

Balance sheets  
(In thousands of Reais)

	Company		Consolidated	
	June 30, 2011	Dec 31, 2010	June 30, 2011	Dec 31, 2010
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Trade accounts payable	586,181	566,982	2,683,113	2,962,395
Loans and financings	3,927,297	4,342,593	4,582,497	4,966,198
Payroll, social charges and tax obligation	387,506	375,600	1,228,230	1,205,167
Payables related to facilities acquisitions	13,337	45,746	13,337	45,746
Other current liabilities	447,363	509,482	295,346	332,208
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,361,684</b>	<b>5,840,403</b>	<b>8,802,523</b>	<b>9,511,714</b>
<b>NON-CURRENT LIABILITIES</b>				
Loans and financings	6,715,340	6,679,915	12,541,810	10,217,156
Convertible debentures	2,032	3,462,212	2,032	3,462,212
Payroll, social charges and tax obligation	-	-	292,375	317,633
Payables related to facilities acquisitions	3,286	5,144	3,286	5,144
Deferred income taxes	306,131	390,774	648,817	1,003,050
Provision for contingencies	139,345	136,002	334,397	321,660
Debits with related parties	-	1,532,002	-	-
Other non-current liabilities	36,946	124,939	246,828	397,430
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>7,203,080</b>	<b>12,330,988</b>	<b>14,069,545</b>	<b>15,724,285</b>
<b>SHAREHOLDERS' EQUITY</b>				
Capital stock	18,046,067	18,046,067	18,046,067	18,046,067
Capital transaction	(9,950)	(9,949)	(9,950)	(9,949)
Capital reserve	3,861,538	500,775	3,861,538	500,775
Revaluation reserve	104,032	106,814	104,032	106,814
Profit reserves	1,337,564	1,337,564	1,337,564	1,337,564
Valuation adjustments to shareholders' equity in subsidiaries	(2,625)	(1,719)	(2,625)	(1,719)
Accumulated translation adjustments in subsidiaries	(2,817,449)	(2,385,181)	(2,817,449)	(2,385,181)
Retained earnings	(31,006)	-	(31,006)	-
<b>Attributable to controlling interest</b>	<b>20,488,171</b>	<b>17,594,371</b>	<b>20,488,171</b>	<b>17,594,371</b>
<b>Attributable to noncontrolling interest</b>	<b>-</b>	<b>-</b>	<b>930,757</b>	<b>1,100,478</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>20,488,171</b>	<b>17,594,371</b>	<b>21,418,928</b>	<b>18,694,849</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>33,052,935</b>	<b>35,765,762</b>	<b>44,290,996</b>	<b>43,930,848</b>



# Results for 2Q11

JBS S.A.

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

	Company		Consolidated	
	2011	2010	2011	2010
<b>NET SALE REVENUE</b>	3,257,335	3,134,296	14,621,805	14,116,307
Cost of goods sold	(2,464,197)	(2,472,307)	(13,202,332)	(12,372,093)
<b>GROSS INCOME</b>	793,138	661,989	1,419,473	1,744,214
<b>OPERATING INCOME (EXPENSE)</b>				
General and administrative expenses	(142,496)	(159,979)	(386,065)	(443,074)
Selling expenses	(312,700)	(242,150)	(754,724)	(654,059)
Financial expense, net	(536,110)	(554,899)	(590,894)	(539,789)
Equity in earning of subsidiaries	(49,580)	292,663	-	-
Other income (expenses), net	1,039	1,376	(5,490)	43,941
	(1,039,847)	(662,989)	(1,737,173)	(1,592,981)
<b>INCOME (LOSS) BEFORE TAXES</b>	(246,709)	(1,000)	(317,700)	151,233
Current income taxes	686	717	(101,077)	(118,189)
Deferred income taxes	65,267	3,989	211,806	(18,579)
	65,953	4,706	110,729	(136,768)
<b>NET INCOME OF CONTINUED OPERATIONS</b>	(180,756)	3,706	(206,971)	14,465
Net income of discontinued operations	-	-	-	-
<b>NET INCOME (LOSS) OF THE PERIOD</b>	(180,756)	3,706	(206,971)	14,465
<b>ATTRIBUTABLE TO:</b>				
Controlling interest			(180,756)	3,706
Noncontrolling interest			(26,215)	10,759
			(206,971)	14,465
Net Income basic per thousand shares - in reais	(73.00)	1.47	(73.00)	1.47
Net Income diluted per thousand shares - in reais	(60.86)	1.47	(60.86)	1.47



# Results for 2Q11

JBS S.A.

Statements of cash flows for the three months period ended June 30, 2011 and 2010  
(In thousands of Reais)

	Company		Consolidated	
	2011	2010	2011	2010
<b>Cash flow from operating activities</b>				
Net income (loss) of the period	(180,756)	3,706	(180,756)	3,706
Adjustments to reconcile net income to cash provided				
. Depreciation and amortization	114,432	69,483	310,186	309,352
. Allowance for doubtful accounts	3,729	874	1,698	8,766
. Equity in earnings of subsidiaries	49,580	(292,663)	-	-
. Gain on assets sales	(2,001)	(2,962)	5,931	19,744
. Deferred income taxes	(65,267)	(3,989)	(211,806)	18,579
. Current and non-current financial charges	146,802	(134,535)	39,085	(19,531)
. Provision for contingencies	1,347	2,039	13,355	2,781
	<u>67,866</u>	<u>(358,047)</u>	<u>(22,307)</u>	<u>343,397</u>
<b>Decrease (increase) assets</b>				
Trade accounts receivable	84,770	(479,801)	(125,555)	(676,143)
Inventories	(43,029)	(133,619)	(227,729)	(458,929)
Recoverable taxes	(43,472)	(66,527)	(81,021)	(65,396)
Other current and non-current assets	(17,612)	100,608	(48,654)	373,715
Related party receivable	(138,917)	-	(126,298)	(36)
Biological assets	-	-	(109,428)	(73,629)
<b>Increase (decrease) liabilities</b>				
Trade accounts payable	52,400	34,520	290,631	227,405
Other current and non-current liabilities	185,870	(38,868)	120,598	(134,629)
Related party payable	-	20,860	-	-
Decrease on noncontrolling interest	-	-	(26,215)	10,759
Valuation adjustments to shareholders' equity	-	-	(32,256)	(377,244)
	<u>147,876</u>	<u>(920,874)</u>	<u>(388,234)</u>	<u>(830,730)</u>
<b>Net cash provided by (used in) operating activities</b>				
<b>Cash flow from investing activities</b>				
Additions to property, plant and equipment and intangible assets	(170,548)	(195,824)	(277,118)	(369,778)
Additions to investments	1,391,853	(47,885)	-	-
Net cash merged	718	-	-	-
	<u>1,222,023</u>	<u>(243,709)</u>	<u>(277,118)</u>	<u>(369,778)</u>
<b>Net cash provided by (used in) investing activities</b>				
<b>Cash flow from financing activities</b>				
Loans and financings	2,097,002	1,978,435	6,358,939	4,672,264
Payments of loans and financings	(2,250,626)	(1,741,875)	(4,204,965)	(4,481,732)
Capital Increase	-	1,563,637	-	1,563,637
Shares acquisition of own emission	(44,019)	-	(44,019)	-
	<u>(197,643)</u>	<u>1,800,197</u>	<u>2,109,955</u>	<u>1,754,169</u>
<b>Net cash provided by (used in) financing activities</b>				
<b>Effect of exchange variation on cash and cash equivalents</b>				
	-	-	(41,697)	(30,578)
Variance in cash and cash equivalents	1,172,256	635,614	1,402,906	523,083
Cash and cash equivalents at the beginning of the period	2,172,618	1,145,622	3,557,276	2,992,007
	<u>3,344,874</u>	<u>1,781,236</u>	<u>4,960,182</u>	<u>3,515,090</u>
<b>Cash and cash equivalents at the end of the period</b>				





# Results for 2Q11

## 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.*