



## Quarterly financial statements, Company's share buyback program and cancellation of treasury shares

JBS S.A.

Corporate Taxpayer ID (CNPJ/MF): 02.916.265/0001-60

Company Registry (NIRE): 35.300.330.587

### EXERPT OF THE MINUTES OF THE BOARD OF DIRECTORS' MEETING HELD ON AUGUST 14, 2012

Date, Time and Venue: August 14, 2012, at 10:00 a.m., at the headquarters of JBS S.A. ("Company"), located at Avenida Marginal Direita do Tietê, 500, Bloco I, 3º andar, Vila Jaguara, CEP 05118-100, in the city and state of São Paulo.

Call Notice: Call notice was sent via e-mail to the members of the Board of Directors, pursuant to Article 18 of the Bylaws.

Attendance: The majority of members of the Company's Board of Directors attended the meeting, representing a sufficient quorum for the installation of the Meeting.

Presiding: Joesley Mendonça Batista, Chairman; and Francisco de Assis e Silva, Secretary.

Agenda: (i) To analyze the Financial Statements for the second quarter of 2012; (ii) To approve, pursuant to article 19, item 16 of the Company's Bylaws, the cancellation of twenty million, two hundred and eighty thousand, two hundred eighty-eight (20,280,288) treasury shares acquired by the Company under the scope of Voluntary Public Tender Offer for the Acquisition of Common Shares Issued by JBS S.A. through the Exchange of Common Shares Issued by Vigor Alimentos S.A., in compliance with item 5.17 of the Tender Offer Notice; and (iii) To authorize the reopening of the Company's share buyback program through the approval of the acquisition of up to sixty-four million (64,000,000) Company shares, to be held in treasury and subsequently sold or cancelled.

Resolutions: Firstly, the members of the Board of Directors unanimously approved the inclusion of the following items in the Agenda: (i) Approval of the appointment of Denilson Molina as a member of the Financial and Risk Management Committee, replacing Eduardo Maciel; (ii) Approval of the appointment of Marcio Nappo as a member of the Sustainability Committee.

The Board members analyzed the other items in the agenda and resolved unanimously:

(i) To approve, under the terms of Article 19, item 16 of the Company's Bylaws, the cancellation of twenty million, two hundred and eighty thousand, two hundred and eighty-eight (20,280,288) treasury shares acquired by the Company under the scope of the Tender Offer, in compliance with item 5.17 of the Tender Offer Notice and Instruction 10 issued by the Brazilian Securities and Exchange Commission ("CVM"). The cancellation of the shares will be submitted to resolution by the Annual Shareholders' Meeting immediately following this date, to amend Article 5 of the Bylaws, to ratify and record the number of Company shares after the cancellation;

(ii) To approve the reopening of the Company's share buyback program, pursuant to Article 19, item 16 of its Bylaws and CVM Instruction 10 ("IN/CVM nº 10"), in order to authorize the acquisition of up to sixty-four million (64,000,000) non-par, registered, book-entry common shares issued by the Company, to be held in treasury and subsequently cancelled or sold, without no capital reduction. The Board of Executive Officers must define the opportune time for the acquisition and the number of shares to be acquired, under the limits and maturity term of the authorization

herein. Pursuant to Article 18 of CVM Instruction 10, the Board meeting resolved: (a) the Company's objective in the operation is to maximize the creation of value for shareholders through efficient capital structure management; (b) considering the number of treasury shares of the Company, after the cancellation of the shares approved in item (i) above, the number of shares to be acquired is sixty-four million (64,000,000) non-par, registered, book-entry common shares issued by the Company; (c) the operation approved herein must be concluded within three hundred and sixty-five (365) days as of the present date, i.e. August 14, 2013; (d) the number of outstanding shares, as per definition of CVM Instruction 10, is one billion, six hundred and twenty-four million, six hundred sixty-two thousand, and forty-four (1,624,662,044) non-par, registered, book-entry common shares; (e) the operations will take place at the market price of the shares, with the following institutions acting as intermediaries: 1. BTG PACTUAL CM LTDA., headquartered at Avenida Brigadeiro Faria Lima, 3729 - 10º andar, in the city and state of São Paulo, 2. CM CAPITAL MARKETS CCTVM LTDA., headquartered at Rua Gomes de Carvalho, 1195 - 4º andar, conjunto 42, in the city and state of São Paulo, 3. CONCORDIA S.A. CVMCC, headquartered at Rua Libero Badaró, 425 - 23º andar, in the city and state of São Paulo, 4. CONVENÇÃO S.A. CVC, headquartered at Rua Amauri, 255 - 8º andar, in the city and state of São Paulo, 5. FATOR S.A. CV, headquartered at Rua Doutor Renato Paes de Barros, 1.017, 11º e 12º andares, in the city and state of São Paulo, 6. ICAP DO BRASIL CTVM LTDA., headquartered at Avenida das Américas, 3500 - 2º andar, in the city and state of Rio de Janeiro, 7. J. SAFRA CORRETORA DE VALORES E CÂMBIO LTDA., headquartered at Avenida Paulista, 2100 - 16º/19º andares, in the city and state of São Paulo, 8. FLOW CORRETORA DE CÂMBIO, TÍTULOS E VALORES MOBILIÁRIOS S.A., headquartered at Rua Joaquim Floriano, nº 100, cj. 121, São Paulo, state of São Paulo, 9. LINK S.A. CCTVM, headquartered at Rua Leopoldo Couto de Magalhães Junior, 758 - 8º/10º andares, in the city and state of São Paulo, 10. VOTORANTIM CTVM LTDA., headquartered at Avenida das Nações Unidas, 14.171 - Torre A, 14º andar, in the city and state of São Paulo; and 11. XP INVESTIMENTOS CCTVM S.A., headquartered at Avenida das Américas, 3434 - Bloco 7, sala 201/208, in the city and state of Rio de Janeiro. The decision regarding the sale or cancellation of these shares will be taken at an opportune time and will be duly announced to the market. The Company's Board of Executive Officers is authorized to take all measures necessary to ensure the abovementioned resolution.

(iii) To approve the appointment of Denilson Molina as a member of the Financial and Risk Management Committee, replacing Eduardo Maciel. As a result of the resolution above, the Financial and Risk Management Committee is now composed of the following members: Wesley Mendonça Batista, Joesley Mendonça Batista, André Nogueira, Peter Dvorsak, Denilson Molina and Eliseo Santiago Perez Fernandez;

(iv) To approve the appointment of Marcio Nappo as a member of the Sustainability Committee. As a result of the resolution above, the Sustainability Committee is now composed of the following members: Wesley Mendonça Batista, Marcus Vinicius Pratini de Moraes, José Augusto de Carvalho Júnior, Renato Mauro Menezes Costa, José Luis Medeiros, Roberto Motta, Paulo Sérgio Moreira da Fonseca, Alexandre Tadeu Seguí, Sergio Sampaio Nogueira and Marcio Nappo; and

(v) To approve the quarterly financial statements related to the period ended June 30, 2012, which were subject to the opinion without any reservations or comments of the Independent Auditors and the Company's Fiscal Council.

Closure and Drawing up of the Minutes: There being no further business to discuss, the Chairman offered floor, which was declined. The meeting was then adjourned for the drawing up of these minutes, which were read, approved and signed by all attending Board members.

Attending Board Members: Wesley Mendonça Batista, José Batista Sobrinho, Joesley Mendonça Batista, Marcus Vinicius Pratini de Moraes, Natalino Bertin, Guilherme Rodolfo Laager, Valere Batista Mendonça Ramos, Vanessa Mendonça Batista, Peter Dvorsak and Carlos Alberto Caser.

São Paulo, August 14, 2012

This is a free English translation of the original minutes drawn up in the Company's records.

Francisco de Assis e Silva  
Secretary

