Good Morning Ladies and Gentleman, and thank you for waiting, at this time we would like to welcome everyone to JBS First Quarter earnings Conference call. Today we have with us, Mr. Joesley Mendonça Batista, CEO, Wesley Mendonça Batista, JBS-USA CEO, Jeremiah O'Callaghan, IR Officer, Guilherme Arruda, Investor Relations and Marcos Bastos, CFO.

We would like to inform you that this and the slides are being broadcast in the internet at the company website www.jbs.com.br/ir and that the presentation is available to download at the investor´s information section. Also, this event is being recorded and all participants will be in listen-only mode during the company's presentation. After the JBS Presentation we will initiate the Questions and Answers session.

Before proceeding, let me mention that forward looking statements are based on the beliefs and assumptions of JBS Management, and on the information currently available to the company. They involve risks, uncertainty and assumptions, because they relate to future events and therefore depend on circumstances that may or may not occur in the future. Investors should understand that general economy conditions, industry conditions and other operating factors could also affect the future results of JBS and could cause results to differ materially from those expressed in such forward looking statements.

Now I will turn the conference over to Mr. O'Callaghan, the IR Officer. Mr. O'Callaghan, you may begin the conference.

Hello good morning to most of you, good afternoon to some. Thank you very much for being with us here today again, and it's a pleasure, it's a honor to have the opportunity to talk a little bit about the market, about JBS and about results that we've had for the first quarter in 2010, of which we are quite enthusiastic. As mentioned, we have a presentation available and I'm going to mention the pages of the slides as I go through the presentation. There are quite a number of pages so I will go slowly and I will mention the pages as we go through the presentation so that everybody can follow it.

Uh, as it's our custom in these presentations we start by remembering our mission and our values as a company. These are two issues which we take very seriously and which and uh, which we like to remind the market and ourselves on occasions like this. Our mission being:

To be the best at what we set out to do, totally focused on our business ensuring the best products and services for our customers, solidity for our suppliers, satisfactory profitability to our shareholders, and a certainty of a better future for all our employees.

And this on page 3, our values being:

Excellence, planning, determination, discipline, availability, openness, frankness and simplicity.

Now to go into the agenda of today's presentation, we have basically four chapters; the first one is a little bit about the company, again because JBS is a relatively new company in the market and we like to bring up these points and remind people about JBS, then we have the market overview, the third chapter is to do with our quarterly earnings highlights, and then towards the end a couple of points regarding short term outlook and final considerations.

So to go to the company overview, to page on page 6, JBS was founded in central Brazil by Jose Batista Sobrinho , and thus the initials JBS in the mid 1950's as a small beef production business, basically one can say a butcher's shop and the business of JBS has grown through the years, initially in that region of Brazil, in the state of Goias and then regionally in west central Brazil, and from there to Brazil and in the last decade and since 2005,JBS has diversified its production platform, globally outside Brazil initially in Argentina, and then North America, Europe and South East Asia.

We did an IPO in 2007 and we are listed in the Novo Mercado of the Bovespa here in Sao Paulo, under the ticker JBS S3, and we also have an ADR OTC program in the US which runs under the ticker JBS AY. Today we have constructed a leading production platform in the protein sector globally with platforms in what we classify as the low cost regions of the world, in South America, in North America, in Europe and in Oceania. We have a total 125 thousand employees globally working in all these productions platforms and our market cap as of yesterday is of 19 billion Reais.

On the next slide on page 7, a little bit about our, the breakdown of our share base, and it's important to highlight that more than 19% of our shares are traded free-float with substantial liquidity with the trading volumes in the region of 30-40 million dollars per day. 30 to 40 million dollars per day. Our company as we can see on page 8 has grown through acquisitions some of the recent acquisitions are mentioned on page 8 from the acquisitions we did 2006 onwards. Our-and -and many times we hear people talking about our revenue growth, but we are highlighting our EBITDA growth as well, which we last year reached more than 3 billion Reais, so with the tiger of super scent over the last 9 years, so our revenues and our EBITDA are growing to about the same extent as we expand our production platform.

Just to look at the evolution of our company , from what it was as a primary processer of beef 9 years ago, to being a company that almost ¼ of its revenue base was industrialized further processed products pre IPO in 2006 to the new profile of the company a much more diversified profile today, where just over 50% of our revenue actually comes from fresh beef production, almost 30% comes from industrialized and further processed, and then a substantial portion of our revenue base comes from the other proteins, the other major proteins, 13% coming from our poultry business and and 9%, sorry 6% from our pork business.

As I mentioned, what we have been, what we set out to achieve, and what we have done over the last decade is to construct a low cost production platform in the regions of the world where we feel they would be competitiveness in terms of cost and scale as we see demands for proteins particularly for exports increasing as we move into this decade. So on page 9 a little bit about that low cost production platform, we have 44 production units all beef related in South America, in North America we have 8 beef production facilities, 33 chicken production facilities, 3 pork production facilities and one lamb facility. While in Australia we have a total of 15 facilities, 10 of which are beef and 5 of which are lamb, where there is an expanding lamb production business there, and in Europe, based in Italy we have also 3 production facilities in Europe. At the bottom of page 9, just to highlight where the production, the main production regions are in the world, for each of the three proteins, and highlights in beef, for Brazil and the US as major producers, and basically where we are located. When we look at pork, we need to look at pork a little bit differently because 50 % of all pork in the globe is produced or consumed in China, so when we look at the other half the US is a growing producer of pork while many, in principal the European Union participation is declining, so the importance of the US as a production platform in the pork sector ongoing, definitely is on the increase. And then as we look at the poultry sector the two major poultry producers that have capacity to expand exports are basically Brazil but particularly US which is the largest chicken producer in the world.

Moving on to the next slide on page 10, just a little bit more color about each of the businesses of JBS, starting with our beef business where we are the largest producer on the globe, a total of 65 production units, and they are broken out by country, in South America, north America and in Australia there, and we like to remember the brands that we have, very well recognized brands in various regions of the world. From Swift to Maturatta which is a very strong brand in Brazil to Cabaña Las Lilas which is a very strong brand in Argentina, King Island in Australia and 1855, a very strong brand in the US.

In chicken, we are the second largest producer on the globe with 33 production units, all of which are in North America between the US, Mexico and Porto Rico. And again with very recognizable, very strong brands, that we've inherited as we acquired controlling interest in this business. In our pork business we harvest almost 50 thousand hogs per day, in our three facilities in North America, and again very recognizable, very strong brands. Our hide processing, our leather production business is growing leaps and bounds, since we started this business last year, we already have a leading position in terms of our daily processing capacity; more than 90 thousand hides per day, concentrated primarily in Brazil but with a substantial portion of our business in North America. We're also processing an increasing volume of hides in Australia, basically adding value to some of the byproducts that we produce as we produce beef. And we have a hide finishing leather production facility also in China. Our dairy business is a value added dairy business; it's a branded dairy business, concentrated in Brazil, the third largest dairy business in Brazil basically in the São Paulo region. 7 production facilities, 1.400 tons of production per day and very much a value added portfolio of products. A lot of yogurts and yogurt based vitamin drinks and cheeses and such, again with very recognizable brands like Vigor, Danubio, Faixa Azul and Leco. And our lamb business, as I mentioned our lamb business is primarily located in Australia where we have a harvesting capacity of 23 thousand per day and in the US where we have one facility harvesting 4.500 per day we are the largest lamb producer in the world, and Australia is becoming increasingly strategic in the lamb business, exporting high quality lamb products particularly to European Union where production is declining.

On page 11 a little bit about our strategy, and some of you might be familiar with the pyramid that we put on this page to represent the manner, in which we see the market and the steps we've taken and the steps we are taking to continue expanding our business and growing our margins, basically we feel that we have completed the construction of our diversified low cost platform.We're moving into sales and distribution more and more. We do have quite a portion of distribution already but we're focused right now upon expanding that distribution, and again we have almost 30% of our products which are processed or in some manner are value added. This is part of our strategy to continue to expand this business, to continue to add more value to as many products as we possibly can, while as a result of all that we feel that our brand and products will definitely be adding value to our business ongoing as we move up the pyramid.

On the next page, on page 12 a little bit about our distribution, as I mentioned we already have a substantial distribution network around the world, very diverse places from Russia to Egypt to Angola, north and south America and in Australia, 53 distribution centers, and we are organically expanding that businesses as we expand capabilities, and expand our sales team, and our distribution network out of these distribution centers. We're also looking to add further distribution centers to our business in the coming quarters and in the coming years to reach up to 60% of our products being distributed directly by ourselves to the point of sale.

And its interesting to look also at where consumption is and where consumption in our opinion is growing, we looked at production, where production is and now growth and consumption, we see Asia and the Middle East, 13% of, responsible for 13% of beef consumption, but we see considerable growth in that market in terms of consumption, but not in terms of production, so more exports out of the Americas, North and South, where there is capacity to expand production into those markets, Asia, the Middle east, Europe and Africa.

In the chicken business, again we see substantial consumption in Asia and the Middle East, with limited capacity to rump-up production so again great potential to have more international trade into those regions. And the pork business as I mentioned earlier, potential to increase our pork exports out of the US into some of these big consumer markets, including Europe where production is declining, and where we see growth and export of pork items out of the US into not only the traditional import markets which basically are Russia and its neighbors and Asia but also into Europe.

In terms of markets highlights on page 14, things we saw during the first quarter of 2010, strong domestic growth in Brazil, this on the back of strong growth last year we see continued growth at the beginning of this year. Input costs, particularly grain prices, competitive, helping maintain production costs at competitive levels, and as I mentioned earlier, signs of growing imports of international trade with production increasing where consumption is not and with consumption increasing where production is not, so great potential demand to see, great potential to see more international trade moving through this decade.

We see again something we mentioned in the past, the US being an extremely competitive production platform basicall- basically for all the proteins, it's got the input cost, very competitive, it's got scale and the US is definitely on the road towards its increasing its participation in the international trade. While we see in Europe an inversion of these values, we've already seen substantial decline in beef production in Europe. Just a decade ago Europe was carrying a surplus more than a million ton of beef in its cold stores and today it has a deficit, it needs to continue to open up its borders for more imported proteins because of the decline in its beef production and also in its pork and poultry production.

On page 15 we have a slide from the Food and Agricultural Organization of the United Nation of which is interesting to see where the positive trend is in terms of meat consumption growing through the next four decades, through to 2050 and also milk and milk products consumption. There definitely is a very positive traction in both these groups of products as we move into the next decade and fundamentally it will be important to have a large production base to be able to attend to the demand of these consumers as we move forward.

A peek at export as they happened in the first quarter of 2010, we have beef export out of Brazil on page 16. We see that the volume growth was quite reasonable in the quarter, going from 231 thousand tons up to almost 260 thousand tons but more importantly, we don't have this year, but we've seen substantial price increases, so revenue growth has increased quite a lot more than this. We've seen price hikes in the 15 to 20% category in beef prices out of Brazil.

When we look at the next couple of slides in relation to US exports for the same period, again we see growth in beef exports out of the US, we see growth in pork exports, there was a decline in poultry which we will talk about in a minute, but again if we look at revenue as generated through these exports out of the US they've been very substantial because again prices of some of these items out of the US have been more than 20% up year on year, so the revenue growth through the exports during this period has really been quite substantial.

Poultry exports out of the US declined in this first quarter, but this is primarily due to restrictions in two of the principal markets that the US serves Russia and China, and were it not for that we believe there would also have been growth in poultry exports. But importantly we haven't seen a decline in prices for poultry products regardless of the restricted access to some of these markets.

On the next slide, page 20, we're looking forward to 2020 a little bit, a projection made in a recent study, and it just demonstrates where we will have surplus production of beef on page 20, basically we see Brazil and Australia as very important players ongoing. When we look at the chicken sector on page 21, the study shows that 10 years from now the US and Brazil will be the major suppliers into markets that will have a production deficit, and when it comes to the pork business on page 22, North America will play a very important role, as will Brazil and Europe.

And now to move forward to the highlights of the period.The first quarter, there are our numbers for the 2010. We've had revenue increase by 35% in relation to the first quarter of last year, from 9 billion + Reais to just over 12.5 billion Reais, this primarily due to the incorporation of Bertin in Brazil and the acquisition of Pilgrim's Pride in the US. And taking into consideration the increase in the value of the Brazilian Real over the period, otherwise, there would be further growth in these numbers on a comparative basis. Our consolidated EBITDA for the first quarter of 2010 increased 300+ % when compared with the same period of 2009. From 211.5 Million Reais to 862 million Reais, the margin for the period was 6.9% compared to 2.3% for the same period last year and we had a net profit of just under 100 million Reais as compared to a net loss of 320+ million Reais in the same period last year and during, in the middle of the crisis.

In the US, two highlights here in the US. Our US Beef posted an EBITDA of more than 170 million dollars or 6% which is a record, particularly taking into account the seasonality and the fact that normally through the winter months, the last quarter of the calendar year and the first quarter of the new year margins are depressed because of limited supply and limited demand basically. And the other highlight is in South America JBS posted an EBITDA of more than 350 Million Reais, almost 12% margin in the region, in this first quarter of 2010.

Looking at the next couple of slides, revenue increase of almost 60% quarter on quarter and EBITDA growing, almost doubling quarter on quarter, from just under 400 million Reais in the last quarter in 2009 to 862 million Reais in this quarter of 2010, and margin, with a margin going from 5.4 consolidated to 6.9% that on slide page 25.

And then on the coming two pages a breakdown by region, the revenue increase in South America, substantial and as I mentioned the South American margin increasing substantially from 6.6% in the last quarter of last year to 11.9% producing more than 350 million Reais in EBITDA. In Alcan Business, JBS Business Europe, regardless of a weak European economy we see strength in Russia, where we distribute products and where we recently inaugurated a burger facility near Russia for that, near Moscow for the Russian market, and where we have our African distribution centers which have been producing very good results, so we've had flat revenues out of Europe but good margins EBITDA about, margin about 7% for the quarter.

in the US as I mentioned on one of the highlights was the EBITDA produced by our beef business in the US which includes Australia, more than 170 million dollars, 6% Margin, our pork business also performed extremely well with EBITDA of almost 35 million dollars and margin in excess of 5% and our poultry business which is already public declined in revenues, basically because of the closure of some facilities in that period and margin declining from 4.8% to just over 3.5%.

A little bit about our net debt, our leverage net debt to EBITDA remained 3.1 times quarter on quarter, our gross debt declined, 5.7 % but out net debt increased at 12.2% basically because of increased working capital requirements as we ramp up the recent acquisitions as well as some investments in fixed assets and also impacted by foreign exchange fluctuations when converted into Reais.

The vast majority of the company short term debt is composed of revolving trade finance credit line such as export credit facilities in South America for instance, and our short term debt at 40% compared to 47% a year ago and 37% in the last quarter.

On the next slide on page 29 we see a marginal increase in exports when compared with total revenues, from 22 to 23%, we see quite a substantial overall increase in revenues, and some of the businesses which have been incorporated are much more domestically oriented so was we move onto the next slide on page 30 we see exports on a year by year basis increased from just over 900 million dollars in the first quarter of 2009 to more than 1.76 billion dollars in the first quarter of 2010. So it's important that we look at it in an absolute basis, and we've seen substantial increase into some of the markets, all prices have generated increased income and increased imports like the middle east and Africa, while all our business for instance, particularly out of the US, into markets like Japan has been increasing substantially also when we do a year on year comparison.

A little bit about our short term outlook regarding, particularly regarding synergies, we've been talking about capturing more than 200 million dollars in synergies with the acquisition of a controlling interest in Pilgrim's Pride in the US on page 32, we have some details of how we are breaking that down, how much of that are we achieving already, and we will be seeing in the coming quarters improvements in our performance because of these synergies, we've already reviewed contract terms with our carriers, which is the major portion of our costs, the transportation of our goods, we've also been able to improve the cost of our packaging, through reviewing contract condition with our packaging suppliers over the first quarter of this year, we continue to cut back on corporate and SG&NA expenses as we move into the second quarter of 2010, streamlining corporate headquarters and closing a number of offices that we had. We've also had the opportunity to review quite a number of service contracts such as external legal contracts that we have insurance and contracts related to our IT facilities.

We are still working on a number of issues such as optimizations of our transportation system, basically putting more products on each truck as we pay by mile on trucks, and there is potential to be able to utilize a greater amount of capacity of these trucks going forward. We've already done this with our beef business in the US and we continue, we plan to continue to expand this into the chicken business as well, moving forward to capture more synergies and to reduce costs.

Regarding exports, JBS has a lot of tradition in exports, a lot of regional sales offices, many distribution centers as we saw, and we believe that these sales offices and distribution centers will be able to leverage the export of our chicken business going forward as well.

On the next page when we talk about synergies in relations to the association we made with Bertin in Brazil, similar issues, corporate headquarters are being, we are uniting corporate headquarters into one headquarter, we are getting improved returns on exports as a company, we are enhancing a desired number of the byproducts, particularly our hide processing business, producing a lot more semi- finished and finished leather products and providing finished leather products for many of the end users. On logistics similar to in the US we are reviewing transportation contracts and reducing transportation costs. Again with suppliers, particularly packaging again, such as cartons and primary packaging, primarily plastic in relation to the packaging of our products and industrial processers. And we are looking at a total of, in the region of 500 million Reais in synergies in relation to the Bertin merger done in Brazil.

Now, regarding little bit about final considerations as we prepare for Q&A, we would like to highlight the integration of the progress we have made in the first quarter of 2010, in relation to integrating the facilities we have acquired in the end of 2009, the progress we've had is in excess of our expectation, so very positive about being able to deliver the integration schedule that we announced at the time of the acquisition, generally speaking the performance of our various production units in the first quarter of 2010, produced good margins and we believe that with the dynamics of the protein markets globally these margins will continue to increase, we continue to focus more energy in exports, as I mentioned earlier, we see continued growth and demand in these emerging markets with very little possibility to for them to be able to supply themselves so a lot more international trade and we are focusing on that. Building distribution centers, regional sales offices, which we already have a substantial portion of. Our direct distribution which we talked about and our synergies definitely are an opportunity to us continue expanding margins ongoing. And the final consideration before I hand it over for Questions and Answers, we continue committed to work on the capital structure of the company to have a healthy capital structure, to focus on continuing deleverage the company going forward.

That is the end of our presentation today, thank you very much we would like to open now for questions and answers. Thank you.

Ladies and gentleman, we will now initiate the Question and answer session, if would like to ask a question, please dial *1. If at any point your question has been answered, you may remove your question from the queue by pressing *2.

We kindly ask you to limit to one question at the time, please wait until we collect the questions.

First question, Ms. Christina McGlone, Deutsche Bank.

Hi, Good morning,

Hi Christina, How are you?

Good, I'm not sure, Jerry, if Wesley is on the call side during the little bit late, but my question was when you noted that there was a pickup in numbers in Australia, at the end of the quarter, I think last quarter Wesley talked about structuring, having less cattle there, and having less beef imported to the US. I'm curious if this pick-up means now we are going to see more imports of Australian beef into the US.

Christina, Wesley is on the call, and he can answer.

Yes, Christina, basically in January and February, Australia runned much less volume. In March, the volume started to increase, and now is running more normal, but is not above the normal volume that Australia used to slaughter, I don't expect to see much more meat coming from Australia today, less.

OK, thank you. And then my second question is on the pork. The hogs slaughtered increased 9% year over year, is that all organic? Was - I can't recall if there is an acquisition in there because that is well about the industry, so I wanted to understand that better.

It's all organic.

And how come there was so much more than the industry? Was it you that had just a lot of export demand at that particular time? It was very different than the decline in the industry.

The margin was good in the first quarter so we had some flexibility to run some Saturdays, and we did this, and we ran more volume in the first quarter, but we ran more volume in our normal plants and the normal business.

OK, thank you.

Next question Mr. Gabriel Lima, Santander Bank.

Thank you, good morning everyone, my question is related to MERCOSUL margins, we here were pretty much surprised by the margin improvement in that region. I know that Bertin brings a higher margin for the MERCOSUL business, so of course, that naturally explains the year on year improvement when you look at the old JBS, if I can put it this way, however what calls my attention is that if we include Bertin's numbers for first Q 2009, I find a pro forma margin of 9%, what means that JBS had an increase almost 300 basis points improvement in EBITDA margin compared to proforma, so what explains such improvement, is that some sort of synergies already coming from bertin? Because I suppose that there wasn't a cost relieve in most of the regions year on year .So, that is my question.

It's Joesley here, if you compare to the fourth quarter it's around 10%, in the proforma base, so –

Exactly,

It's from 10 to 12%, actually it was based on the dairy business that performed really well, in the high double digits, we had best performance in the export sales also, and we started capturing some synergies from Bertin, we have already integrated the companies.

And can you quantify how much of synergies, I don't know if you could do that, but you had in first Q just to- and I will try to understand the breakdown between the dairy improvement and the synergies?

You can consider that this 2% of improvement came one third from the daily, one third from exports and one third from the synergies, something around that.

OK, sounds good, thank you.

Next question Ms. Sarah Aslam, Stephens Inc.

Hi good morning,

Good Morning Sarah,

My question is regarding the US pork and beef market, some ciphers in that market have gone up, quite a bit, we were wondering if you were getting pushbacks from your domestic and export customers, or is there is more room for pricing to go up?

Sarah, we are seeing the export market very strong, this, the price as you know has been much more, is much more strong, in these last two, three months, the hog price climbed more than 15%, also cattle climbed more than 10%, so I think we will see some stabilization in price for a while until the market digests this price increase, but we still think that we have more room for price increase, if the demand, if the demand from export continue in the level that we are seeing, we believe that we will see more price increase. Maybe not in a short term, but in the third quarter I think we can see more price increase.

That's helpful, thank you.

Next Question Ms Akshay Jagel, from Q bank.

It's Mr. Akshay, but that is alright, how are you doing Jerry?

Sorry about that Akshay,

That is ok, no worries at all, just a quick question on, two questions, one is on beef and the other one is on chicken. On beef, what is your current eurolization rate and how are you calculating that also on 5 and a half day week, or 5 day week?

We are running beef today around 90% and we run 5 and half days, a little bit less than 5 and a half, because some plans we are running 6 days and some plants only 5 days, but you can consider 5.5

Ok, that's helpful so you know we've seen, we see record margins on beef and you guys had a record quarter as well, can you- and we are seeing in the last month or so margins getting better because of seasonality what do you do next in beef, what is the next level that you pull to produce profit growth there?

We are seeing some change about this season, since last year we are seeing more stabilization between the first quarter and fourth quarter compared to the second and third. So I don't expect that we will see a big difference compared to years ago in terms of season, but we still think that if the market continue in the way that is now we will continue to see margin improvement.

But do you plan to increase your production given that you are at 90% or you are happy the way you are?

Oh, we are happy the way we are now.

Ok and on the chicken side, relative to Pilgrim's, how much control do you have on the operations themselves, I mean is it the decision to increase capacity, was that a JBS decision or is that Don Jackson really calling the shots there?

It's not Don and also it's not JBS, it was the decision that the board made based in the management view about the market about the demands for 2011 and 2012, and remember that we are talking about to reopen the first plant in beginning of 2011 and the other plants after this, so decision was made in the board decision.

Of course, that is very helpful, just one last one on pork, what is your expectation for profitability given what we see on hog prices and the future prices for hogs seem to imply that maybe profitability may come down, do you expect that any change in profitability on the pork side?

We are still seeing margins strong in our pork business, so I don't see, I don't see the market change going forward, and we are running in a good margin level.

Great, thank you, I'll pass it along.

You're welcome.

Next question ms, Thaís Aleluia, from Credit Suisse.

Good morning, thank you for answering my question; do you have a target for leverage for 2010?

Hi, here is Joesley, based on our plans we expect to end 2010 below two times.

Thank you.

Thank you.

Remembering, to make a question, please dial *1.

Remembering, to make a question, please dial *1.

Please wait until we collect the questions,

Next question, Revison Bonfim from NTR

Hi, good afternoon everyone, This is Revison Bonfim from NTR, Just a couple of questions, previously, from the previous calls, there was some mentioning that one, the company was targeting an investment grade rating perhaps as early as next year, I was just wondering if that is something the company is still targeting, and whether there's been any discussion with the rating agencies on exactly what they would have to see in order to feel more confident in giving the investment grading to the company?

And then the other question is and I apologize if this has already been mentioned, but regarding the IPO for the US business, can you just provide any information on where you stand on that?

Hi, this is Marcos Bastos, regarding the investment grade the first part of your question the investment grade rating, what we plan to do as joesley mentioned we are focused on the leveraging the company, we want to expand our margins through direct distribution, and basically have a balance sheet that reflects a company's with an investment grade rating. That's the focus that we're taking on the financial side, whether we will get an investment grade or not it depends on the agencies, not us. But what we want to do is to have a balance sheet that reflects and investment grade goal.

Right, and if I may just elaborate on that, has there been any discussion with the rating agencies? You know, I think for the sector a lot of times the agencies is more concerned regarding sanitation issues, *outbreaks, that stuff, more than perhaps you know, metrics credit, you know leverage, those types of things, has there been any discussion with the grading agencies, have they highlighted exactly what they are looking for?*

Yes, we discuss with them on a periodic basis, we talk to them constantly, regarding sanitary issues, I believe we have built a plan for production that is very diversified geographically as well as across all proteins which help us on any sanitary issues that might arise in the future. So yes we discuss with them periodically that, but I think even that I remember that we are a Brazilian company and given what happened to the industry that JBS was in a couple of years ago, you know, we changed quite a bit in the past two years, you know, acquiring production elsewhere, in the US in Australia, we diversified into chicken, so I think there is a little catch up to be done, for everybody on the amount of things that we have done over the past two years, and I think our ratings still reflect the JBS that was a Brazilian company with operations limited to Brazil, and south America and I think there is definitely homework that we have to do together with the rating agencies, to make sure that our standards reflect the company as it is today.

Thank you, and as far as the IPO?

We have no plans for the IPO for this year.

So that's been taken of the table for the remainder of the year?

Yes.

Thank you very much.

Next question, Mr. José Berland, from Standard New York Securities.

Jose?

Mr. José, you may proceed.

Hello? Can you hear me?

Yes, yeah, go ahead.

Well, I have a question regarding the poultry business. The poultry business and contribu-have a significant contribution to revenue in this quarter, however the contribution to it is supposed to be low, I wondered if the company had a target or a margin for this business, thank you.

Wesley,

Joesley, I could not understand what he asked for,

The question was that the chicken business is a relevant part of our revenue base but it didn't provide margin to the same relevance, how do you see -

Oh yeah, yeah, you need to remember that this the first quarter that, after we closed the Pilgrim's Pride acquisition, we have a lot of onetime cost and we are doing a lot of change in the business so we expect to see margin improving, to be consistent with what we are looking for. And also the market is improving the chicken sector so we expect to see better margins going forward.

Ok,

Next Question Mr. Pedro Herrera from HSBC Bank.

Gentleman, thank you, my question was already answered, thank you.

Thank you Pedro.

The Q&A section for analyst and investors is closed. Now I will turn the conference over to Mr. Joesley Mendonça Batista CEO for its final considerations.

Here is Joesley, thank you everybody, we really had one of our best results of our company, we've been following what we've been saying that we are building and expanding our global margins in a consolidated base, we will be focused on our expanding distribution, we will be focusing on deleveraging the company and if we analyze this first quarter in the Italy company in the poultry-in the pork business, in the beef business in US, in the South America, in all of these division it was the best results of the historical result recently.

We keep our financials in place, and ready to keep growing organically, and we've been seeing, we are very, we are really motivated about 2010 to consolidate Pilgrim's and Bertin's to take advantages of all synergies, and expand our margins. Thanks everybody and have a good day. Bye bye.

Thank you, this concludes today's presentation. You may disconnect your line at this time and have a nice day.