JBS S.A. reports consolidated results for 2007

São Paulo, March 28, 2008 – JBS S.A. ("JBS") (Bovespa: JBSS3), the world's largest beef producer and exporter, today announces its results for the twelve months of 2007 (12M07). The financial and operating information herein is presented on a consolidated basis in BR GAAP and in Brazilian real (R$). For the purpose of comparison, the results considered in the statement refer to the quarter ended on 12/31/07 (4Q07), 12/31/06 (4Q06) and the twelve months ended on 12/31/06 (12M06). The accounting statements for the quarter and year ended December 31, 2006, presented for the purpose of comparison, were prepared excluding the result of the operations from the Hygiene and Cleaning division due to the partial spin-off carried out on December 31, 2006, as described in the explanatory notes. Accordingly, the accounting statements are referred to as "pro-forma" and should not be used as the basis for dividend calculations or for any corporate purpose other than to provide comparable information on the Company's operating performance.

The consolidated information and statements presented in this report also include the results of JBS USA, Inc. ("JBS USA"), including the Australian operations, formerly Swift Foods Company ("Swift"), which was acquired on July 11, 2007. The results of JBS USA presented herein consider the 173-day period from July 11 to December 30, 2007.

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12M07 Conference Call

Date: Monday, March 31, 2008

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09h00 (Brasília)
08h00 (US EST)
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Code: JBS

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HIGHLIGHTS

- JBS' net revenue increased 256.4%, from R$3,967.6 million in 2006 to R$14,141.6 million in 2007.
- The Company's EBITDA margin in 2007 was 4.18%, comprised by the 14.2% margin of JBS MERCOSUL and -1.1% margin of JBS USA;
- In the 4Q07, JBS MERCOSUL's EBITDA margin was 15.1%.
- The pork division in JBS USA in the 4Q07 returned its highest EBITDA margin in the past 5 years: 6.8%.
- In the 4Q07, EBITDA margin of JBS Australia was 3.4%, the second highest EBITDA in the past 5 years.
- The company's results were negatively impacted by the exchange variation on investments made in the foreign subsidiaries.
- The acquisitions described in the "Recent Events" section, allied with the positive atmosphere in the global beef trade and the improved margins in the USA in 2008, create a positive environment for JBS to achieve positive results this year.

CONSOLIDATED INCOME STATEMENT – 4Q07

Consolidated Income Statement

The table below shows the consolidated results of JBS in BR GAAP and in Brazilian real (R$), including the results of its U.S. subsidiary JBS USA, which includes its Australia operations, for the 173-day period from its acquisition on July 11, 2007. The results of JBS USA are divided into two periods, from 07/11/2007 to 09/23/2007 which are included in the 3Q07, and 09/24/2007 to 12/30/2007, which are included in the 4Q07.

R$ million	4Q07	%	4Q06**	%	3Q07	%	12M07	%	12M06**	%
Net Sales Revenue	**6,650.7**	***100.0%***	**911.0**	***100.0%***	**5,233.6**	***100.0%***	**14,141.6**	***100.0%***	**3,967.6**	***100.0%***
Cost of Goods Sold	-6,145.8	*-92.4%*	-707.6	*-77.7%*	-4,744.5	*-90.7%*	-12,609.1	*-89.2%*	-3,036.7	*-76.5%*
Gross Margin	**504.9**	***7.6%***	**203.3**	***22.3%***	**489.1**	***9.3%***	**1,532.5**	***10.8%***	**930.9**	***23.5%***
Selling Expenses	-322.6	*-4.9%*	-74.9	*-8.2%*	-257.5	*-4.9%*	-786.6	*-5.6%*	-347.3	*-8.8%*
General and Adm. Expenses	-126.2	*-1.9%*	-29.5	*-3.2%*	-101.0	*-1.9%*	-275.6	*-1.9%*	-105.5	*-2.7%*
Net Financial Income*	-84.4	*-1.3%*	-0.7	*-0.1%*	-189.0	*-3.6%*	-403.1	*-2.9%*	-204.1	*-5.1%*
Equity in Subsidiaries	0.0	*0.0%*	0.0	*0.0%*	0.0	*0.0%*	0.0	*0.0%*	0.0	*0.0%*
Amortization of Goodwill	-73.6	*-1.1%*	0.0	*0.0%*	-0.4	*0.0%*	-74.9	*-0.5%*	0.0	*0.0%*
Non-recurring Expenses	-14.8	*-0.2%*	0.0	*0.0%*	-1.7	*0.0%*	-67.1	*-0.5%*	0.0	*0.0%*
Operating Income	**-116.8**	***-1.8%***	**98.3**	***10.8%***	**-60.5**	***-1.2%***	**-74.8**	***-0.5%***	**273.9**	***6.9%***
Non-Operating Income	5.4	*0.1%*	3.0	*0.3%*	5.0	*0.1%*	11.2	*0.1%*	-2.5	*-0.1%*
Taxes and Social Contribution	-24.1	*-0.4%*	-26.6	*-2.9%*	-25.5	*-0.5%*	-104.9	*-0.7%*	-92.3	*-2.3%*
Minority Interest	-0.7	*0.0%*	1.2	*0.1%*	2.7	*0.1%*	3.5	*0.0%*	1.2	*0.0%*
Net Income	**-136.1**	***-2.0%***	**76.0**	***8.3%***	**-78.3**	***-1.5%***	**-165.0**	***-1.2%***	**180.3**	***4.5%***
EBITDA	**94.8**	***1.4%***	**134.5**	***14.8%***	**174.9**	***3.3%***	**591.1**	***4.2%***	**564.9**	***14.2%***

(*) The net financial result and, consequently, net loss were affected by the exchange rate variation on foreign currency investments in the amount of R$44.0 million for the 4Q07, and R$160.0 million for the 12M07. Exchange variations do not have a cash effect on the Company, and as such, did not impact the EBITDA for the period. Excluding this effect, the Company would have registered a net loss of R$92.1 million for the 4Q07 and R$5.0 million for the 12M07.

(**) Pro-forma – excluding the results of the Hygiene and Cleaning division due to the partial spin-off carried out on December 31, 2006.

A large portion of the variations presented in the consolidated results is attributable to the effect of the acquisition of Swift Foods Company by JBS.

Net Revenue

Consolidated net revenue of JBS increased 256.4%, from R$3,967.6 million in 2006 to R$14,141.6 million in 2007. The amount of R$14,141.6 million is composed of net revenue of R$4,891.9 million from JBS MERCOSUL and net revenue of R$9,249.6 million from JBS USA.

EBITDA

EBITDA of JBS for the 4Q07 was R$94.8 million, compared to R$134.5 million for the 4Q06. Consolidated EBITDA margin for the 4Q07 was 1.4% reflecting the 15.1% margin obtained in the period by JBS MERCOSUL and -1.4% margin obtained by JBS USA.

In 2007, EBITDA totaled R$591.1 million, an increase of 4.6% in comparison with the 2006 EBITDA of R$564.9 million. In the same period, EBITDA margin was 4.2%, comprising 14.2% margin reported by JBS MERCOSUL and -1.1% margin reported by JBS USA.

Exchange Rate Variations on Foreign Currency Investments and Goodwill

The financial result was negatively impacted by the exchange variation on permanent investments made in foreign currency, mainly due to the sharp devaluation of the U.S. dollar and the Argentine peso in relation to the Brazilian real. The impact of this exchange variation in the consolidated financial result is approximately R$44.0 million in the 4Q07, and R$160.0 million in the 12-month period ended on December 31, 2007. It is important to highlight that unrealized exchange rate variations do not generate a cash effect for the Company, thereby impacting net income but not the EBITDA.

From the acquisition of Swift Foods Company, JBS incorporated goodwill worth R$877.6 million based on the expectation of future profits. This goodwill will be amortized in 5 years.

Besides, with the acquisition of 100% of SB Holding, Inc, goodwill of R$20.9 million was generated, which will be amortized in a period not exceeding 10 years.

Considering the positive EBITDA, the Board of Directors met on November 1, 2007 and decided that exchange rate losses from investments made in foreign currencies and future amortization of goodwill in the acquisition of investments made by JBS USA and SB Holdings are permanently excluded for dividend calculation purposes. This decision will be deliberated and voted in an upcoming Extraordinary Shareholders' Meeting.

Net Loss

The Company posted a net loss of R$165.0 million in 2007, against a net income of R$180.3 million in 2006.

Considering the factors described in the explanatory notes 24 and 25 of the accounting statements and excluding the amounts relating to the exchange variation on permanent investments made in foreign subsidiaries, JBS' net loss in 2007 would be R$5.0 million.

This loss was partly due to the recent pressure on margins in the U.S. beef industry.

Consolidated Debt

R$ million	**4Q07**	**3Q07**	**Var.% 4Q07/3Q07**
Total Debt	3,749.6	3,949.5	*-5.1%*
Cash and Marketable Securities	1,381.7	1,621.0	*-14.8%*
Total Net Debt	**2,367.9**	**2,328.5**	***1.7%***
Net Debt/EBITDA	**3.7X**	**3.3X**	

The Company's gross debt is primarily composed of financing facilities, export financing contracted with financial institutions, and Notes (Reg. S and 144A) with face value of US$575 million, maturing in 2011 and 2016 (US$275 million issued at an interest rate of 9.375% per annum payable on a quarterly basis, and US$300 million at an interest rate of 10.50% per annum payable on a semiannual basis).

Given the current global credit scenario, JBS anticipated with its main banks, the renewal of credit lines for refinancing periods from 3 to 5 years, loans totaling US$ 750 million that would mature in July 2008.

In this report, operating results of JBS and JBS USA will be commented separately in order to facilitate analysis and comparison of the numbers, and to keep the historical evolution of the information provided, since the Company's Initial Public Offering.

ANALYSIS OF RESULTS – JBS MERCOSUL

Horizontal Analysis of the Main Operating Indicators - JBS MERCOSUL

R$ million	4Q07	4Q06*	Var.% 4Q07/4Q06	3Q07	Var.% 4Q07/3Q07	12M07	12M06*	Var.% 12M07/12M06
Net Sales Revenue	1,319.1	911.0	*44.8%*	1,315.5	*0.3%*	4,891.9	3,967.6	*23.3%*
Domestic Market	522.5	422.3	*23.7%*	511.6	*2.1%*	1,982.2	1,540.1	*28.7%*
Exports	796.6	488.7	*63.0%*	803.9	*-0.9%*	2,909.7	2,427.5	*19.9%*
Gross Profit	334.7	203.3	*64.6%*	309.6	*8.1%*	1,182.7	930.9	*27.1%*
Gross Margin	***25.4%***	***22.3%***		***23.5%***		***24.2%***	***23.5%***	
Net Income	-136.1	76.0	*-279.1%*	-78.3	*73.8%*	-165.0	180.3	*-191.5%*
Net Margin	*-10.3%*	*8.3%*		*-6.0%*		*-3.4%*	*4.5%*	
EBITDA	**199.1**	**134.5**	***48.1%***	**171.9**	***15.9%***	**692.5**	**564.9**	***22.6%***
EBITDA Margin	*15.1%*	*14.8%*		*13.1%*		*14.2%*	*14.2%*	
Slaughtered Cattle[1]	858.3	830.9	*3.3%*	929.3	*-7.6%*	3,621.0	3,414.0	*6.1%*
Sales Volumes[2]								
Domestic Market	198.0	169.6	*16.8%*	215.6	*-8.1%*	812.7	666.2	*22.0%*
Exports	112.7	99.1	*13.7%*	111.0	*1.6%*	439.5	380.8	*15.4%*
Total Volume	**310.7**	**268.7**	***15.6%***	**326.6**	***-4.8%***	**1,252.2**	**1,047.0**	***19.6%***

(*) Pro-forma – excluding the results of the operations of the Hygiene and Cleaning division due to the partial spin-off carried out on December 31, 2006.
[1]In thousands of heads
[2]In thousands of tons

Net Operating Revenue JBS MERCOSUL

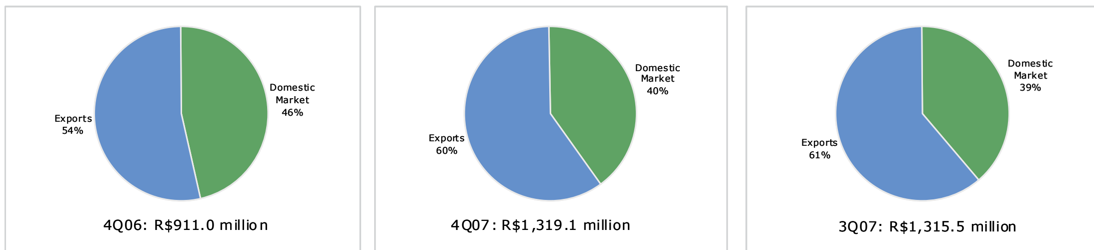
Net operating revenue rose 44.8% to R$1,319.1 million in the 4Q07, from R$911.0 million in the 4Q06. Compared to the 3Q07, net revenue increased by 0.3%. Net revenue in the 12M07 rose 23.3% in comparison with the 12M06.

The increase in net operating revenue reflects (i) the higher demand in the domestic and export markets; (ii) the integration of the new companies acquired in Argentina; (iii) the company's flexibility in distributing its products to the domestic and export markets, and (iv) the possibility of optimizing its results through the rational distribution of its production between fresh beef and industrialized products.

The highlight of the 4Q07 was the impressive performance in the export market, whose revenues were 63.0% higher than in the 4Q06 due to a combination of higher export volumes and higher prices.

Export revenue as a percentage of the Company's total net revenue rose from 54% in the 4Q06 to 60% in the 4Q07, while the domestic market accounted for 40% of net revenue in the 4Q07, against 46% in the 4Q06, as shown in the graphs below.

Net Revenue Distribution



Source: JBS

Gross Margin

As a result of the increased net operating revenue, gross profit rose 64.6%, from R$203.3 million in the 4Q06 to R$334.7 million in the 4Q07. As for gross margin, the company registered um increase of 3.1 p.p., from 22.3% in the 4Q06 to 25.4% in the 4Q07. In relation to the 3Q07, gross margin rose 1.9 p.p.

EBITDA

In the 4Q07, the Company’s EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) increased 48.1%, from R$134.5 million in the 4Q06 to R$199.1 million in the 4Q07. EBITDA margin rose 0.3 p.p., from 14.8% in the 4Q06 to 15.1% in the 4Q07.

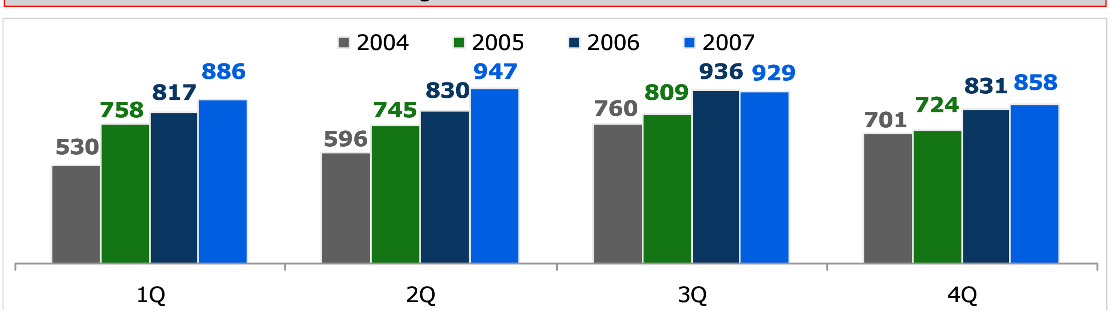
In 2007, EBITDA was R$692.5 million, a 22.6% growth over the 2006 number. EBITDA margin remained stable at 14.2%.

Cattle Slaughter Volume

In the 4Q07, the slaughter volume of JBS MERCOSUL increased 3.3%, totaling 858,000 heads compared to 831,000 heads in the same period in 2006.

Compared to the 3Q07, cattle slaughter volume decreased 7.6% according to the seasonal effect, as can be observed in the following graph showing the quarterly slaughter volume.

Cattle Slaughtered – Thousand Heads of Cattle



Slaughter volume in the twelve months of 2007 increased 6.1% in relation to the 12M06.

Currently, the total slaughter capacity of JBS is 18,400 heads/day in Brazil and 6,700 heads/day in Argentina, bringing the total to 25,100 heads/day in JBS MERCOSUL.

Vertical Analysis of the Operating Performance JBS MERCOSUL

R$ million	4Q07	%	4Q06**	%	3Q07	%	12M07	%	12M06**	%
Net Sales Revenue	**1,319.1**	***100.0%***	**911.0**	***100.0%***	**1,315.5**	***100.0%***	**4,891.9**	***100.0%***	**3,967.6**	***100.0%***
Cost of Goods Sold	-984.4	*-74.6%*	-707.6	*-77.7%*	-1,005.9	*-76.5%*	-3,709.2	*-75.8%*	-3,036.7	*-76.5%*
Gross Margin	**334.7**	***25.4%***	**203.3**	***22.3%***	**309.6**	***23.5%***	**1,182.7**	***24.2%***	**930.9**	***23.5%***
Selling Expenses	-117.1	*-8.9%*	-74.9	*-8.2%*	-115.7	*-8.8%*	-439.3	*-9.0%*	-347.3	*-8.8%*
General and Adm. Expenses	-40.7	*-3.1%*	-29.5	*-3.2%*	-41.1	*-3.1%*	-130.4	*-2.7%*	-105.5	*-2.7%*
Net Financial Income (Expenses)*	-68.5	*-5.2%*	-0.7	*-0.1%*	-171.8	*-13.1%*	-370.0	*-7.6%*	-204.1	*-5.1%*
Equity in Subsidiaries	-126.7	*-9.6%*	0.0	*0.0%*	-34.3	*-2.6%*	-161.0	*-3.3%*	0.0	*0.0%*
Amortization of Goodwill	-73.6	*-5.6%*	0.0	*0.0%*	-0.4	*0.0%*	-74.9	*-1.5%*	0.0	*0.0%*
Non-recurring Expenses	-14.8	*-1.1%*	0.0	*0.0%*	-1.7	*-0.1%*	-67.1	*-1.4%*	0.0	*0.0%*
Operating Income	**-106.9**	***-8.1%***	**98.3**	***10.8%***	**-55.4**	***-4.2%***	**-59.8**	***-1.2%***	**273.9**	***6.9%***
Non-Operating Income	-5.1	*-0.4%*	3.0	*0.3%*	-0.9	*-0.1%*	-5.2	*-0.1%*	-2.5	*-0.1%*
Taxes and Social Contribution	-23.4	*-1.8%*	-26.6	*-2.9%*	-24.7	*-1.9%*	-103.4	*-2.1%*	-92.3	*-2.3%*
Minority Interest	-0.7	*-0.1%*	1.2	*0.1%*	2.7	*0.2%*	3.5	*0.1%*	1.2	*0.0%*
Net Income	**-136.1**	***-10.3%***	**76.0**	***8.3%***	**-78.3**	***-6.0%***	**-165.0**	***-3.4%***	**180.3**	***4.5%***

(*) The net financial result and, consequently, the net loss was affected by exchange rate variation on investments made in foreign currencies to the amount of R$44.0 million for the 4Q07 and R$160.0 million for the 12M07. Currency variations do not have a cash effect on the Company, and as such, did not impact the EBITDA for the period. Excluding this effect, the Company would have registered a net loss of R$92.1 million for the 4Q07 and R$5.0 million for the 12M07.
(**) Pro-forma – excluding the results of the operations of the Hygiene and Cleaning division due to the partial spin-off carried out on December 31, 2006.

Cost of Goods Sold

The cost of goods sold increased 39.1%, from R$707.6 million in the 4Q06 to R$984.4 million in the 4Q07. The ratio of cost of goods sold to net revenue decreased from 77.7% in the 4Q06 to 74.6% in the 4Q07, mainly due to the company's strategy used to purchase raw material during the quarter.

Due to the increased cost of cattle acquisition, the Company, using the favorable geographic distribution of its plants and the market scenario, intensified the purchase of raw material from third parties for deboning and processing, motivated by the detachment between the cattle acquisition price and third party beef for deboning during the second half of the year.

Analyzing the annual results, the cost of goods sold in 2007 was R$3,709.2 million, increasing 22.1% compared to 2006.

Selling, General and Administrative Expenses

Selling expenses increased from R$74.9 million in the 4Q06 to R$117.1 million in the 4Q07 as a result of the (i) growth in the sales volume during the period and (ii) investments in the Company's marketing initiatives to promote and consolidate the Swift brand, especially its new line of products that had not been launched in the 3Q06. As a percentage of net operating revenue, selling expenses increased 0.7 p.p., from 8.2% in the 4Q06 to 8.9% in the 4Q07. Administrative expenses increased R$11.3 million compared to the 4Q06, representing 3.1% of the Company's net revenue in the 3Q07 and 3.2% in the 3Q06.

Selling, general and administrative expenses were R$569.7 million in 2007, representing 11.6% of the net revenue.

Net Financial Result

Net financial result for the 4Q07 was R$68.5 million negative, compared to R$0.7 million in the 4Q06. In 2007, the net financial result was R$370.0 million negative, impacted by the exchange variation on foreign currency investments. Both the American dollar and the Argentine peso suffered significant devaluation against the Brazilian *real* in the period between the investment date and the end of the fiscal year 2007. The dollar declined 7.9% against the *real*, and the Argentine *peso* fell 19.6% against the *real*.

Net Loss

Net loss of JBS MERCOSUL in 2007 was R$165.0 million, compared to a net income of R$180.3 million in 2006. In the 4Q07, net loss was R$136.1 million, compared to a net income of R$76.0 million in the 4Q06.

Considering the factors described in the explanatory notes 24 and 25 of the accounting statements and excluding the amounts relating to the exchange variation on permanent investments made in foreign subsidiaries, JBS' net loss in 2007 would be R$5.0 million.

Domestic Market JBS MERCOSUL

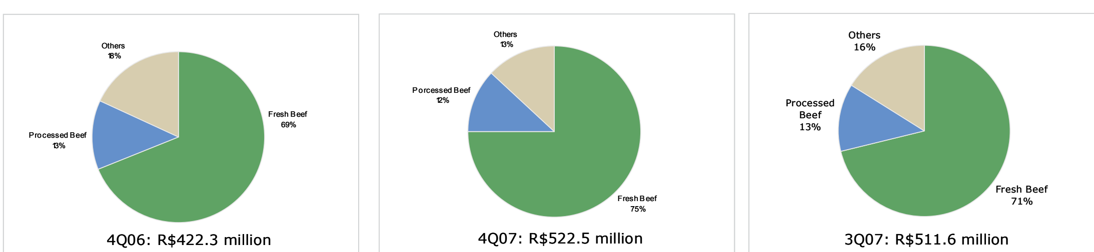
Domestic Market	4Q07	4Q06*	Var.% 4Q07/4Q06	3Q07	Var.% 4Q07/3Q07	12M07	12M06*	Var.% 12M07/12M06
Net Sales Revenue[1]								
Fresh and Chilled Beef	392.9	289.6	*35.7%*	362.8	*8.3%*	1,398.7	1033.0	*35.4%*
Processed Beef	64.8	56.3	*15.1%*	65.7	*-1.4%*	266.4	220.9	*20.6%*
Others	64.8	76.4	*-15.2%*	83.1	*-22.0%*	317.1	286.2	*10.8%*
TOTAL	**522.5**	**422.3**	***23.7%***	**511.6**	***2.1%***	**1,982.2**	**1,540.1**	***28.7%***
Volume[2]								
Fresh and Chilled Beef	150.5	122.9	*22.5%*	163.5	*-8.0%*	610.1	478.0	*27.6%*
Processed Beef	11.2	10.2	*9.5%*	11.2	*0.4%*	46.2	38.8	*19.1%*
Others	36.3	36.5	*-0.4%*	40.9	*-11.3%*	156.4	149.4	*4.7%*
TOTAL	**198.0**	**169.6**	***16.8%***	**215.6**	***-8.1%***	**812.7**	**666.2**	***22.0%***
Average Sales Price[3]								
Fresh and Chilled Beef	2.61	2.36	*10.8%*	2.22	*17.7%*	2.29	2.16	*6.1%*
Processed Beef	5.78	5.50	*5.1%*	5.88	*-1.8%*	5.76	5.69	*1.2%*
Others	1.78	2.10	*-14.9%*	2.03	*-12.1%*	2.03	1.92	*5.8%*
TOTAL	**2.64**	**2.49**	***6.0%***	**2.37**	***11.2%***	**2.44**	**2.31**	***5.5%***

(*) Pro-forma – excluding the results of the operations of the Hygiene and Cleaning division due to the partial spin-off carried out on December 31, 2006.
[1]In millions
[2]In thousands of tons
[3]In R$/Kg

In the 4Q07, JBS MERCOSUL's net revenue from the domestic market totaled R$522.5 million, 23.7% higher than in the 4Q06. This result was mainly due to the 16.8% growth in sales volume from 169,600 tons in the 4Q06, to 198,000 tons in the 4Q07, as well as a 6.0% increase in the average selling price in relation to the 4Q06.

Compared to the 3Q07, volume decreased 8.1% in the 4Q07, and domestic net revenue increased 2.1%, offset by the average price increase of 11.2%.

Net Revenue Distribution – Domestic Market



Source: JBS

In the 12M07, total net revenue increased 28.7% compared to the 12M06, and volume increased 22.0% in the same period.

The increase in the raw material cost noticed during 2007, reflects directly to beef sales price to customers which increased at an average of 5.5%.

This growth was mainly driven by (i) higher beef consumption in Brazil and Argentina fueled by the good performance of the local economy; (ii) greater allocation of volumes to the cuts market, which was more attractive than the international markets; (iii) the strong performance of higher value-added cuts sold under JBS brands such as Matturata, Cabaña Las Lilas and Organic Beef Friboi, and (iii) sales growth in Argentina due to the startup of operations of the Venado Tuerto and Pontevedra plants.

In the processed beef segment, the Company posted 9.5% growth in the sales volume in the quarter, from 10,200 tons in the 4Q06 to 11,200 tons in the 4Q07. In comparison with the 3Q07, processed beef volumes continued at the same level, while selling prices decreased 1.8%. In the 12M07, volumes increased by 19.1%, with average prices remaining stable compared to the 12M06. This result was mainly due to a higher consumption of the products sold by the Company, which has been investing heavily in the consolidation of its brands in the processed foods sector, as well as by the sales volumes of Swift's new product line.

Average price of processed beef rose 5.1% in the quarter, mainly on account of the product mix during the period, with increased sales of higher value-added products under the Swift and Anglo brands.

Export Market JBS MERCOSUL

Exports	4Q07	4Q06*	Var.% 4Q07/4Q06	3Q07	Var.% 4Q07/3Q07	12M07	12M06*	Var.% 12M07/12M06
Net Sales Revenue[1]								
Fresh and Chilled Beef	590.9	333.0	*77.4%*	592.0	*-0.2%*	2,105.2	1,744.8	*20.7%*
Processed Beef	205.7	155.6	*32.2%*	211.9	*-2.9%*	804.6	682.6	*17.9%*
TOTAL	**796.6**	**488.6**	***63.0%***	**803.9**	***-0.9%***	**2,909.7**	**2,427.4**	***19.9%***
Volume[2]								
Fresh and Chilled Beef	84.6	64.6	*30.9%*	71.6	*18.2%*	305.0	261.1	*16.8%*
Processed Beef	28.2	34.6	*-18.7%*	39.4	*-28.6%*	134.5	119.8	*12.3%*
TOTAL	**112.7**	**99.2**	***13.6%***	**111.0**	***1.6%***	**439.5**	**380.9**	***15.4%***
Average Sales Price[3]								
Fresh and Chilled Beef	6.99	5.16	*35.5%*	8.27	*-15.5%*	6.90	6.68	*3.3%*
Processed Beef	7.30	4.49	*62.6%*	5.38	*35.9%*	5.98	5.70	*5.0%*
TOTAL	**7.07**	**4.92**	***43.5%***	**7.24**	***-2.4%***	**6.62**	**6.37**	***3.9%***
Average Sales Price[4]								
Fresh and Chilled Beef	3.91	2.40	*63.3%*	4.31	*-9.3%*	3.54	3.07	*15.4%*
Processed Beef	4.09	2.09	*95.9%*	2.80	*45.9%*	3.07	2.62	*17.3%*
TOTAL	**3.96**	**2.29**	***72.9%***	**3.78**	***4.8%***	**3.40**	**2.93**	***16.1%***

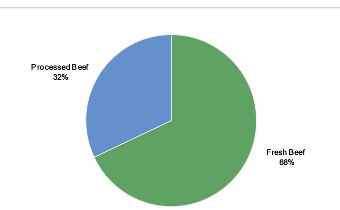
(*) Pro-forma – excluding the results of the operations of the Hygiene and Cleaning division due to the partial spin-off carried out on December 31, 2006.
[1]In millions
[2]In thousands of tons
[3]In R$/Kg
[4]In US$/Kg

Net export revenues increased 63.0% to R$796.6 million in the quarter, versus R$488.6 million in the 4Q06.

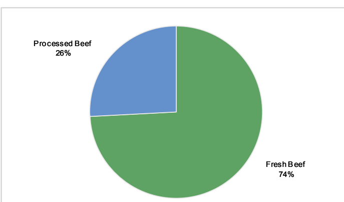
The increase in the quarter is explained by (i) the higher demand in the export market, (ii) the startup of operations of the Venado Tuerto and Pontevedra plants (iii) the increase in the average selling price and (iv) the optimization of revenue through products targeted at more profitable markets.

The increase in the average selling price in dollar terms was mainly driven by (i) a change in the product mix during the quarter, which favored sales of higher value-added cuts; (ii) the higher cost of raw materials in the period; and (iii) the variation of the Brazilian real against the U.S. dollar, which boosted prices in the international market.

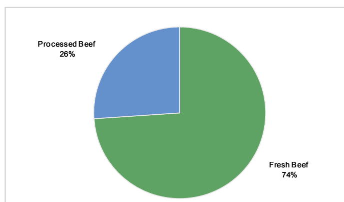
Net Revenue Distribution – Exports



4Q06: R$488.6 million



4Q07: R$796.6 million



3Q07: R$803.9 million

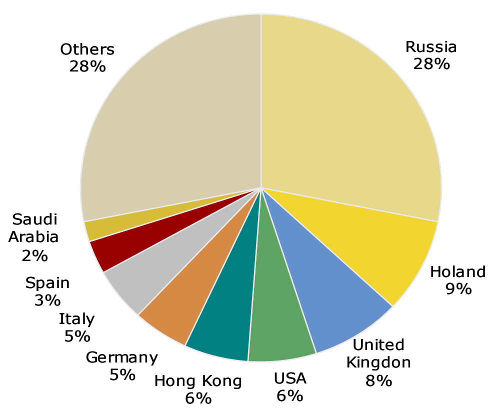
Source: JBS

In the 12M07, net export revenue grew 19.9% compared to the 12M06, driven by a 15.4% growth in volumes shipped and a 3.9% increase in average selling prices in *real* (R$).

With regard to the export volumes, the following factors can be highlighted:

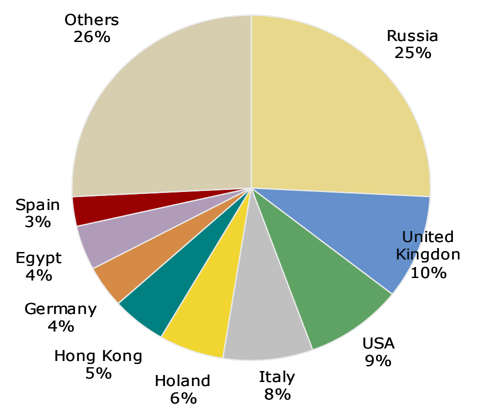
- Higher exports to the European Union, which has a product mix that favors higher value-added cuts;
- Higher demand in Russia and the Middle East.
- Increase in exports to growing markets such as Venezuela, Peru, Hong Kong, and Philippines.
- 16.8% growth in fresh beef exports and 12.3% growth in processed beef exports.

Export Destinations – 4Q07



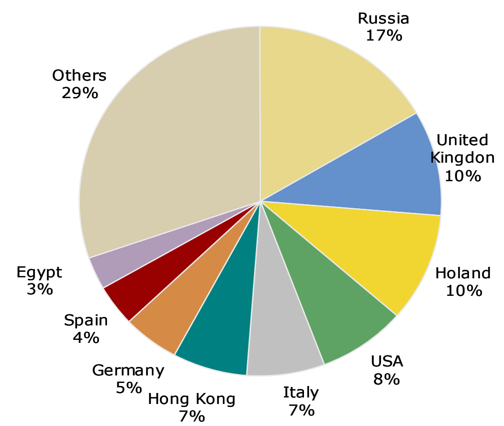
Source: JBS

Export Destinations– 4Q06



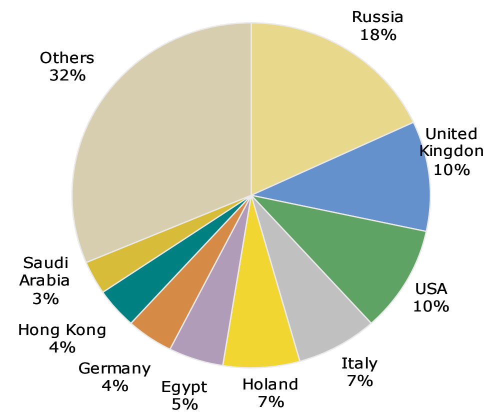
Source: JBS

Export Destinations– 12M07



Source: JBS

Export Destinations– 12M06



Source: JBS

CAPITAL EXPENDITURE

For the 4Q07, the Company's total capital expenditure on property, plant and equipment, including acquisitions (excluding Swift), totaled R$205.7 million. In 2007, these expenditures amounted to R$641.0 million.

During the year 2007, investments in projects include:

- Increasing the production capacity of its processed beef plant located in Andradina, São Paulo, from 30 tons to 100 tons per day. The expansion of this unit was concluded in the first half of October 2007 and is already in the operational phase;

- Increasing the slaughtering and debone capacity of the unit in Barra do Garças, Mato Grosso, from 1,300 heads/day to 2,500 heads/day. The first phase of the expansion has already been concluded and its current capacity is 2,000 heads/day;

- Increasing the slaughtering and debone capacity of the unit in Campo Grande, Mato Grosso do Sul from 1,300 heads/day to 3,000 heads/day;

- Increasing the slaughtering and debone capacity of the unit in Vilhena, Rondônia, from 900 heads/day to 2,200 heads/day;

- Acquisition of a cattle slaughtering plant in Maringá, Paraná, at a cost of R$80.0 million, with expected investments of R$10.0 million towards expansion.

- Construction of a new container terminal in Cubatão, São Paulo, for exports, with capacity to receive and store 240 containers. The terminal was inaugurated in October 2007;

- Other investments such as acquisition of new equipment and maintenance of production facilities.

ANALYSIS OF RESULTS - JBS USA, INC.

Reporting Basis for JBS USA

Prior to its acquisition by JBS, the subsidiary of Swift Foods Company, S&C Holdco 3, Inc., "sub-holding", the direct parent company of all operating companies, reported its results in accordance with the regulations of the U.S. Securities and Exchange Commission ("SEC"), with the fiscal year ending in May of each year and, in accordance with local industry practices, on a weekly basis, with each quarter comprising a 13- and/or 14-week period, and the fiscal year comprising 52 or 53 weeks, depending on the specific year. Swift Foods Company, the holding company for the entire group, did not report its results to the SEC.

Following the acquisition of Swift by JBS, the company's new management decided to (i) change its name from Swift Foods Company to JBS USA, Inc., (ii) alter the fiscal year so that it ends in the month of December, aligning it to the fiscal year of JBS, (iii) maintain the presentation of results on weekly basis, as described above, and (iv) change the external auditing firm of the company to Grant Thornton as of 7/11/2007, as to maintain a single external auditing company for the entire group.

Therefore, the results now consolidated at JBS consider the 173-day period beginning on July 11, 2007 and ending on December 30, 2007.

Considering that all the alterations described above resulted in a lack of comparability for the period consolidated at JBS, the following are being included below (i) revised results of JBS USA in Brazilian *real* and in BR GAAP for the 173 days between 07/11/07 and 12/30/07 and (ii) an enclosure ("Enclosure I") containing a comparison between the 90-day period ended on 09/23/07 and the 98-day period ended on 12/30/07, both in US GAAP and in US dollar.

With regard to item (ii) above, although the figures are in US GAAP and in US dollar, not fully reflecting the period for which results were consolidated at JBS, the qualifications and comments are valid and adequately reflect the variables that influenced the company's performance since the day of its acquisition by JBS.

Income Statement – JBS USA, Inc.

The table below shows the operating results of JBS USA, Inc., formerly Swift Foods Company ("Swift"), including its operations in the United States and Australia, revised, in BR GAAP and in Brazilian *real* (R$) for the period between 07/11/2007 and 12/30/2007.

R$ million	**07/11/2007 12/30/2007**	**%**
Net Sales Revenue	**9,249.6**	***100.0%***
Cost of Goods Sold	-8,899.9	*-96.2%*
Gross Margin	**349.7**	***3.8%***
Selling Expenses	-347.3	*-3.8%*
General and Adm. Expenses	-145.2	*-1.6%*
Net Financial Income (Expenses)	-33.2	*-0.4%*
Equity Accounting Income	0.0	*0.0%*
Other Operational Expenses	0.0	*0.0%*
Non-operational Result	16.4	*0.2%*
Taxes and Social Contribution	-1.5	*0.0%*
Minority Interest	0.0	*0.0%*
Net Income	**-161.0**	***-1.7%***
EBITDA	**-101.4**	***-1.1%***

Net revenue of JBS USA for the 173-day period between July 11, 2007 and December 30, 2007 totaled R$9,249.6 million. Gross margin for the period was 3.8% and net margin was a negative 1.7%. EBITDA totaled R$-101.4 million, with the EBITDA margin being -1.1%.

As previously mentioned, because of the lack of comparability between this period and the company's past results, comments on the operating performance of JBS USA and the division follow.

COMMENTS ON OPERATING PERFORMANCE – JBS USA, INC.

The table below shows the operating results of JBS USA, Inc., formerly Swift Foods Company ("Swift"), including its operations in the United States and Australia, revised, in US GAAP and in U.S. dollars (US$), during the last 13 weeks and 14 weeks ended on 09/23/07 and 12/30/07, respectively. Results for the last 13 weeks ended on 09/23/07 are pro-forma as they combine two distinct periods.

US$ million	**Dec. 30**	%	**Sep. 23**	%	Var. US$	Var. %
Net Sales Revenue	2,871.4	***100.0%***	2,588.2	***100.0%***	**283.2**	***10.9%***
Cost of Goods Sold	-2,902.5	***-101.1%***	-2,571.7	***-99.4%***	-330.8	***-12.9%***
Gross Margin	**-31.1**	***-1.1%***	**16.5**	***0.6%***	**-47.6**	***-288.5%***
Selling, General and Adm. Expenses	-35.7	***-1.2%***	-35.3	***-1.4%***	-0.4	***-1.1%***
Net Financial Income (Expenses)	-12.5	***-0.4%***	-27.7	***-1.1%***	15.2	***-54.9%***
EBITDA	**-41.1**	***-1.4%***	**3.8**	***0.1%***	**-44.9**	***-1181.6%***

Net Revenue

Net revenue for the 14 weeks ended on 12/30/07 increased $283.2 million, or 10.9%, when compared to the 13 weeks ended 09/23/07, primarily reflecting an additional production week in the fourth quarter of 2007, coupled with an overall 7.7% increase in selling prices.

The increased selling price includes relatively flat US beef prices, a 15.6 % decrease in pork prices offset by a 20.0% increase in Australian beef prices – including a 5.1% appreciation of the Australian dollar against the US dollar.

The volume growth in the US resulted from an additional operating week in the fourth quarter of 2007 and includes an 11.6% increase in sales volumes of American Beef, a 24.2% increase in pork price, partially offset by a 3.7% decrease in sales volume in Australia due to the seasonal closure of the Australian plants in mid-December each year.

Cost of Goods Sold

Cost of goods sold increased $330.8 million, or 12.9%, for the 14 weeks ended on December 30, 2007, compared to the 13 weeks ended on September 23, 2007 including the impact of an additional production week in the fourth quarter of 2007.

The increase in the cost of goods sold is composed of (i) a 17% increase in the US Beef division as a result of the 5.8% rise in cattle prices, offset by a 1.1% decrease in operating expenses, (ii) a 0.7% growth in the pork division, offset by a 23.4% decline in hog prices, and (iii) an 11.3% growth in Australia as a result of a 17.2% increase in Australian cattle prices, partially offset by a 1.7% decrease in operating expenses.

Gross Margin

Gross margin of JBS USA was -1.1% for the 14 weeks ended December 30, 2007, compared to 0.6% for the 13 weeks ended September 23, 2007.

Gross margin percentages overall declined 1.7p.p, driven by a 5.3% decline in the US beef division, partially offset by a 3.9% margin improvement in pork and a 3.6% margin improvement in Australia.

The decline in US beef margins was due to the significantly lower industry-wide meat margins, impacting the company with a $ 95 million decline in margin in the fourth quarter, as prices of live cattle remained high while carcass values declined.

Improvements in US pork division were due to the improved pork margins in the fourth quarter and improvements in the Australia division were largely due to favorable cattle availability prior to the plants' annual operational shutdown in December.

Selling, General and Administrative Expenses

Selling, general, and administrative expenses were $35.7 million for the 14 weeks ended December 30, 2007, compared to $35.3 million for the 13 weeks ended September 23, 2007. These expenses increased by $0.4 million, or 1.1%, when compared to the previous year.

The fourth quarter includes approximately $2.5 million of management incentive expenses, while the third quarter did not include any such expenses as well as the additional operating week when compared to the prior quarter. These expenses were offset by the $0.8 million decrease in professional fees due to reductions in audit fees and oversight fees paid to the company's previous owners, a reduction of $0.7 million in bad debt expense, and a $0.9 million decrease in the one-time costs associated with a retention agreement in place to ensure continuity of certain managerial positions for a period of up to 6 months after the acquisition of Swift. This expense was accrued over the service period from May through December 2007 and was not renewed following its expiration and was paid in January 2008.

Net Financial Result

Net financial result for the 14 weeks ended December 30, 2007 was $12.5 million, compared to $27.7 million for the 13 weeks ended September 23, 2007. The decrease of $15.2 million was mainly driven by the Company's lower debt levels and its new capital structure following the conclusion of the acquisition of Swift by JBS on July 11, 2007. Besides that, there was an inclusion in the quarter ended September 2007 of approximately US$12.0 million related to the costs and commissions associated with financing contracted for the acquisition of Swift that ended up not being used given the final capital structure for the acquisition. Note that these costs were already included in the total acquisition cost and, in accordance with US GAAP, should be expensed on day one rather than being amortized over time.

EBITDA

As a result of the operating aspects commented above, EBITDA for the 14 weeks ended 12/30/07 totaled US$-41.1 million, compared to US$3.8 million for the 13 weeks ended on 09/23/07. EBITDA margin was -1.4% and 0.1%, respectively.

ANALYSIS OF RESULTS BY DIVISION

Main Operating Indicators

Operating Results[1]	Dec. 30	Sep. 23	Variance US$	Variance in Revenue	Variance in Head Kill %	Variance in Average Price %
Net Revenue[2]						
Swift - Beef	1,751.4	1,576.5	*174.9*	*11.1%*	*11.6%*	*-0.5%*
Swift - Pork	598.2	570.3	*27.9*	*4.9%*	*24.2%*	*-15.6%*
Swift - Australia	594.9	515.5	*79.4*	*15.4%*	*-3.7%*	*20.0%*
Corporate and Others	-73.1	-74.1	*1.0*	*-1.4%*	-	-
TOTAL	**2,871.4**	**2,588.2**	***283.2***	***10.9%***	***18.7%***	***7.7%***
EBITDA[2]						
Swift - Beef	-101.6	-10.3	*-91.3*	*-882.5%*	-	-
Swift - Pork	40.5	15.4	*25.1*	*162.3%*	-	-
Swift - Australia	20.0	-1.3	*21.3*	*1661.3%*	-	-
Corporate and Others	-	-	-	-	-	-
TOTAL	**-41.1**	**3.8**	***-44.9***	***-1174.5%***	**-**	**-**
EBITDA Margin						
Swift - Beef	-5.8%	-0.7%	-	-	-	-
Swift - Pork	6.8%	2.7%	-	-	-	-
Swift - Australia	3.4%	-0.2%	-	-	-	-
Corporate and Others	-	-	-	-	-	-
TOTAL	**-1.4%**	**0.1%**	**-**	**-**	**-**	**-**

[1]Last 14 and 13 weeks ended 12/30/07 and 09/23/07, respectively, in US$ and US GAAP
[2]In millions of US$

Beef – United States

Net Revenue

Net revenue from the US beef division was $1,751.4 million for the 14 weeks ended December 30, 2007, compared to $1,576.5 million for the 13 weeks ended September 23, 2007. The revenue growth of $174.9 million, or 11.1%, reflects the additional production week with nominally lower selling prices on 11.6% higher volumes.

Gross Margin

Gross margin of the US beef division was -5.5% for the 14 weeks ended December 30, 2007, compared to -0.2% for the 13 weeks ended September 23, 2007. The negative gross margins were attributable to significantly lower industry-wide beef margins due to high prices of live cattle.

EBITDA

EBITDA of the US beef division was a negative $101.6 million for the 14 weeks ended December 30, 2007, compared to negative $10.3 million for the 13 weeks ended September 23, 2007. The decrease in the EBITDA reflects an 11.1% increase in net sales made up of nominally lower selling prices, coupled with a 11.6% volume increase noted above, offset by 5.8 % higher unitary costs of raw material.

Beef margin declined $95 million from the 13 weeks ended on 09/23/07, due to the high cattle costs and lower carcass values.

Higher freight costs, driven by record diesel prices and associated fuel surcharges from third-party carriers, negatively impacted EBITDA in the fourth quarter compared to the previous quarter.

However, several cost categories showed significant improvement in the quarter, including lower supply expenses and labor expenses due to significantly lower overtime as employees have regained their production skills and are able to accomplish more during the regular shift hours, returning close to pre-ICE raid levels. Besides, due to the de-layering of management, expenses with salaries fell in the fourth quarter.

Selling, general, and administrative expenses increased $0.5 million, or 2.9%, higher than the previous quarter primarily due the additional week in the quarter as well as the inclusion in the current quarter of management incentive amounts, partially offset by reductions in salaries as a result of corporate restructuring at the head office, and professional fees including audit fees and legal expenses.

Pork – United States

Net Revenue

Net revenue of the US pork division was $598.2 million for the 14 weeks ended December 30, 2007, compared to $570.3 million for the 13 weeks ended September 23, 2007. The increase of $27.9 million, or 4.9%, reflects the 24.2% increase in production volume partially offset by a 15.6% reduction in selling prices and an additional operating week in the fourth quarter. The decrease in selling prices was due to than stronger than normal industry-wide seasonal production of pork.

Gross Margin

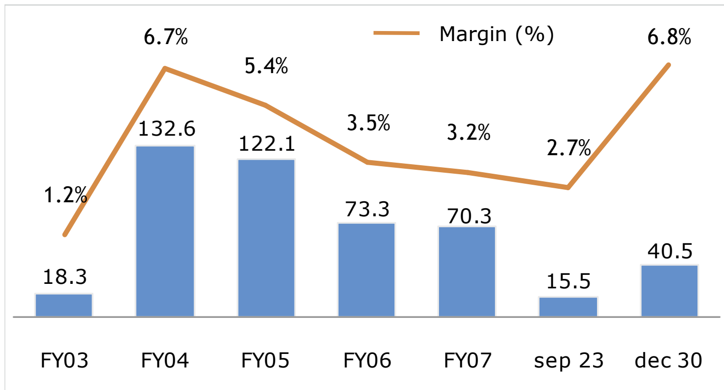
Gross margin of the pork division was 7.9% for the 14 weeks ended December 30, 2007, and 4.0% for the 13 weeks ended September 23, 2007. The increase in gross margin percentage reflects a 23.4% reduction in raw material cost partially offset by a 15.6% reduction in selling prices on 24.2% higher volumes.

EBITDA

EBITDA of the US pork division was $40.5 million for the 14 weeks ended December 30, 2007, compared to $15.4 million for the 13 weeks ended September 23, 2007. The increase of $25.1 million, or 162.3%, resulted from a 24.2% increase in sales volume, partially offset by lower selling prices, combined with a 23.4% reduction in hog prices due primarily to derivative gains and overall market conditions.

Production costs were higher, driven by slightly higher warehousing costs, increases in salaried labor due to the inclusion of a management incentive accrual in the fourth quarter, higher overtime due to seasonally high production levels, and utilities costs due to high natural gas prices.

Pork EUA
EBITDA (US$ million) & EBITDA margin



Source: Swift Foods 10K, JBS

The pork division in USA presented in the 4Q07 its largest EBITDA margin in the last 5 years.

Beef – Australia

Net Revenue

Net revenue of the Australia division was $594.9 million for the 14 weeks ended December 30, 2007, compared to $515.5 million for the 13 weeks ended September 23, 2007. The increase in net revenue of $79.4 million, or 15.4%, reflects 20% higher selling prices on 3.7% lower volume as well as an additional operating week in the fourth quarter. Selling prices, about 80% of which are priced in US dollars, were higher to compensate the 5% appreciation of the Australian dollar against the US dollar.

The profitability of the grass-fed operation is largely driven by weather conditions, by the margin between cattle price and selling price, especially when there is abundant supply of livestock. Australia continues to witness abnormal rainfall patterns, which impacts the grass-fed operation business.

In addition, on the grain-fed side of the business, high corn prices coupled with the high Australian dollar against the US dollar, made pass-through of these costs to Japanese customers, who usually buy in US dollars. The Company has been quite successful in recent weeks in explaining to customers that increased grain prices have driven our production costs much higher in the grain-fed division and there has been some willingness to accept higher prices, despite the negative impact on volumes sold. In the last quarter of 2007, the volume declined in the grass-fed operation due to the annual seasonal closure of the plants for the holiday shutdown.

Gross Margin

Gross margin in the Australia division was 2.9% in the 14 weeks ended December 30, 2007, compared to -0.7% for the 13 weeks ended September 23, 2007, due to the increases in selling prices and reduction in operating costs more than offsetting higher livestock costs.

EBITDA

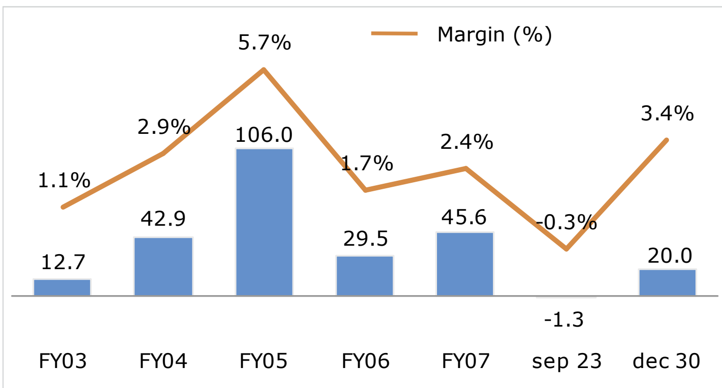
EBITDA of the Australia division was $20.0 million for the 14 weeks ended December 30, 2007, compared to a negative $1.3 million for the 13 weeks ended September 23, 2007. The increase of

$21.3 million, or 1,661.3%, was a result of the 5% appreciation of the Australian dollar against the US dollar.

In the grain-fed business, the increased selling prices of products and higher slaughter volumes contributed to offsetting the higher cost of grains used in the cattle feeding operation.

In addition, EBITDA was negatively impacted by the increase in the grass-fed cattle cost of acquisition due to lower cattle volumes available for slaughter, besides higher freight expenses as a result of high oil prices, higher packaging costs, production maintenance and electricity costs.

Beef Australia
EBITDA (US$ million) & EBITDA margin



Source: Swift Foods 10K, JBS

EBITDA margin in the 4Q07 of the beef division in Australia was its second highest EBITDA in the last 5 years.

NORMALIZATION OF EBITDA FOR THE PERIOD

As a result of the acquisition by JBS, we incurred certain one-time non-recurring costs which were recognized in the income statement for the quarter ended December 30, 2007 including managerial retention expenses.

In addition, as a result of the restructuring implemented by JBS, various expenses were reduced, such as SG&A and water treatment expenses. Moreover, since taking over the management, JBS has been working to improve the operational efficiency in aspects like beef yield and the Australian sales model. As a part of these initiatives was completed during the 14 weeks ended on December 30, 2007, the benefits of such initiatives will be realized in the upcoming quarters.

Finally, the ramp up of the Greeley beef plant to a second production shift and the operational improvements in other plants resulted in higher salaries, loss of profitability, inventory and freight costs, etc. However, the costs were incurred before the benefits of increased production were obtained.

Adjusted EBITDA[1]	**Dec. 30**
EBITDA[2]	
Swift - Beef	-101.6
Swift - Pork	40.5
Swift - Australia	20.0
Corporate and Others	-
TOTAL	**-41.1**
Adjustments:	
Non-recurring Expenses – Retention Plan[3]	1.5
Expenses Reductions - JBS USA[4]	1.8
14 weeks compared to 13 weeks[5]	2.3
Costs – Increase in Production[6]	31.8
Beef US meat margin normalization[7]	95.4
Yield improvements subsequent to acquisition[8]	3.2
Subtotal	**136.0**
Adjusted EBITDA	**94.9**
margin EBITDA	*3.3%*

(1) Last 14 weeks ended 12/30/2007 in US GAAP and in US$;
(2) In millions of US$;
(3) Non-recurring expenses associated with the employee retention plan;
(4) Permanent reduction in selling, general and administrative expenses obtained so far by JBS USA;
(5) The quarter ended in December contained 14 weeks and the quarter ended in September contained 13 weeks;
(6) Costs associated with the higher production, the benefits of which will only be captured in the coming quarters;
(7) US beef margins were lower than historical levels during the quarter ended December 30, 2007;
(8) Improvements in product yields occurring after the acquisition date.

RECENT EVENTS

The European Union Restriction

The European Union (EU) suspended imports of fresh beef from Brazil at the end of January 2008, when it started more rigorous controls over the traceability of animals and stricter import rules. The decision was taken after European and Brazilian authorities failed to reach an agreement on the number of rural properties that could be certified to sell the Brazilian products to the European market.

Initially Brazil submitted a list of more than 2,600 agricultural properties, which was rejected by the EU as it considered that only around 300 properties would comply with its requirements. A second list of around of 600 farms too was rejected by the EU, which requested a new list and sent an inspection team to Brazil.

On February 27, 2008, the EU authorized imports of seasoned and deboned beef from 106 Brazilian properties. Suspension on other properties remains, but it is believed that, by the end of 2008, more properties will gradually be released depending on the audits to be conducted by the Brazilian government.

For JBS, the increased controls imposed by the EU and the reduction in the number of properties authorized to raise cattle that meet European stands, directly affects export volumes of fresh beef, besides contributing to the increase in the prices per tonne of fresh beef, and increase the demand and prices of processed products in Mercosul.

Continuing its policy of constant expansion and keenly watching the global trends, JBS operates in a pioneering and strategic manner so that its results are not compromised in an unfavorable industry scenario. With its production and distribution units strategically located in Brazil, Argentina, USA, Australia, Italy, Russia and Africa, with 100% access to the world beef market, JBS proves its efficacy and sound condition during all the challenging moments arising from business and sanitary restrictions, as it can serve its customers efficiently.

The strategy of geographical distribution is also allied to its large production capacity for processed beef, which does not have any health restriction. The Company is the industry leader and thus maintains its sales volumes while acquiring customers and markets in this scenario of EU restrictions.

Acquisition of Inalca and Montana Alimentari

On March 03, 2008, JBS concluded the acquisition in a total amount of 225 million Euros (US$331.1 million) of 50% of "Inalca", absolute leader in Italy and one of the main European operators in the processing of beef. The other 50% of Inalca remains with Cremonini S.p.A., the Italian company that operates in three business areas: production, distribution and supply. The transaction includes the acquisition of Montana Alimentari.

The strategic alliance between JBS and Inalca will generate significant synergies between the products and sales channels, considering their leadership in their respective markets – JBS, with production plants and distribution channels in South America, United States and Australia, and Inalca, with presence in Europe, Russia and Africa.

For JBS, the transaction represents higher penetration in Eastern Europe, the opportunity to access new markets and clients that include large multinationals in the fast food sector, processed food producers, large retail chains and foodservice companies. It will also provide access to Inalca's widely recognized state-of-the-art production technologies and to higher value added products sold under the Montana brand.

For Inalca, the transaction guarantees privileged access to the world's main beef supply sources, besides strengthening the global control of the entire supply chain.

Acquisitions of National Beef, Smithfield Beef and Tasman

On March 04, 2008, JBS concluded the negotiations to acquire National Beef Packing Company, LLC ("National Beef"), Smithfield Beef Group, Inc. ("Smithfield Beef") and the Tasman Group, including Tasman Group Services Pty Ltd and the Industry Park Pty Ltd ("Tasman"). With these acquisitions, JBS enhances its global presence in the beef sector and strengthens its leadership in the global market.

As part of JBS' globalization strategy, the acquisition of National Beef, Smithfield Beef and Tasman, in the amount of US$1.68 billion, represents an important step in the conclusion of the Company's business plan for the building of a sustainable beef slaughtering, production and trading platform in the USA and Australia, process initiated in July 2007 with the acquisition of Swift & Co. With these acquisitions, if realized, JBS intends to create synergy gains among all its companies in the USA, resulting in annual cost reduction of around US$132 million.

Once the acquisitions are concluded, JBS will have more than 63,000 employees in the world, and 120 production and distribution plants located in Brazil, Argentina, USA and Australia, with annual revenue of approximately US$21.5 billion. The daily slaughter capacity will be 79,200 heads of cattle, equivalent to 10% of the global market, and 48,000 swine heads/day.

To conclude the acquisitions, a private placement of new shares shall be made, in the approximate amount of R$ 2.55 billion, at an issuance price of R$ 7.07 per share.

The acquisitions will increase JBS' capacity to meet its clients' specific demands and shall generate economies of scale and operational efficiencies, thereby adding value to its shareholders. After the conclusion of these operations, JBS will focus on improving efficiency, capturing synergies and growing organically with the strategic objective of creating value for its shareholders, customers, suppliers and employees.

The conclusion of the three acquisitions (National Beef, Smithfield Beef and Tasman) depends on the fulfillment of certain prior conditions, typical in such transactions, which include approval by government authorities.

(For more information about the acquisitions, check the Fact Sheets presentation available in the JBS Investor Relations website: www.jbs.com.br/ri).

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FINANCIAL STATEMENTS – JBS S.A. CONSOLIDATED

JBS S.A.

Balance sheets as of December 31, 2007 and 2006

In thousand of Reais	Company		Consolidated	
	2007	2006	2007	2006
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	**109,221**	54,375	**323,709**	68,629
Short-term investments	**760,563**	145,346	**1,057,994**	192,442
Trade accounts receivable, net	**444,218**	665,782	**1,236,148**	692,819
Inventories	**604,225**	563,935	**1,511,595**	657,504
Recoverable taxes	**351,677**	424,941	**482,918**	567,264
Prepaid expenses	**4,388**	1,936	**44,468**	2,956
Other current assets	**30,612**	43,494	**102,910**	68,938
TOTAL CURRENT ASSETS	**2,304,904**	**1,899,809**	**4,759,742**	**2,250,552**
NON-CURRENT ASSETS				
Long-term assets				
Credits with related parties	**60,306**	67,523	**17,461**	-
Judicial deposits and others	**8,249**	4,742	**41,443**	5,626
Deferred income taxes	**16,251**	16,050	**23,758**	23,492
Recoverable taxes	**31,442**	24,129	**44,205**	34,752
Total long-term assets	**116,248**	**112,444**	**126,867**	**63,870**
Permanent assets				
Advances for investments in subsidiaries	**-**	35,051	**-**	-
Investments in subsidiaries	**2,149,919**	367,822	**829,975**	-
	10	10	**10**	10
Property, plant and equipment, net	**1,328,015**	899,176	**2,536,098**	1,125,218
Intangible assets, net	**9,615**	9,615	**195,513**	25,187
Total Permanent assets	**3,487,559**	**1,311,674**	**3,561,596**	**1,150,415**
TOTAL NON-CURRENT ASSETS	**3,603,807**	**1,424,118**	**3,688,463**	**1,214,285**
TOTAL ASSETS	**5,908,711**	**3,323,927**	**8,448,205**	**3,464,837**

The accompanying notes are an integral part of the financial statements

JBS S.A.

Balance sheets as of December 31, 2007 and 2006

In thousand of Reais	Company		Consolidated	
	2007	2006	2007	2006
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Trade accounts payable	**355,510**	271,460	**1,099,385**	309,294
Loans and financings	**858,975**	579,128	**2,384,836**	653,638
Payroll and social charges	**93,158**	73,142	**203,613**	84,447
Declared dividends	**17,465**	-	**17,465**	-
Other current liabilities	**50,294**	41,545	**70,536**	51,886
TOTAL CURRENT LIABILITIES	**1,375,402**	**965,275**	**3,775,835**	**1,099,265**
NON-CURRENT LIABILITIES				
Loans and financings	**1,341,313**	2,039,977	**1,364,800**	2,039,977
Deferred income taxes	**59,642**	62,665	**99,755**	62,665
Provision for contingencies	**45,979**	47,207	**55,681**	53,005
Other non-current liabilities	**31,787**	25,758	**101,702**	26,471
TOTAL NON-CURRENT LIABILITIES	**1,478,721**	**2,175,607**	**1,621,938**	**2,182,118**
MINORITY INTEREST	**-**	**-**	**(4,156)**	**409**
SHAREHOLDERS' EQUITY				
Capital stock	**1,945,581**	52,524	**1,945,581**	52,524
Capital reserve	**985,664**	-	**985,664**	-
Revaluation reserve	**123,343**	130,521	**123,343**	130,521
TOTAL SHAREHOLDERS' EQUITY	**3,054,588**	**183,045**	**3,054,588**	**183,045**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5,908,711**	**3,323,927**	**8,448,205**	**3,464,837**

The accompanying notes are an integral part of the financial statements

JBS S.A.

Statements of income for the years ended December 31, 2007 and 2006

In thousand of Reais	Company		Consolidated	
	2007	2006	2007	2006
GROSS OPERATING REVENUE				
Sales of products:				
Domestic Sales	**2,118,600**	2,069,887	**8,974,879**	2,244,856
Foreign Sales	**2,321,456**	2,264,048	**5,752,224**	2,504,195
	4,440,056	**4,333,935**	**14,727,103**	**4,749,051**
SALES DEDUCTIONS				
Returns and discounts	**(191,932)**	(105,629)	**(273,556)**	(139,799)
Sales taxes	**(252,282)**	(272,097)	**(311,976)**	(307,570)
	(444,214)	**(377,726)**	**(585,532)**	**(447,369)**
NET SALE REVENUE	**3,995,842**	**3,956,209**	**14,141,571**	**4,301,682**
Cost of goods sold	**(2,915,674)**	(3,028,650)	**(12,609,093)**	(3,248,543)
GROSS INCOME	**1,080,168**	**927,559**	**1,532,478**	**1,053,139**
OPERATING INCOME (EXPENSE)				
General and administrative expenses	**(74,188)**	(107,792)	**(275,594)**	(154,387)
Selling expenses	**(374,469)**	(404,271)	**(786,630)**	(437,857)
Financial income (expense), net	**(276,283)**	(279,297)	**(403,113)**	(247,145)
Equity in subsidiaries	**(276,591)**	69,804	**-**	-
Goodwill amortization	**(74,824)**	-	**(74,853)**	-
Non-recurring expenses	**(67,082)**	-	**(67,082)**	-
	(1,143,437)	**(721,556)**	**(1,607,272)**	**(839,389)**
OPERATING INCOME (LOSS)	**(63,269)**	**206,003**	**(74,794)**	**213,750**
NON-OPERATING INCOME (EXPENSE), NET	**(171)**	(791)	**11,206**	(2,569)
INCOME (LOSS) BEFORE TAXES	**(63,440)**	**205,212**	**(63,588)**	**211,181**
Current income taxes	**(101,793)**	(62,384)	**(107,104)**	(72,997)
Deferred income taxes	**201**	16,050	**2,201**	19,482
	(101,592)	**(46,334)**	**(104,903)**	**(53,515)**
INCOME (LOSS) BEFORE MINORITY INTEREST	**(165,032)**	**158,878**	**(168,491)**	**157,666**
Minority interest (expense) income	**-**	-	**3,459**	1,212
NET INCOME (LOSS)	**(165,032)**	**158,878**	**(165,032)**	**158,878**
NET INCOME (LOSS) PER SHARE	**(153.18)**	**3.02**		
Statement of EBITDA (Earnings before income taxes, interest, depreciation and amortization and non-operating income (expense), net				
Income (loss) before taxes	**(63,440)**	205,212	**(63,588)**	211,181
Financial income (expense), net	**276,283**	279,297	**403,113**	247,145
Depreciation and amortization	**56,626**	66,775	**120,807**	86,916
Non-operating income (expense), net	**171**	791	**(11,206)**	2,569
Equity in subsidiaries	**276,591**	(69,804)	**-**	-
Non recurring expenses	**67,082**	-	**67,082**	-
Goodwill Amortization	**74,824**	-	**74,853**	-
AMOUNT OF EBITDA	**688,137**	**482,271**	**591,061**	**547,811**

The accompanying notes are an integral part of the financial statements

The forward-looking statements presented herein are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of our management, and on information currently available to us.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur. Our future operating results, financial condition, strategies, market share and values may differ materially from those expressed in or suggested by these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict.

Forward-looking statements also include information concerning our possible or assumed future operating results, as well as statements preceded by, followed by, or including the words ''believes,'' ''may,'' ''will,'' ''continues,'' ''expects,'' ''anticipates,'' ''intends,'' ''plans,'' ''estimates'' or similar expressions.