



## **JBS Ends 2011 as the Most Internationalized Company and the Largest Brazilian Multinational in the Food Sector**

The world's leading animal protein processor, in 2011 JBS stood as the main food company in Brazil, consolidating its global operations and investing to add even more value to its products. With over 125,000 employees, the Company currently operates in the beef, pork, poultry and sheep segments, as well as milk and dairy and production and marketing of hides and leather, collagen, biodiesel and transportation. Present in 100% of consumer markets, JBS has 134 production units worldwide.

"2011 was a very important year for JBS. We carried out an intensive consolidation and rationalization process in our leather and beef production units, which will result in gains of over R\$ 200 million in 2012. Another important fact was the capture of 80% of the Bertin operation's synergies", said Wesley Batista, President of the Company.

With operations in Australia, United States, Italy, Uruguay, Argentina, Mexico, China and others, JBS also intensified the exchange of best practices among its subsidiaries in order to improve their processes. In recent years, the Company has concentrated its efforts in structuring its shared services areas (finances, treasury, accounting, IT, HR, legal department, international logistics and purchasing of several materials), exports, operational activities, among others, in an independent manner within each of its production platforms (JBS USA, JBS Mercosul and Australia), with a view to reducing costs and gaining efficiency. "We now begin a new phase in which we will identify global opportunities to integrate some of these services and speed up the sharing of some activities more efficiently", he adds.

For 2012, the expectation is that with a more competitive operation in Mercosul and in the US, as the figures indicate, results tend to be better than those registered throughout 2011. "For 2012, we forecast better results due to synergy gains and the adjustments made in our chicken production unit in the USA. In doing this, we believe it is possible to continue to grow in an organized and sustainable manner", says Batista.

Also in Brazil, 2011 was marked by the restructuring of the Company's beef brands. This process will last five years and will gradually concentrate the Company's product portfolio under its two main brands: Friboi and Swift. This strategy also comprises the innovation of putting a brand on fresh beef, which is a product commonly perceived as a commodity. The restructuring also includes the largest communication plan in the history of the Brazilian fresh beef value chain. "We launched the first advertisement campaign in JBS' history and in the history of the Brazilian beef production chain", says Batista. "We are also working to add more value to our products, reinforcing their quality and repositioning our brands", says the executive.

Regarding sustainability, JBS is extremely careful in order to guarantee the monitoring of all the raw materials used by the Company. In Brazil, 100% of its slaughter is georeferenced, and purchases made within the Amazon biome undergo satellite monitoring in order to ensure that animals do not come from deforested areas.

In Brazil, the Company has four business divisions: Beef, Dairy, Leather and New businesses

### **Beef**

JBS' beef division in Brazil has been through important changes in 2011, with the beginning of the process of migration of its more than 50 brands to only two, Swift and Friboi. Another milestone was the investment in higher value-added products, such as hamburgers, hams and portioned cuts of fresh beef under the Friboi brand.

"The division's goal is to post revenue growth of 50% in industrialized products, 50% in deep frozen products and 30% in branded fresh beef",

explains Renato Costa, president of the beef division in Brazil.

Sales growth in 2011 is forecast around 20% in comparison to 2010. The division currently has 27 thousand employees, 34 production units and five feedlots, which receive up to 350 thousand head of cattle per year. Production is distributed to 120 thousand clients through 13 distribution centers.

#### Dairy

Third largest dairy processor in Brazil, Vigor is preparing for a new market position in the second quarter of 2012, with the challenge to post revenues of R\$ 5 billion by 2015. "Now is the time to grow, as the consumer's purchasing power increases. Vigor has been in the market for 70 years and holds traditional brands such as Vigor, Leco, Danubio, Faixa Azul and Serra Bela. "In 2012, we will increase the perception of value in our products, with investments in innovation and communication." Says Gilberto Xandó, president of Vigor. "Another important fact is the launching of 30 new products during the next 24 months. We will improve our sales and distribution systems in order to facilitate access of these new products to the consumer." Says Xandó.

Currently, the division has over 3 thousand employees in seven production units, with a receiving capacity of 21 million liters of milk per month. The division's products reach 20 thousand clients monthly.

#### Leather

In 2011, JBS' leather division invested US\$ 60 million in its processing units in Cascavel (state of Ceará), Itumbiara (Goiás), Lins (São Paulo) and Uberlândia (Minas Gerais). "With these investments we will increase our capacity and focus our attentions on higher value-added products, such as finished and semi-finished leather", says Roberto Motta, president of the leather division.

JBS Couros is currently the world's largest leather processor and exporter and will end 2011 with revenues 20% higher than those registered in 2010. The more than seven thousand employees are distributed among the nine wet-blue production units and the five finished and semi-finished leather units. "We have capacity to transform 35 thousand tons of hides in 4.5 million square meters of finished and semi-finished leather per month", says Motta.

#### New Businesses

With 4 thousand employees and an expectation to grow 12% in 2011, JBS' New Businesses division has the intention to expand its recycling area. Currently, the Company develops recycled products from industrial residues, which serve as raw material to various segments of the domestic industry. "Our intention is to invest in order to allow for all JBS' units residues to be collected, transformed and marketed, reinforcing the Company's sustainability and, at the same time, monetizing the operation", says Nelson Dalcanale, president of the New Businesses division.

Besides the recycling plant, the New Businesses unit holds nine other industrial plants destined to produce biodiesel, collagen, cans and casings. It also comprises the transportation unit, which is responsible for the distribution of JBS' products throughout the country and the transportation of containers to the export ports.

#### About JBS

Largest Brazilian multinational food company, JBS is world leader in beef processing. With over 125 thousand employees in 10 countries, the Company has 134 production units and operates in the beef, pork, poultry, sheep and dairy segments, as well as production and commercialization of leather, collagen, biodiesel and transportation. Present in 100% of consumer markets, JBS is the world's largest animal protein exporter, selling to 110 countries. In 2011, it was considered the most internationalized Brazilian company by Sobbet (Brazilian Society for the Study of Transnational Companies and the Globalized Economy).

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