

# Conference Call – Results 2Q07

*August 16, 2007*



## Presenters



**Joesley Mendonça Batista**

CEO

**José Paulo Macedo**

Director

**André Gustavo Menezes**

Investor Relations Manager



## Period Overview

- We continued with our strategy of growing slaughtering capacity, increasing sales, focusing on cost reductions, efficiencies in yield/internal processes and adding value through the optimization of the sales mix in each market;
- Higher cattle acquisition costs, which is being handled by the Company's capacity to realign businesses and by market dynamics;
- Inauguration of an industrial plant for the production of beef jerky located in Santo Antonio da Posse, state of São Paulo;
- Start-up of operations in the units of Teófilo Otoni, Minas Gerais, Brasil; Pontevedra and Berazategui, Argentina;
- Acquisition of a slaughtering plant in Maringá, Paraná, Brasil;
- Acquisition of a cattle confinement unit in the state of São Paulo with an annual capacity for 150,000 animals;
- We continued to invest in the expansion of the slaughtering capacity of our plants in Brazil;
- As of the next Extraordinary Shareholders Meeting, the Investor Relations Department will become independent from the Financial Department.

# Subsequent Events

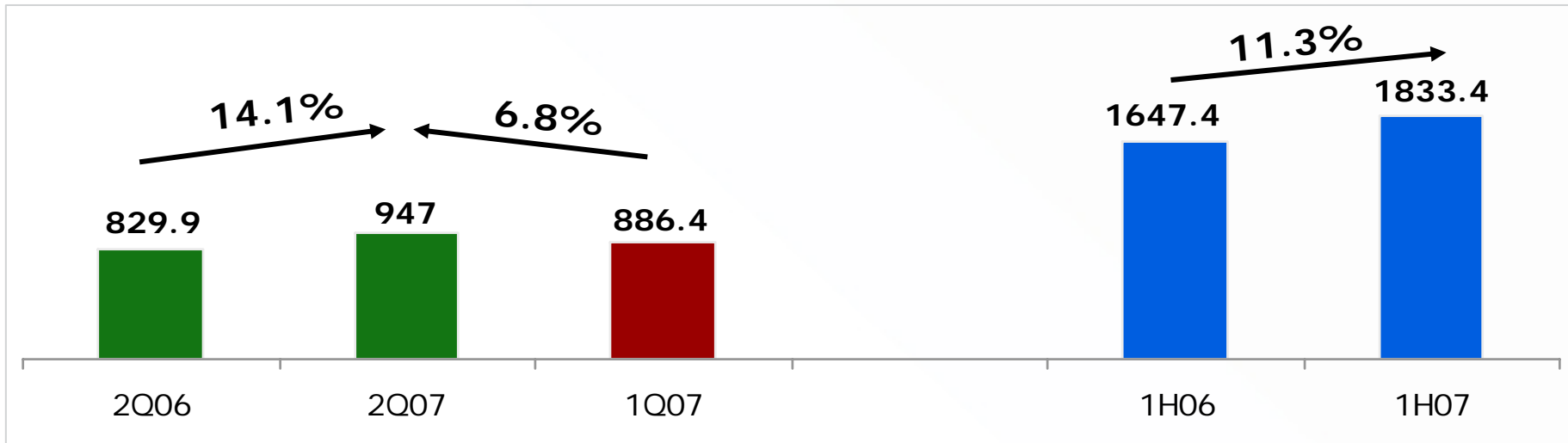


- Acquisition of Swift Foods Company, making JBS the world's largest beef producer;
- Capital increase and entrance of BNDESPar as a shareholder of JBS;
- Important part of the adjustment has already been made through the capital structure for the acquisition, reducing Swift's net debt considerably;
- Opportunity to add value through the improvement of Swift's operational results;
- New management is already implementing a series of actions;
- We continue confident on the recovery of Swift's operational results.

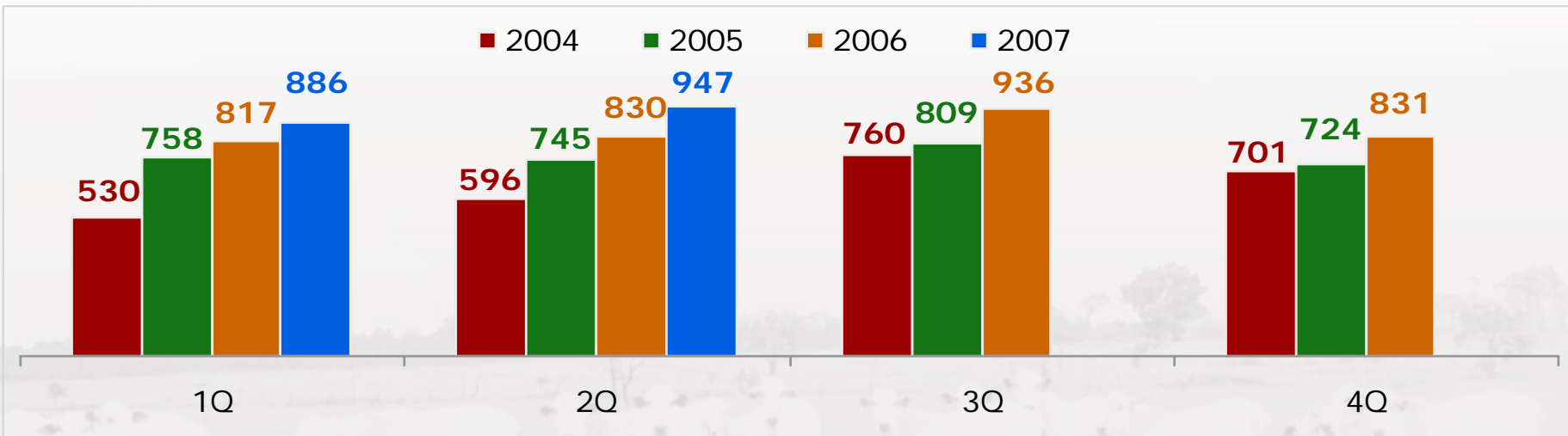
# Slaughtering Volumes



**Cattle Slaughtering – '000 Heads of Cattle**



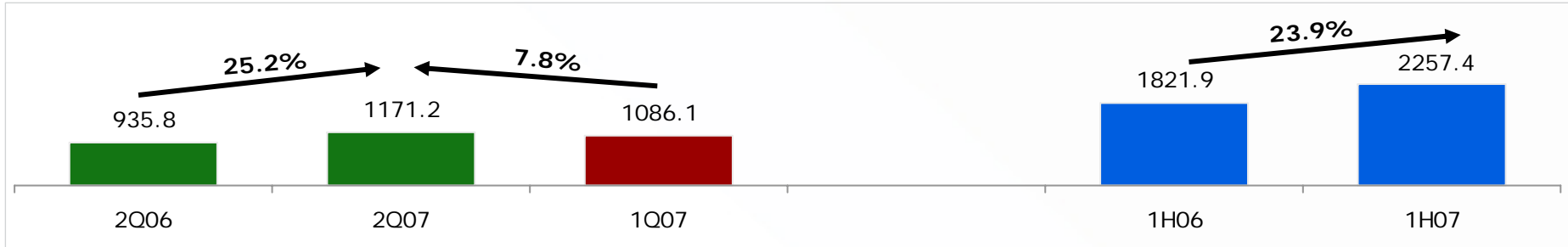
**Quarterly Slaughtering – '000 Heads of Cattle**



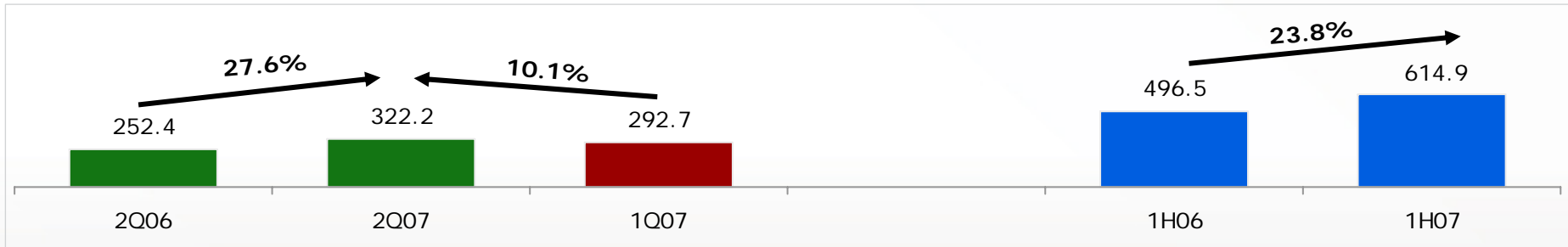
# Results – 2Q07



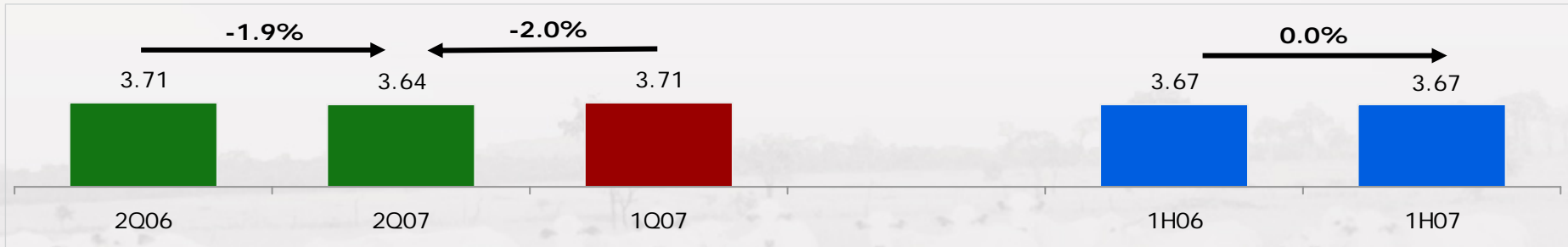
## Total Net Revenue (R\$ million)



## Total Volume ('000 tons)



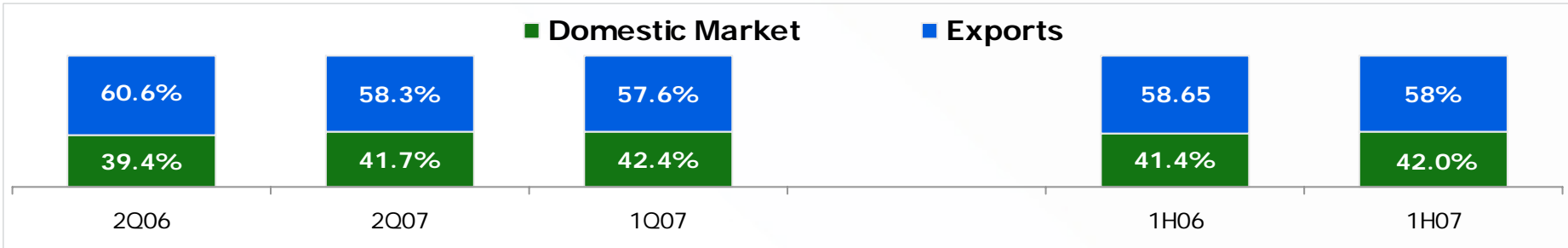
## Average Sales Price (R\$/Kg)



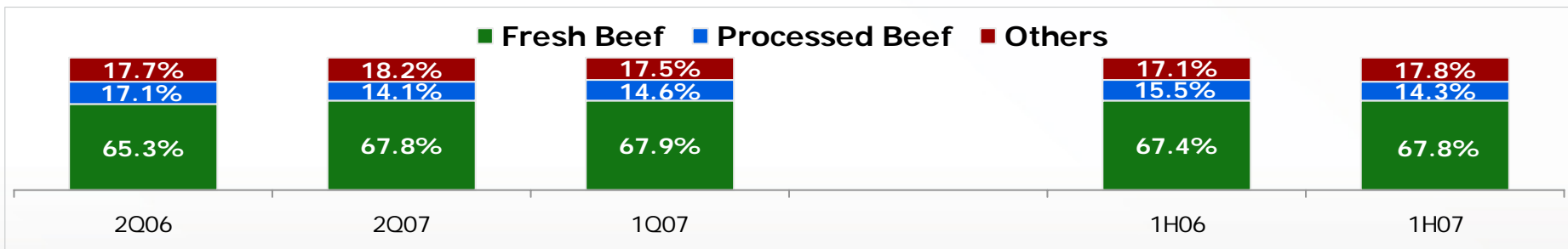
# Net Revenue Distribution



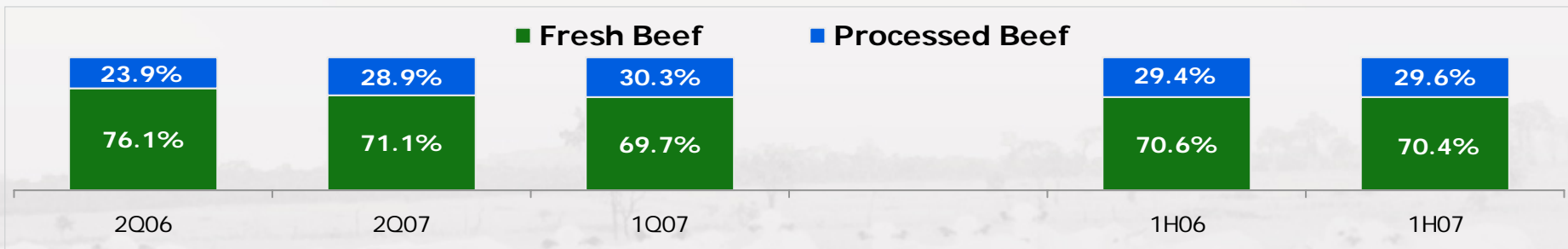
## Net Revenue Distribution – Total



## Net Revenue Distribution – Domestic Market



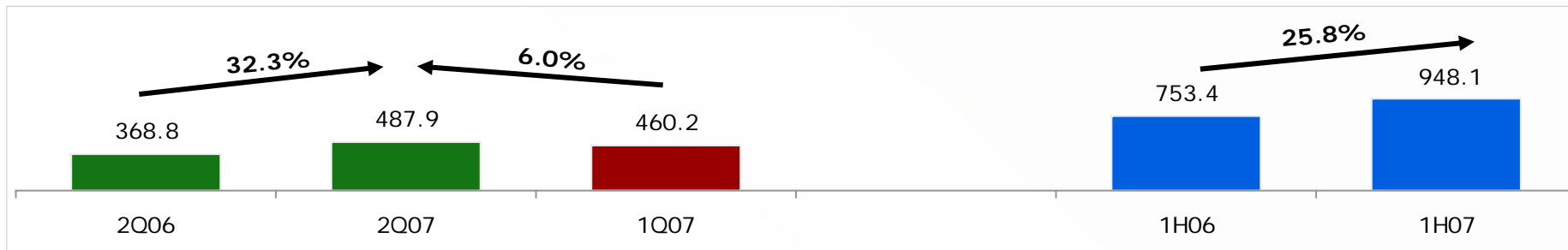
## Net Revenue Distribution – Exports



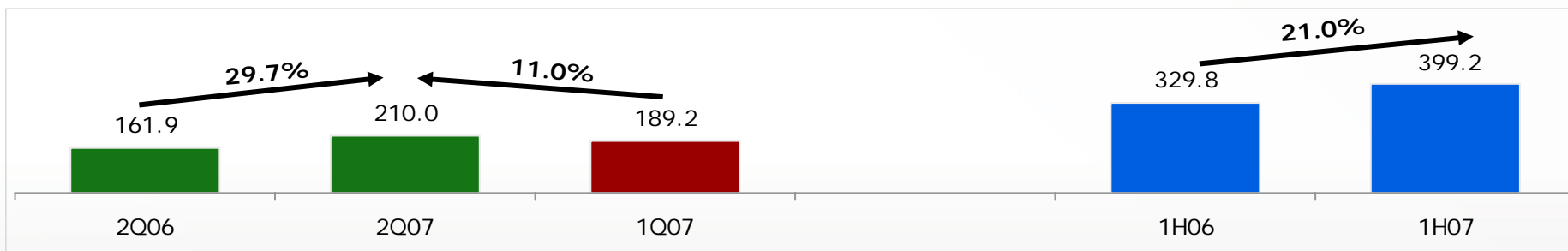
# Results – Domestic Market



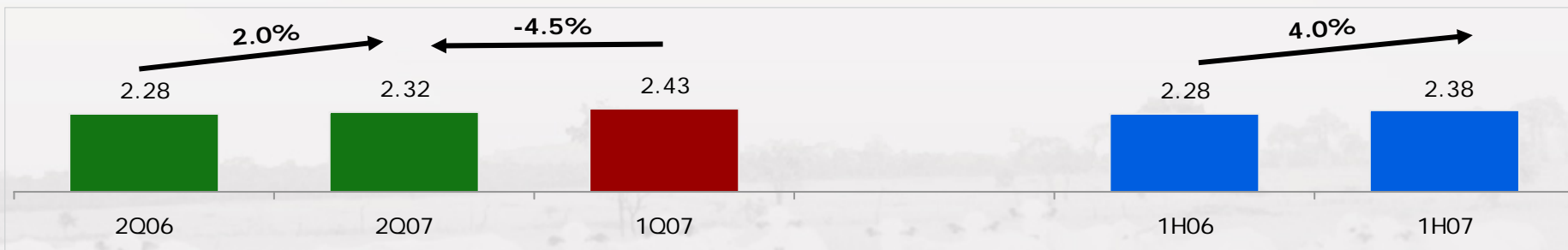
## Net Revenue – Domestic Market (R\$ million)



## Volume – Domestic Market ('000 tons)



## Average Sales Price – Domestic Market (R\$/Kg)

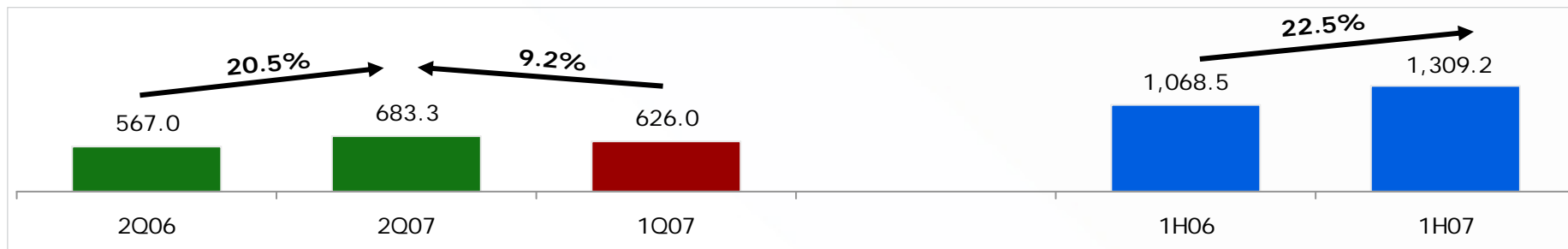




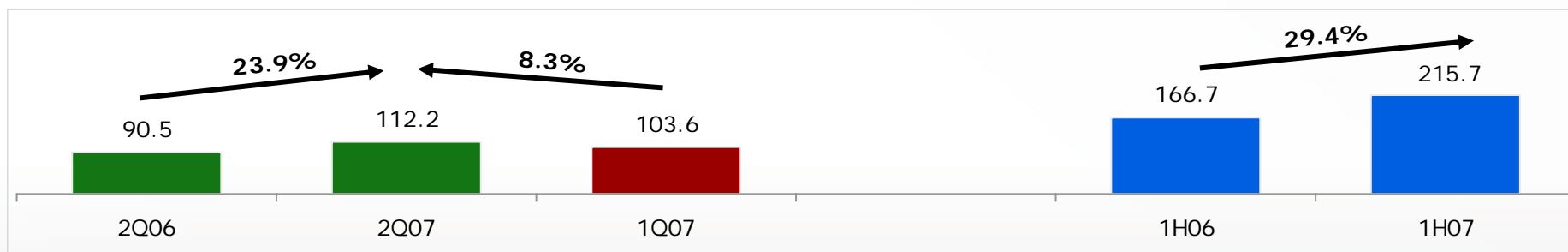
# Results – Exports



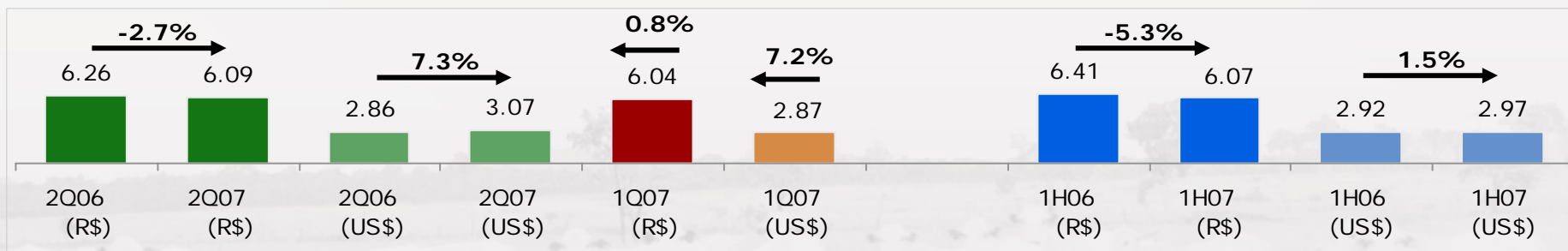
## Net Revenue – Exports (R\$ million)



## Volume – Exports ('000 tons)



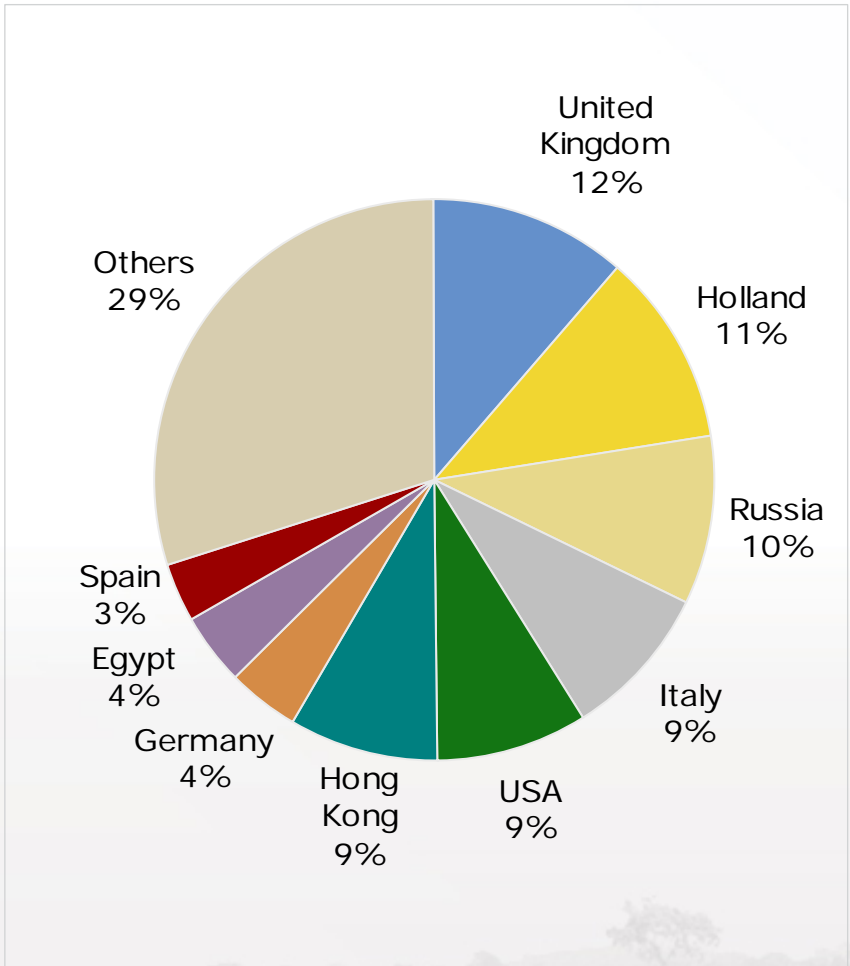
## Average Sales Price – Exports (per kilogram)



# Export Destinations

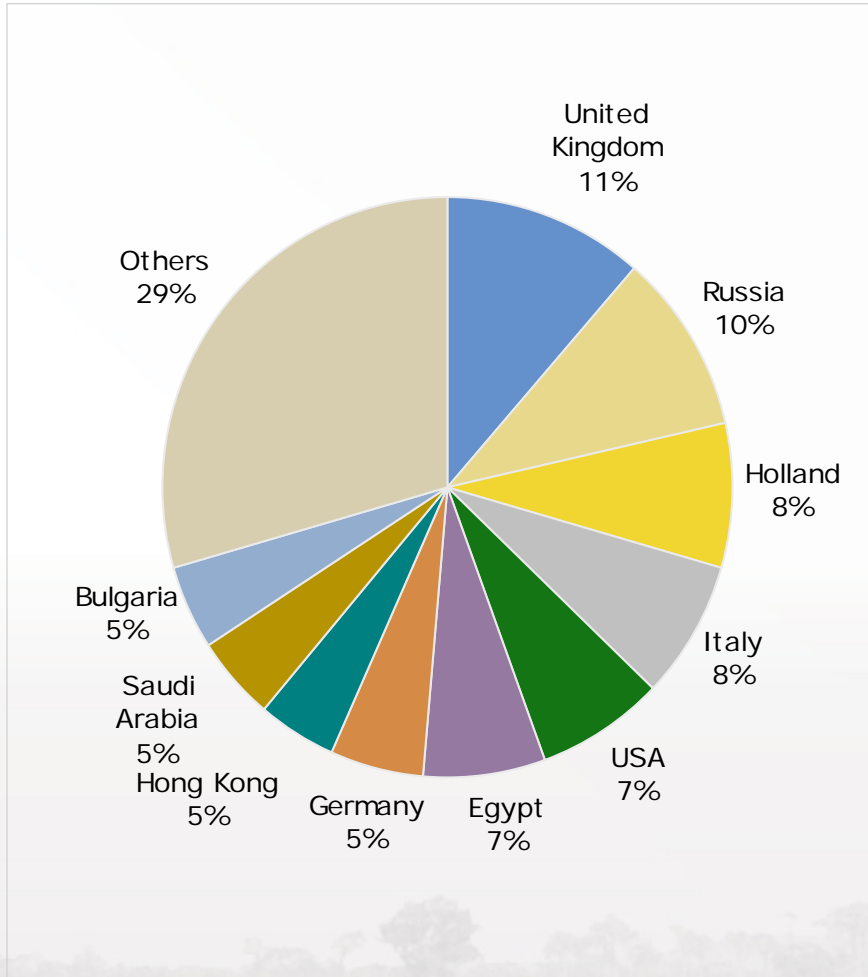


Exports Destinations – 2Q07



Source : JBS

Exports Destinations – 2Q06

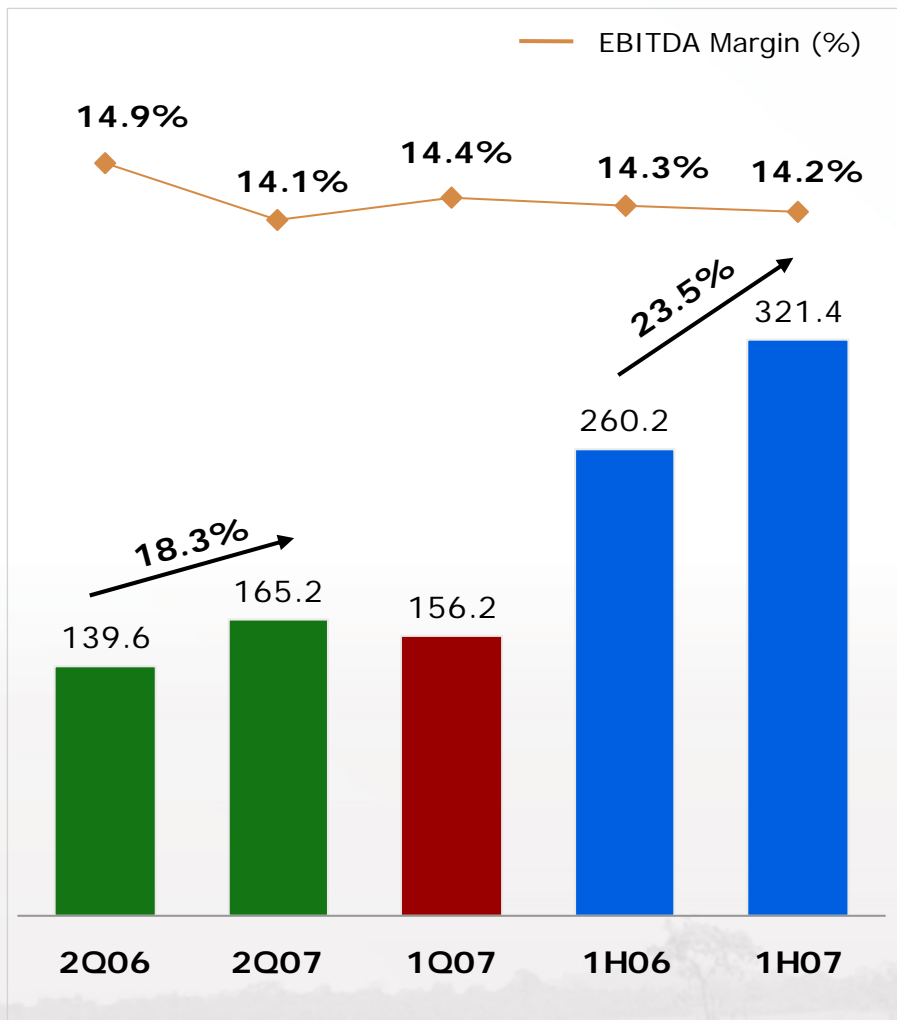


Source: JBS

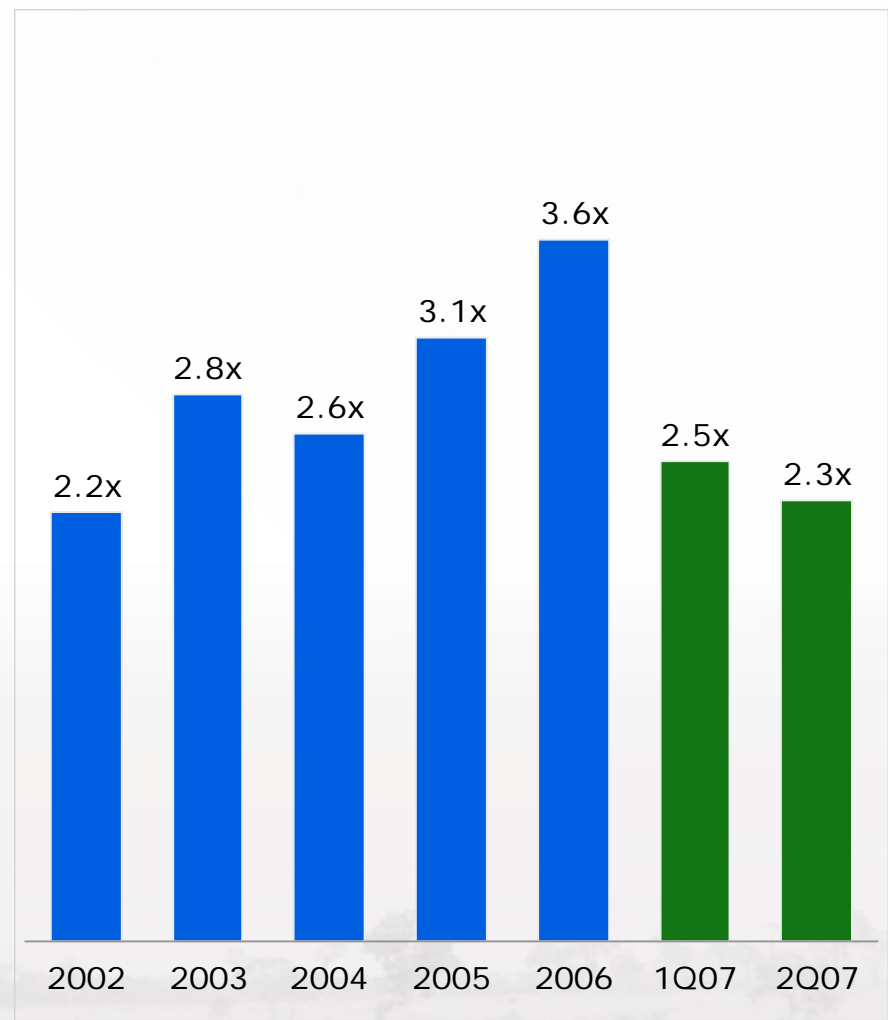
# EBITDA and EBITDA Margin



**EBITDA and EBITDA Margin**



**Net Debt/EBITDA**



# During the quarter, a total of R\$112.7 million were invested on the following projects...



## CAPEX

- Increase of the production capacity of its processed beef plant located in Andradina, São Paulo, from 30 tons to 100 tons per day;
- Increase of the production capacity of its plant located in Barra do Garças, Mato Grosso from 1,300 to 2,500 head of cattle slaughtered and deboned per day;
- Increase of the production capacity of its plant located in Campo Grande, Mato Grosso do Sul from 1,300 to 3,000 head of cattle slaughtered and deboned per day;
- Increase of the production capacity of its plant located in Vilhena, Rondônia, from 900 to 2,200 head of cattle slaughtered and deboned per day;
- Conclusion of a beef jerky production plant in Santo Antônio da Posse, São Paulo, which was opened in June, with production capacity for 250 tons per month;
- Increase of the production capacity of its plant located in Barretos, São Paulo from 1,600 to 2,500 head of cattle slaughtered and deboned per day;
- Other investments such as acquisition of new equipment and maintenance of the Company's facilities;

# Disclaimer



*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.*



**Thank You**

