



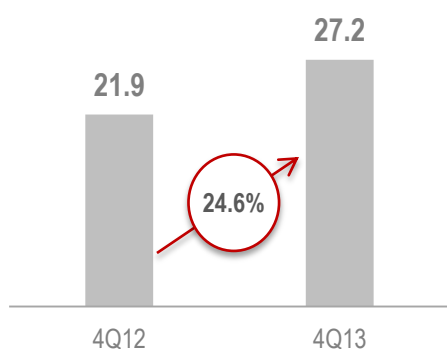
# 4Q13 and 2013 Results

JBS S.A. (Bovespa: JBSS3; OTCQX: JBSAY)

São Paulo, March 24th, 2014

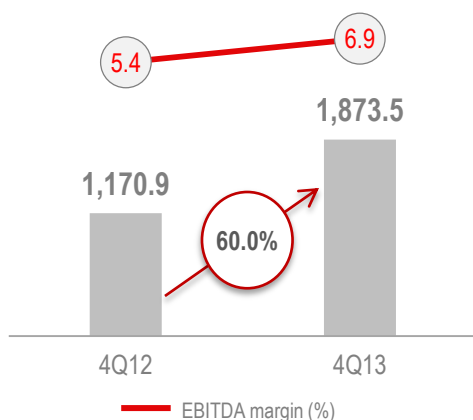
## 4Q13 Highlights

### Net Revenue (R\$ Billion)



✓ **Net revenue of R\$27.2 billion**, an increase of R\$5.4 billion, or 24.6% higher than 4Q12, of which 54% came from organic growth.

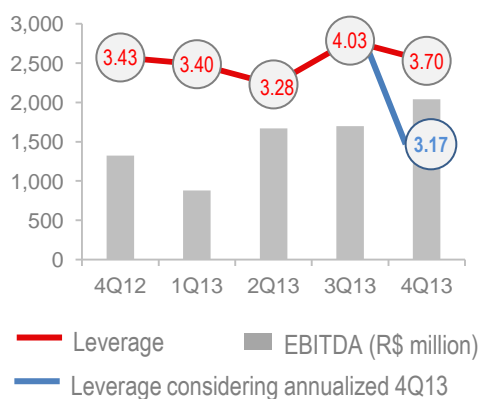
### EBITDA (R\$ Million)



✓ **Consolidated EBITDA was R\$1,873.5 million**, an increase of 60.0% over the same period of last year.

✓ **EBITDA margin for the quarter was 6.9%.**

### Leverage (Net Debt / EBITDA)



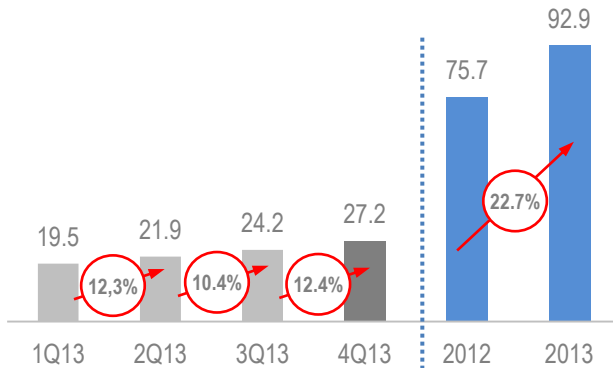
✓ Annualizing 4Q13 EBITDA, which includes JBS Foods business unit results, leverage ended the period at **3.17x**.

✓ **JBS ended the year with leverage of 3.70x**, considering all debt assumed through the Seara acquisition and only one quarter of EBITDA.



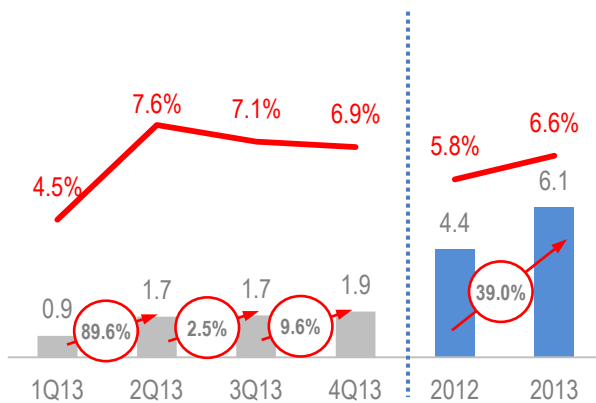
## 2013 Highlights

### Net Revenue (R\$ Billion)



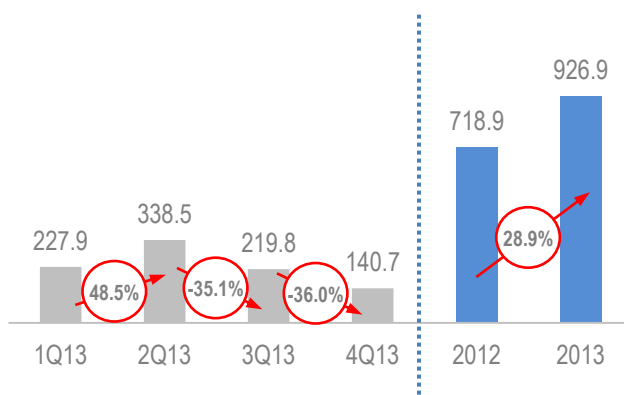
✓ **JBS net revenue increased 22.7%** compared to prior year and reached **R\$92.9 billion**. In 2013, net revenue increased more than 10% in all quarters.

### EBITDA (R\$ Billion)



✓ **EBITDA totaled R\$6.1 billion** in 2013, 39.0% higher than 2012. **EBITDA margin was 6.6%**, an increase of 80b.p. over the previous year.

### Net Income (R\$ Million)



✓ **JBS ended the year with net income of R\$926.9 million**, 28.9% higher than 2012 and equivalent to R\$323.32 per thousand shares.



## 2013 Highlights

- ✓ **Consolidated net revenue reached R\$92,902.8 million** in 2013, an increase of R\$17.2 billion, or **22.7% higher than 2012**.
- ✓ **Consolidated EBITDA was R\$6,130.3 million**, an increase of 39.0% compared to 2012. **EBITDA margin was 6.6%**.
  - **JBS Mercosul** recorded net revenue of **R\$25,820.5 million**, up 43.3% when compared to 2012. **EBITDA** for the year was **R\$2,712.4 million**, increase of 9.8% compared to 2012, with an **EBITDA margin of 10.5%**.
  - **The chicken unit in the USA (PPC)** had the best year in its history in 2013 and posted a **net revenue of US\$8,411.1 million**, 3.6% higher than in 2012. **EBITDA was US\$805.4 million**, **100.1% higher than 2012**, with an **EBITDA margin of 9.6%**. **Net income in 2013 was US\$549.6 million**, representing an increase of 215.4% compared to 2012.
  - Acquisition of Seara and union with JBS Chicken Brazil forming **JBS Foods**. This new business unit registered strong turn around in its first quarter of operation, allowing the Company to expand into the higher value added products segment, in addition to the increase in the portfolio products with strong and well recognized brands
  - The consolidated exports registered growth of 19.6% compared to 2012, reaching **US\$11.7 billion in 2013**.
- ✓ **JBS generated net cash from operating activities** of R\$2,541.0 million, with positive **free cash flow of R\$635.1 million** in 2013.
- ✓ **Annualizing 4Q13 EBITDA**, which includes the Seara acquisition, **leverage ended the period at 3.17x**.
- ✓ Even after the integration of a relevant acquisition and strong foreign exchange variation, JBS ended the year with **leverage of 3.70x**, compared to 4.03x in 3Q13. The reduction of net debt/EBITDA reflects the management commitment in improving its financial indicators and, consequently, the reduction of its leverage.





## Message from the CEO

I would like to start by thanking each and every one of our 185 thousand team members. It's because of the dedication of these people that JBS continues growing and reaching greater targets. Our team is highly qualified individuals who understand our business and who embrace our values and our culture every single day in each country where we operate. These people are down to earth with an attitude of ownership. They lead by example, thus preserving the essence of our company. I want to say thank you and tell you I am proud to be alongside people who are proud to be part of a JBS who improves by the day.

I have seen many small companies with a tight cost structure and a simple management style that are successful exactly because they have agility and efficiency. The vast majority, however, as they grow end up allowing bureaucracy and complexity creep into their business on a daily basis and that limits their sustainable growth. At JBS, my greatest challenge is to continue growing and expanding in a sustainable manner, preserving our simplicity and our essence. We need to maintain our focus on the details of our business making sure that people manage processes and not the other way around.

And gladly we have been successful in winning this battle by putting the right people in the right place. Before we expand or acquire a new business, we always ask ourselves who is going to run this new business? Who is going to be responsible for the growth and solidity and who can do the best job? These were our concerns in 2007 when we acquired Swift, in 2009 when we acquired Pilgrim's Pride Corporation and in 2013 when we created JBS foods in Brazil. We look to choose people who are determined to be the best at what they set out to do, that understand the business profoundly, that believe in hard work, that are focused on the slightest detail and that lead by example, with stewardship.

Proof that we have been right more times than we have been wrong with this strategy are the results of our business which are constantly improving. Our financial indicators are better every quarter. Each and every one of our business units without exception came up with better results last year when compared with the previous one.

In 2013, we observed movements in the global economic scenario which indicate a positive horizon for our business at JBS. The US economy continues to progress, Europe looks to have turned a corner and is entering a period of recovery and the increase in per capita income and urbanization in the emerging economies increases the demand for all meats.

Without a doubt, all these aspects are worth a mention. However, what comes from the market is beneficial to JBS and to all the other players in our product category. It's because of this that what really motivates us are not external factors but what we can do in-house in each one of our businesses all over the world. Our total attention is dedicated to what we can influence and control.

It is what we decide inside our company which drives us and not what is happening in the market. One illustration of this philosophy is how we internationalized our organization. In the midst of one of the greatest crises in recent times, we decided to make acquisitions outside of our base in Brazil. With a weakened dollar and depressed assets, we could locate excellent targets for acquisition. We expanded into North America and Australia and we increased our presence in South America consolidating our position in the most competitive geographies in the world.

Negative market conditions were not a deterrent to putting into practice what we believed. Today, I hear many comments from companies that are looking to internationalize or to expand their footprint abroad. When I hear this I am ever more convinced that we chose the correct moment to take our business international, although our decision was contrary to the majority at the time. Today we see the dollar strengthening against most of the emerging currencies, which is highly beneficial to JBS.





## Message from the CEO (*Continuation*)

The global economic scenario looks favorable. We believe that the recovery of the US\$ has not yet ended. Our feeling is that the US\$ will continue to strength in relation to the Brazilian Real and that our exports, as well as the valuation of our assets, will continue to be benefitted. It is worthwhile to remember that the Company's exports last year were approximately US\$12 billion, a relevant increase of 20% in relation to 2012. This increase of about US\$2 billion in exports was due essentially to two factors.

The first is the increase in consumption and demand in the emerging markets. The second is the increase in the number of countries that we are exporting to. More than 150 nations receive JBS products from a production platform consolidated in the most competitive regions in the world. This fact demonstrates a consistency in our exports that guarantees access to 100% of the consuming markets.

We have identified in our business that the word "convenience" is more and more present. A tendency observed in many countries is that people look for more convenience and practicality in food. Translated for our business this means offering to our customers more customized products, easier to prepare and higher value added.

Based on this we created JBS Foods last year. The new business unit combines our poultry and pork assets and processed products in Brazil together with the Seara operations taken over in October 2013. In the first three months of this unified operation we have had good results. Strong brands and a portfolio of revitalized products that offer convenience to the consumer are the guidelines that will drive our growth strategy in these categories during the coming years.

To complete, the investments made during the past years will continue to bear fruit. The increase in the production platform last year in South America, especially in Brazil, will permit that our production and our exports continue growing at an accelerated rate. We are projecting that the export sales of the Company will be approximately US\$ 15 billion, which represents an increase of over 20% in relation to 2013. The two important sporting events that will occur in Brazil in 2014 and 2016 will support the demand for proteins in the country leveraging our successful strategy of strengthening our brands.

In the USA we estimate that the offer of beef and pork will remain tight in relation to demand, in a scenario similar to that of 2013. We believe there is space for price adjustments without affecting demand e consequently improving our margins in both operations. In the case of chicken, availability should remain stable in relation 2013, which favors Pilgrim's maintaining in 2014 its trajectory of growth and excellent results, an example of what happened last year. Finally, Australia will continue to attend the increasing demand from the growing middle classes in Asia.

JBS has its production platform strategically established in the most cost competitive regions of the world. We have a pulverized distribution base spread over the major centers of consumption. This brings us to believe that the strategic decisions that have been made will continue to enhance our results, generating value to our shareholders, developing our society in addition to bring convenience and practicality to our consumers.

To conclude I am grateful to all of those who trust in our strategy and follow us in this path to be the best in what we set out to do.

**Wesley Mendonça Batista**

CEO Global da JBS S.A.





# 4Q13 and 2013 Results

## Analysis of Consolidated Results

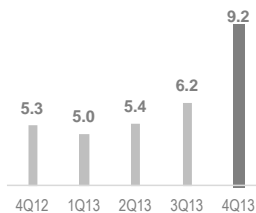
### Analysis of the principal financial indicators of JBS by Business Unit (in local currency)

		4Q13	3Q13	Δ%	4Q12	Δ%	2013	2012	Δ%
<b>Net Revenue</b>									
JBS USA Beef	US\$	4,809.8	4,689.8	2.6%	4,856.0	-1.0%	18,621.1	17,477.6	6.5%
JBS USA Pork	US\$	904.9	903.3	0.2%	955.5	-5.3%	3,518.7	3,501.1	0.5%
JBS USA Chicken	US\$	2,047.3	2,142.8	-4.5%	2,189.7	-6.5%	8,411.1	8,121.4	3.6%
JBS Mercosul	R\$	9,203.7	6,214.4	48.1%	5,270.2	74.6%	25,820.5	18,013.1	43.3%
<b>EBITDA</b>									
JBS USA Beef	US\$	113.9	125.3	-9.1%	103.3	10.3%	375.8	223.9	67.9%
JBS USA Pork	US\$	86.3	43.8	97.0%	42.7	102.0%	227.6	188.1	21.0%
JBS USA Chicken	US\$	197.2	226.1	-12.8%	67.4	192.6%	805.9	402.6	100.2%
JBS Mercosul	R\$	919.7	687.5	33.8%	664.8	38.3%	2,712.4	2,469.2	9.8%
<b>EBITDA Margin</b>									
JBS USA Beef	%	2.4%	2.7%	-	2.1%	-	2.0%	1.3%	-
JBS USA Pork	%	9.5%	4.8%	-	4.5%	-	6.5%	5.4%	-
JBS USA Chicken	%	9.6%	10.6%	-	3.1%	-	9.6%	5.0%	-
JBS Mercosul	%	10.0%	11.1%	-	12.6%	-	10.5%	13.7%	-

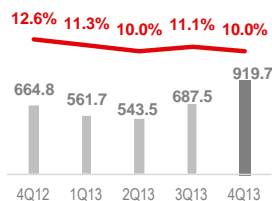
### Performance by Business Unit

#### JBS Mercosul

Net sales (R\$ billion)

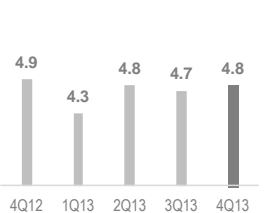


EBITDA (R\$ million)

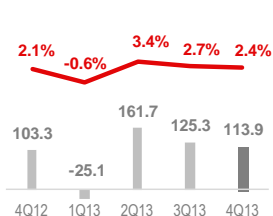


#### JBSUSA (Including Australia and Canada)

Net sales (US\$ billion)

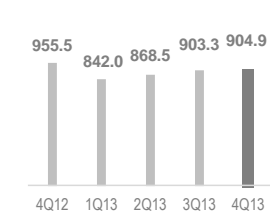


EBITDA (US\$ million)

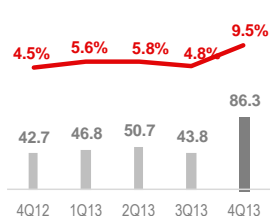


#### JBSUSA

Net sales (US\$ million)

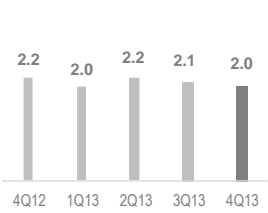


EBITDA (US\$ million)

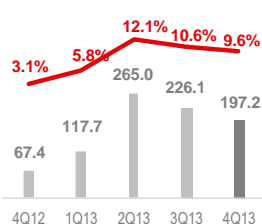


#### JBSUSA (PPC)

Net sales (US\$ billion)



EBITDA (US\$ million)



— EBITDA margin (%)

JBS S.A. ("JBS") (Bovespa: JBSS3; OTCQX: JBSAY), the global leading producer of animal protein announces today its results for the fourth quarter of 2013 (4Q13) and for the full year of 2013. For the purpose of analysis, this report considers the results for the quarter ended December 31, 2012 (4Q12) and for the full year ended in December 31, 2012. The consolidated results of JBS are presented in Brazilian Real (R\$) and when separately analyzed, each business unit reports its results in the currency of the country in which it operates. The operations of JBS Australia and JBS Canada are an integral part of the subsidiary JBS USA and both results refer to the period of 13 weeks ended December 31, 2013 (4Q13) and for the full year of 2013. The quantitative data, such as volumes and heads slaughtered, are not audited.





# 4Q13 and 2013 Results

## Analysis of Consolidated Results

### Consolidated analysis of the principal operational indicators of JBS

R\$ million	4Q13	3Q13	Δ%	4Q12	Δ%	2013	2012	Δ%
<b>Net Revenue</b>	<b>27,222.2</b>	24,222.0	<b>12.4%</b>	21,850.7	<b>24.6%</b>	92,902.8	75,696.7	<b>22.7%</b>
Cost of Goods Sold	(23,490.3)	(21,093.6)	11.4%	(19,409.5)	21.0%	(81,056.1)	(67,006.9)	21.0%
<b>Gross Income</b>	<b>3,731.9</b>	<b>3,128.4</b>	<b>19.3%</b>	<b>2,441.3</b>	<b>52.9%</b>	<b>11,846.7</b>	<b>8,689.8</b>	<b>36.3%</b>
<b>Gross Margin</b>	<b>13.7%</b>	12.9%	6.1%	11.2%	22.7%	12.8%	11.5%	-
Selling Expenses	(1,753.0)	(1,296.0)	35.3%	(1,129.0)	55.3%	(5,262.2)	(3,877.7)	35.7%
General and Adm. Expenses	(751.1)	(632.9)	18.7%	(594.6)	26.3%	(2,520.1)	(2,057.4)	22.5%
Net Financial Income (expense)	(767.7)	(874.9)	-12.3%	(374.4)	105.0%	(2,380.3)	(1,338.2)	77.9%
Other Income (expense)	(9.5)	(2.4)	-	(43.2)	-78.0%	90.9	(34.2)	-
<b>Operating Income</b>	<b>450.7</b>	<b>322.3</b>	<b>39.8%</b>	<b>300.1</b>	<b>50.2%</b>	<b>1,775.0</b>	<b>1,382.3</b>	<b>28.4%</b>
Income and social contribution taxes	(241.0)	(64.0)	276.7%	(237.9)	1.3%	(656.7)	(619.4)	6.0%
Participation of non-controlling shareholders	(69.0)	(38.5)	79.2%	4.2	-	(191.4)	(44.0)	335.5%
<b>Net Income (Loss)</b>	<b>140.7</b>	<b>219.8</b>	<b>-36.0%</b>	<b>66.4</b>	<b>111.9%</b>	<b>926.9</b>	<b>718.9</b>	<b>28.9%</b>
<b>Adjusted Net Income (Loss)<sup>(1)</sup></b>	<b>237.7</b>	<b>219.8</b>	<b>8.1%</b>	<b>310.4</b>	<b>-23.4%</b>	<b>1,194.0</b>	<b>1,259.0</b>	<b>-5.2%</b>
<b>EBITDA</b>	<b>1,873.5</b>	<b>1,709.7</b>	<b>9.6%</b>	<b>1,170.9</b>	<b>60.0%</b>	<b>6,130.3</b>	<b>4,410.3</b>	<b>39.0%</b>
EBITDA Margin	6.9%	7.1%	-	5.4%	-	6.6%	5.8%	-
<b>Net Income (Loss) per thousand shares</b>	<b>49.02</b>	<b>76.69</b>	<b>-36.1%</b>	<b>23.44</b>	<b>109.1%</b>	<b>323.32</b>	<b>247.84</b>	<b>30.5%</b>

(1) Excluding the portion of the deferred income tax liabilities related to the goodwill amortization.

### Number of Animals Processed and Sales Volume

	4Q13	3Q13	Δ%	4Q12	Δ%	2013	2012	Δ%
<b>Heads processed (thousand)</b>								
Cattle	4,678.2	4,853.3	-3.6%	4,397.1	6.4%	18,700.5	16,359.3	14.3%
Hogs	3,581.4	3,274.4	9.4%	3,926.3	-8.8%	13,559.5	13,683.2	-0.9%
Smalls*	1,309.8	1,147.4	14.2%	1,230.7	6.4%	4,881.1	4,041.9	20.8%
<b>Volume Sold (thousand tons)**</b>								
<b>Domestic Market</b>	<b>2,029.7</b>	<b>1,820.4</b>	<b>11.5%</b>	<b>1,883.0</b>	<b>7.8%</b>	<b>7,358.9</b>	<b>6,976.5</b>	<b>5.5%</b>
Fresh and Chilled Beef	1,603.1	1,572.0	2.0%	1,666.5	-3.8%	6,220.3	6,009.9	3.5%
Processed Beef	112.6	58.2	93.6%	51.0	120.9%	291.3	175.0	66.5%
Others	314.0	190.3	65.0%	165.6	89.7%	847.3	791.6	7.0%
<b>Exports</b>	<b>971.3</b>	<b>695.4</b>	<b>39.7%</b>	<b>625.2</b>	<b>55.4%</b>	<b>2,845.7</b>	<b>2,147.5</b>	<b>32.5%</b>
Fresh and Chilled Beef	881.0	648.9	35.8%	587.6	49.9%	2,630.0	2,004.5	31.2%
Processed Beef	28.5	20.8	36.7%	19.2	48.1%	88.4	69.2	27.8%
Others	61.8	25.7	141.0%	18.3	237.6%	127.3	73.7	72.6%
<b>TOTAL</b>	<b>3,001.0</b>	<b>2,515.8</b>	<b>19.3%</b>	<b>2,508.2</b>	<b>19.6%</b>	<b>10,204.6</b>	<b>9,124.0</b>	<b>11.8%</b>

\*Not including poultry.

\*\*Not including PPC.





## Consolidated Results

### Net Revenue

JBS posted consolidated net revenue of R\$92,902.8 million, an increase of R\$17,206.1 million, or 22.7% higher than 2012. The revenue expansion was due to an increase in revenues from all business units, especially Mercosul which had an increase of 43.3%. This performance is due to the improvement in sales in both domestic and export markets in addition to the consolidation of Seara in 4Q13.

In 2013, approximately 73% of JBS global sales were performed in the domestic markets in which the Company operates and 27% through exports.

In 4Q13 the Company's revenue was R\$27,222.2 million, up 24.6% year on year and 12.4% higher compared to 3Q13.

### EBITDA

EBITDA in 2013 was R\$6,130.3 million, an increase of 39.0% compared to 2012. Consolidated EBITDA margin in 2013 was 6.6%. This result reflects the better performance of all business units specially Mercosul that had an EBITDA growth of 9.8% and the poultry operations in the US PPC, which reached an EBITDA 100.1%.

4Q13 EBITDA was R\$1,873.6 million, an increase of 60.0% compared to 4Q12, with an EBITDA margin of 6.9% in the quarter.

R\$ million	2013	2012	Δ%
<b>Net income for the period</b>	<b>1,118.3</b>	<b>762.9</b>	46.6%
Financial income (expense), net	2,380.3	1,338.2	77.9%
Current and deferred income taxes	656.7	619.4	6.0%
Depreciation and amortization	2,038.8	1,613.7	26.3%
Equity in subsidiaries	-6.7	-0.8	704.1%
Restructuring, reorganization and bargain purchase gain	-62.7	66.0	-
Indemnity	5.6	10.9	-48.8%
<b>(=) EBITDA</b>	<b>6,130.3</b>	<b>4,410.3</b>	39.0%

### Net Financial Expense

Net financial expenses in the quarter was R\$767.8 million and R\$2,380.3 million for the year, influenced by the foreign exchange variation and the acquisition of Seara.

### Adjusted Net Income

Adjusted net income in 2013 was R\$1,194.0 million, disregarding the portion of deferred income tax liabilities, which refers to the goodwill held by the Parent company. This provision will only be paid if the Company divest the related investment. Net income for the year was R\$926.9 million, R\$323.32 per thousand shares.

The 4Q13 adjusted net income was R\$237.7 million, while reported net income for the quarter was R\$140.7 million.







## Consolidated Results

### Cash Generation

In 2013 the Company generated net cash from operating activities of R\$2,541.0 million and free cash flow of R\$635.1 million. In 4Q13 net cash from operating activities was R\$354.8 million with a negative free cash flow of R\$230.4 million due to an expressive expansion of Mercosul exports in the period.

### Capital Expenditure

In 2013 the total capital expenditure (CAPEX) in property, plant, and equipment was R\$1,737.3 million, while in 4Q13 the expenditure was R\$585.2 million. The main investments in 4Q13 in North America were destined to the units of Brooks in Alberta and Canada. In Mercosul the main investments were concentrated on improving productivity and expanding operations in the beef business in Brazil and JBS Foods.

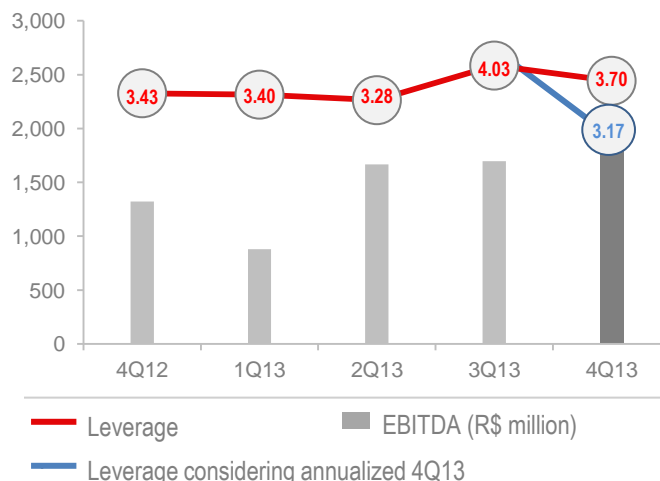
### Indebtedness

Annualizing 4Q13 EBITDA, which includes Seara results, leverage ended the period at 3.17x.

Net debt/EBITDA LTM was 3.70x in 4Q13, compared to 4.03x in 3Q13, even after the integration of a relevant acquisition and strong foreign exchange variation. The reduction of net debt/EBITDA reflects the management commitment in improving financial efficiencies, consequently, reducing its leverage.

R\$ million	12/31/13	9/30/13	Var. %
<b>Gross debt</b>	<b>32,761.3</b>	<b>30,242.5</b>	<b>8.3%</b>
(+) Short Term Debt	9,430.9	10,694.0	-11.8%
(+) Long Term Debt	23,330.4	19,548.5	19.3%
(-) Cash and Equivalents	9,013.1	7,832.3	15.1%
<b>Net debt</b>	<b>23,748.2</b>	<b>22,410.2</b>	<b>6.0%</b>
Net debt/EBITDA	<b>3.70x</b>	<b>4.03x</b>	

### Leverage





# 4Q13 and 2013 Results

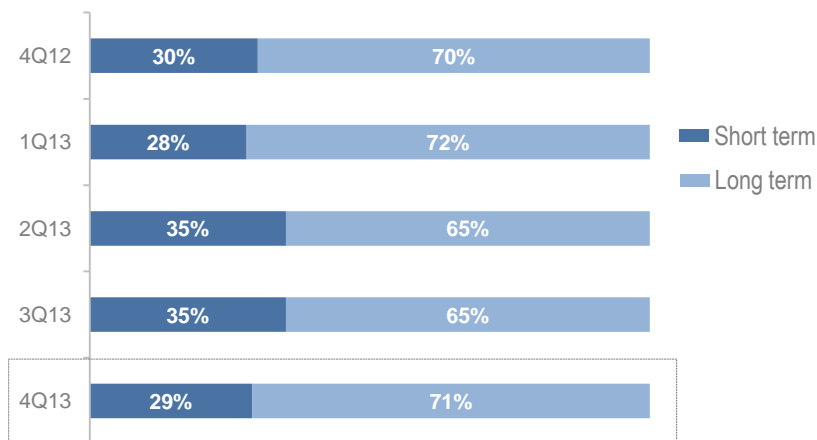
## Consolidated Results

### Indebtedness

The Company ended the year with R\$9,013.1 million in cash, corresponding to around 96% of short-term debt. Considering unencumbered credit lines with immediate availability of US\$1.55 billion at JBS USA, availabilities of the Company represents more than 100% of short-term debt.

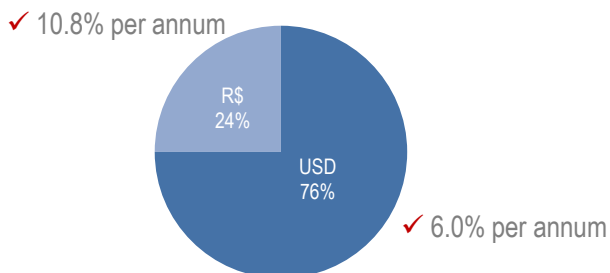
The percentage of short term debt (ST) in relation to total debt declined from 35% in 3Q13 to 29% in 4Q13.

Debt profile ST / LT

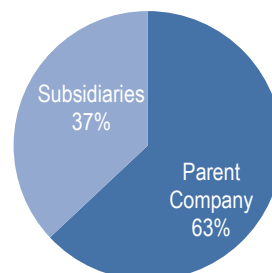


At the end of the period, 76% of JBS consolidated debt was denominated in U.S. dollars, with an average cost of 6.0% per annum. The proportion of debt denominated in Reais, 24% of consolidated debt, has an average cost of 10.8% per annum.

Breakdown by Currency & Average Cost



Breakdown by Company





## Analysis of Results by Business Unit

### JBS USA Beef (including Australia and Canada)

Net revenue in 4Q13 for this unit was US\$4,809.8 million, stable compared to 4Q12. In relation to 3Q13, net revenue registered a growth of 2.6%, due to an increase of 3.2% in domestic sales volume and an increase of 2.8% in exports, in a scenario of stable prices.

EBITDA was US\$113.9 million in the quarter, 10.3% higher compared to 4Q12, due to an increase of beef prices in domestic market, offsetting the increased costs of raw materials combined with the good performance of the Company in Australia.

In 2013, revenue from this business unit totaled US\$18,621.1 million, an increase of 6.5% compared to 2012. EBITDA for the year was US\$375.8 million, representing a growth of 67.9% compared to 2012, with an EBITDA margin of 2.0%.

JBS maintained the positive results registered during the year of 2013, a reflection of the focus on operational efficiency, costs reduction and expansion in deals with key customers.

The operation in Australia continues to deliver solid and consistent results, influenced by strong demand from Asian countries, especially China, which imported from JBS Australia 58.9% more in 2013 compares to the previous year.

### Highlights (US GAAP)

US\$ million	4Q13	3Q13	Δ%	4Q12	Δ%	2013	2012	Δ%
Heads processed (thousand)	2,315.5	2,386.3	-3.0%	2,284.6	1.4%	9,308.9	8,399.4	10.8%
Net Revenue	4,809.8	4,689.8	2.6%	4,856.0	-1.0%	18,621.1	17,477.6	6.5%
EBITDA	113.9	125.3	-9.1%	103.3	10.3%	375.8	223.9	67.9%
EBITDA margin %	2.4%	2.7%	-	2.1%	-	2.0%	1.3%	-

### Breakdown of Net Revenues

Domestic Market	4Q13	3Q13	Δ%	4Q12	Δ%	2013	2012	Δ%
Net Revenue (US\$ million)	3,429.8	3,353.4	2.3%	3,562.7	-3.7%	13,500.2	12,946.2	4.3%
Volume (tons)	912.1	883.4	3.2%	983.3	-7.2%	3,540.6	3,546.4	-0.2%
Average Price (US\$/Kg)	3.76	3.80	-0.9%	3.62	3.8%	3.81	3.65	4.4%

Exports	4Q13	3Q13	Δ%	4Q12	Δ%	2013	2012	Δ%
Net Revenue (US\$ million)	1,380.1	1,336.4	3.3%	1,293.4	6.7%	5,121.0	4,531.4	13.0%
Volume (tons)	324.1	315.2	2.8%	293.5	10.4%	1,180.8	1,079.6	9.4%
Average Price (US\$/Kg)	4.26	4.24	0.4%	4.41	-3.3%	4.34	4.20	3.3%





## Analysis of Results by Business Unit

### **JBS USA Pork**

Net Revenue in the quarter totaled US\$904.9 million, a decrease of 5.3% compared to 4Q12. This result reflects the reduction of 8.8% in the number of animals processed, which resulted in a decrease in sales volume, both domestically and in exports. The volume reduction was partially offset by an increase in prices in both markets. Compared to 3Q13 revenue remained stable.

EBITDA for the quarter was US\$86.3 million, up 102.0% compared to 4Q12, with an EBITDA margin of 9.5%. EBITDA growth is due to an increase in prices both in domestic and international markets.

In 2013, revenue from this unit totaled US\$3,518.7 million. EBITDA for the year was US\$227.6 million, up 21.0% over the previous year, with EBITDA margin of 6.5%.

### **Highlights (US GAAP)**

US\$ million	4Q13	3Q13	Δ%	4Q12	Δ%	2013	2012	Δ%
Heads processed (thousand)	3,581.4	3,274.4	9.4%	3,926.3	-8.8%	13,559.5	13,683.2	-0.9%
Net Revenue	904.9	903.3	0.2%	955.5	-5.3%	3,518.7	3,501.1	0.5%
EBITDA	86.3	43.8	97.0%	42.7	102.0%	227.6	188.1	21.0%
EBITDA margin %	9.5%	4.8%	-	4.5%	-	6.5%	5.4%	-

### **Breakdown of Net Revenues**

Domestic Market	4Q13	3Q13	Δ%	4Q12	Δ%	2013	2012	Δ%
Net Revenue (US\$ million)	759.6	765.4	-0.8%	774.7	-2.0%	2,962.3	2,878.1	2.9%
Volume (thousand tons)	308.9	286.6	7.8%	338.1	-8.6%	1,190.7	1,209.7	-1.6%
Average Price (US\$/Kg)	2.46	2.67	-7.9%	2.29	7.3%	2.49	2.38	4.6%

Exports	4Q13	3Q13	Δ%	4Q12	Δ%	2013	2012	Δ%
Net Revenue (US\$ million)	145.3	137.9	5.4%	180.8	-19.6%	556.4	622.9	-10.7%
Volume (thousand tons)	60.3	54.9	10.0%	77.6	-22.2%	226.3	268.2	-15.6%
Average Price (US\$/Kg)	2.41	2.51	-4.2%	2.33	3.3%	2.46	2.32	5.9%





## Analysis of Results by Business Unit

### **JBS USA Chicken (Pilgrim's Pride Corporation - "PPC")**

Net Revenue of this unit in the quarter was US\$2,047.3 million, down 6.5% compared with the previous year, due to a reduction in revenues from Mexico, thanks to the devaluation of Mexican Pesos, coupled with a decrease of 5.0% in the total volume of birds processed.

In 2013, PPC totaled net revenue of US\$ 8,411.1 million, 3.6 % higher than in 2012 , reflecting a growth of 3.5% in the U.S. sales and 4.5% in Mexico, both resulting from a tight chicken supply and an increase in prices associated with good demand. In both countries, the increase in prices was partially offset by a decrease in sales volume.

EBITDA in 4Q13 was US\$197.2 million, up 192.6% over 4Q12. In 2013 the EBITDA was US\$805.4 million, 100.2% higher than in 2012 . This significant improvement in EBITDA reflects substantial internal improvements combined with a scenario of tight supply.

Net income in the quarter was US\$143.2 million, 529.5% higher when compared to 4Q12, while for the year net income was US\$549.6 million, representing an increase of 215.4% compared to 2012.

PPC operating net cash flow in the quarter was US\$281.8 million, reaching US\$878.5 million for the full year, adding strength to the Company's balance sheet and providing a competitive environment for 2014. Net debt ended the year at US\$307.1 million, which reflects a leverage of 0.4x Net Debt / EBITDA.

### Highlights (US GAAP)

US\$ million	4Q13	3Q13	Δ%	4Q12	Δ%	2013	2012	Δ%
Net Revenue	2,047.3	2,142.8	-4.5%	2,189.7	-6.5%	8,411.1	8,121.4	3.6%
Adjusted EBITDA	197.2	226.1	-12.8%	67.4	192.6%	805.9	402.6	-
EBITDA margin %	9.6%	10.6%	-	3.1%	-	9.6%	5.0%	-





## Analysis of Results by Business Unit

### JBS Mercosul

Net revenue of JBS Mercosul was R\$9,203.7 million in the quarter, up 74.6% over 4Q12, due to the consolidation of JBS Foods to this business unit in the quarter, coupled with the improvement in the performance of the beef operations in Brazil. This unit registered growth of 21.3% in the number of livestock processed year over year, reflecting an increase in net revenue and sales volume, both domestically and in exports, the highlight was the exports that grew 81.8% higher when compared to 4Q12.

EBITDA totaled R\$919.7 million in the quarter, an increase of 38.3% over 4Q12. EBITDA margin was 10.0% in Mercosul and includes the performance of JBS Foods. This increase in EBITDA reflects the increase in direct distribution and customer base, in addition to strong demand in the international market in the beef segment.

In 2013, revenue from this unit totaled R\$25,820.5 million, 43.5% higher than 2012. EBITDA for the year was R\$ 2,712.4 million, an increase of 9.8% over the previous year, with EBITDA margin of 10.5%.

### JBS Foods

JBS Foods combines the Seara operation with the previous JBS Poultry business in Brazil. This business unit recorded a strong turn around in its first quarter of operation, reflecting the measures taken by the management with total focus on the operation efficiency.

The main measures adopted on JBS Foods were:

- Formation of a team with great experience in the sector and adoption of JBS Culture;
- Rationalization of administrative and financial activities and concentration of corporate activities in the head office of JBS in São Paulo;
- Implementation of best practices in live production applying the experience gained in North America;
- Efficiency gains and increase in productivity on processing facilities;
- Reformulation of products focused on improving quality and most appropriated mix;
- Reorganization of logistics network with substantial cost reductions and increase in the delivery rate. Redefinition of routes and targets for sales team;
- Renewed Go to Market strategy;
- Centralized Pricing Model with standard process and focus on profitability;
- Redefinition of brands with clear strategic positioning and strengthening of priority brands;
- Beginning of Seara marketing campaign on national television focused on attracting new and potential customers;
- Expansion of exports through the sales structure and know-how of JBS.

Exports of JBS Foods performed well in the quarter with volume and price increase when compared to 3Q13. In the domestic market, sales were in line with expectations and the improvements implemented are according to the plan. The Company remains confident with the evolution of this business unit performance and the ability to deliver solid results through the year.

From 1Q14 the results of JBS Foods, including the breakdown of net revenues and volume sold, will be disclosed separately. In 4Q13, revenue and volume from JBS Foods are incorporated in JBS Mercosul.





# 4Q13 and 2013 Results

## Analysis of Results by Business Unit

### JBS Mercosul (including JBS Foods)

#### Highlights

R\$ million	4Q13	3Q13	Δ%	4Q12	Δ%	2013	2012	Δ%
Heads processed* (thousand)	2,362.6	2,467.0	-4.2%	2,112.5	11.8%	9,391.5	7,959.9	18.0%
Net Revenue	9,203.7	6,214.4	48.1%	5,270.2	74.6%	25,820.5	18,013.1	43.3%
EBITDA	919.7	687.5	33.8%	664.8	38.3%	2,712.4	2,469.2	9.8%
EBITDA margin %	10.0%	11.1%	-	12.6%	-	10.5%	13.7%	-

\*Do not include chicken and suine.

#### Breakdown of Net Revenues

Domestic Market	4Q13	3Q13	Δ%	4T12	Δ%	2013	2012	Δ%
<b>Net Revenue (million R\$)</b>								
Fresh and Chilled Products	2,752.0	2,723.5	1.0%	2,314.6	18.9%	10,048.7	8,033.8	25.1%
Processed Products	659.8	372.6	77.1%	293.8	124.6%	1,683.5	938.5	79.4%
Others	1,116.1	478.0	133.5%	425.4	162.4%	2,386.6	1,932.4	23.5%
<b>TOTAL</b>	<b>4,527.9</b>	<b>3,574.1</b>	<b>26.7%</b>	<b>3,033.7</b>	<b>49.3%</b>	<b>14,118.9</b>	<b>10,904.8</b>	<b>29.5%</b>

#### Volume (thousand tons)

Fresh and Chilled Products	382.1	402.0	-4.9%	345.1	10.7%	1,488.9	1,253.8	18.8%
Processed Products	112.6	58.2	93.6%	51.0	120.9%	291.3	175.0	66.5%
Others	314.0	190.3	65.0%	165.6	89.7%	847.3	791.6	7.0%
<b>TOTAL</b>	<b>808.7</b>	<b>650.4</b>	<b>24.3%</b>	<b>561.6</b>	<b>44.0%</b>	<b>2,627.6</b>	<b>2,220.4</b>	<b>18.3%</b>

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

Fresh and Chilled Product	7.20	6.78	6.2%	6.71	7.3%	6.75	6.41	5.3%
Processed Items	5.86	6.40	-8.4%	5.76	1.7%	5.78	5.36	7.7%
Others	3.55	2.51	41.4%	2.57	38.1%	2.82	2.44	15.4%

Exports	4Q13	3Q13	Δ%	4T12	Δ%	2013	2012	Δ%
<b>Net Revenue (million R\$)</b>								
Fresh and Chilled Products	3,376.2	1,931.6	74.8%	1,679.0	101.1%	8,548.4	5,020.9	70.3%
Processed Products	458.3	261.9	75.0%	216.3	111.9%	1,094.9	785.1	39.5%
Others	841.2	446.9	88.2%	341.1	146.6%	2,058.3	1,302.3	58.0%
<b>TOTAL</b>	<b>4,675.8</b>	<b>2,640.3</b>	<b>77.1%</b>	<b>2,236.5</b>	<b>109.1%</b>	<b>11,701.7</b>	<b>7,108.3</b>	<b>64.6%</b>

#### Volume (thousand tons)

Fresh and Chilled Products	496.6	278.8	78.1%	216.5	129.3%	1,223.0	656.7	86.2%
Processed Products	28.5	20.8	36.7%	19.2	48.1%	88.4	69.2	27.8%
Others	61.8	25.7	141.0%	18.3	237.6%	127.3	73.7	72.6%
<b>TOTAL</b>	<b>586.9</b>	<b>325.3</b>	<b>80.4%</b>	<b>254.1</b>	<b>131.0%</b>	<b>1,438.7</b>	<b>799.7</b>	<b>79.9%</b>

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

Fresh and Chilled Beef	6.80	6.93	-1.8%	7.75	-12.3%	6.99	7.65	-8.6%
Processed Beef	16.10	12.57	28.1%	11.26	43.0%	12.38	11.34	9.2%
Others	13.61	17.42	-21.9%	18.63	-27.0%	16.17	17.66	-8.4%





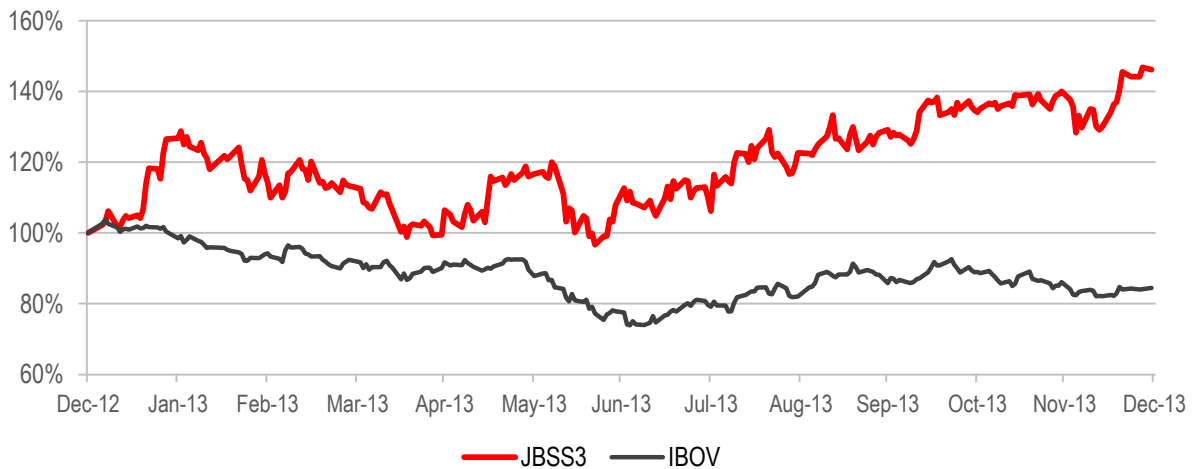
# 4Q13 and 2013 Results

## JBS Stock Performance

During 2013, JBSS3 substantially outperformed the Ibovespa Index, increasing 47%, while the index decreased 15%.

The Average Daily Traded Financial Volume in the year was R\$34.3 million, an increase of 34.1% compared to 2012.

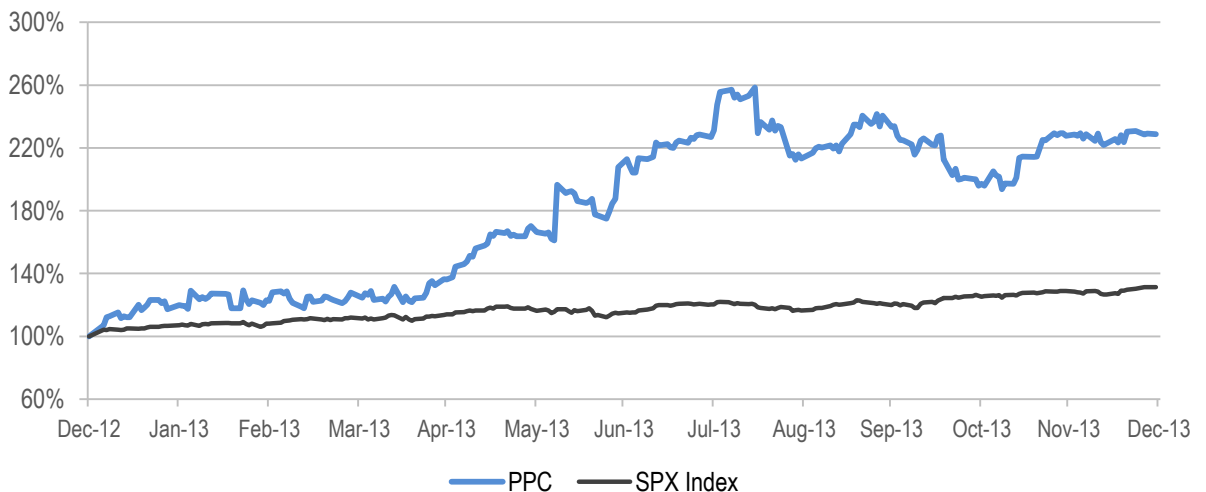
As of December,31 2013 JBS' market cap was R\$25.82 billion.



## Pilgrim's Pride Corp. (PPC) Stock Performance (Controlled by JBS)

During 2013, PPC stocks substantially outperformed the S&P 500 Index, increasing 129%, while the index increased 31%.

As of December,31 2013 PPC's market cap was US\$4.26 billion.



Source: Bloomberg, 100% = 31/12/2013







## 4Q13 Recent and Subsequent Events

### ✓ Massa Leve Acquisition

In December of 2013, JBS Board of Directors approved the purchase the totality of Massa Leve shares. The price agreed was R\$260 million, of which R\$200 million will be paid through the transfer of shares held in treasury by JBS which will need to be approved by the Brazilian regulatory authority – CVM. The operation also depends on the approval of the Brazilian Anti-trust authority.

Massa Leve has around 1,000 team members and is specialized in the production of ready meals, frozen pizzas, fresh pasta products, pies, cheese bread, pastries and sandwiches, all products that attend a growing demand for practical and convenient products in the kitchen. Founded in 1992 in the city of Rio Grande da Serra ( state of São Paulo ) the Company is a leader in the fresh pasta market and the third largest in ready meals, pizzas and sandwiches in Brazil. Approximately 40% of Massa Leve revenue comes from the sale of freshly prepared products while the balance 60% is generated through the sale of frozen food products. The Company has a relevant presence in the retail sector under the Massa Leve brand and is the largest producer of house brands of the major supermarket chains in Brazil in this category .

After the regulatory approvals, Massa Leve will become part of JBS Foods, business unit together with the legacy poultry, pork and further processed food products.

### ✓ Leasing of Rodopa units

In December 2013, JBS entered into an asset leasing with Rodopa Food Industry and Trade Inc., owner of the meat brand Tatuibi. The operation involves its abattoirs, production of beef products and by-products, tannery, the manufacture of cosmetics and personal hygiene products as well as cleaning and polishing product ranges.

The transaction is subject to regulatory approval.

### ✓ Acquisition of Anastácio unit from Kaiowa

In February of 2014 JBS SA acquired from Kaiowa a beef abattoir of Anastácio, located in the state of Mato Grosso do Sul. The abattoir was in bankruptcy and the acquisition occurred in a judicial auction .

The plant has the capacity to process 700 animals / day and strengthens the Company's position in a region with good availability of livestock. The price agreed was R\$24 million with an additional 5%.

### ✓ Frinal Acquisition

In January of 2014 JBS acquired shares representing the entire capital stock of Frinal SA - Integrated Poultry Processor. The total price to be paid by JBS Chicken, subject to adjustments, will be approximately R\$103.5 million. Frinal's activities includes poultry processing, production of poultry feed mill, hatching eggs facilities and breeder flock of reproductive poultry in Brazil. The contract is subject to certain precedent conditions, including the approval by the competent authorities, which includes Brazilian Anti-trust authority.

After approval by Brazilian Anti-trust authority, the Frinal will be under the management of JBS Foods unit.

### ✓ Rental of BR Frango unit

JBS entered into a Rental Agreement for a poultry processing facility and a feed factory from BR Frango, located in Santo Inácio (northwest of Paraná state). The Company will gradually ramp-up production with integrated growers in order to supply the plant, which has a processing capacity of 200,000 birds per day. Additionally, JBS acquired a hatchery and three farms in the same region with the capacity to produce 1.75 million chickens per week.

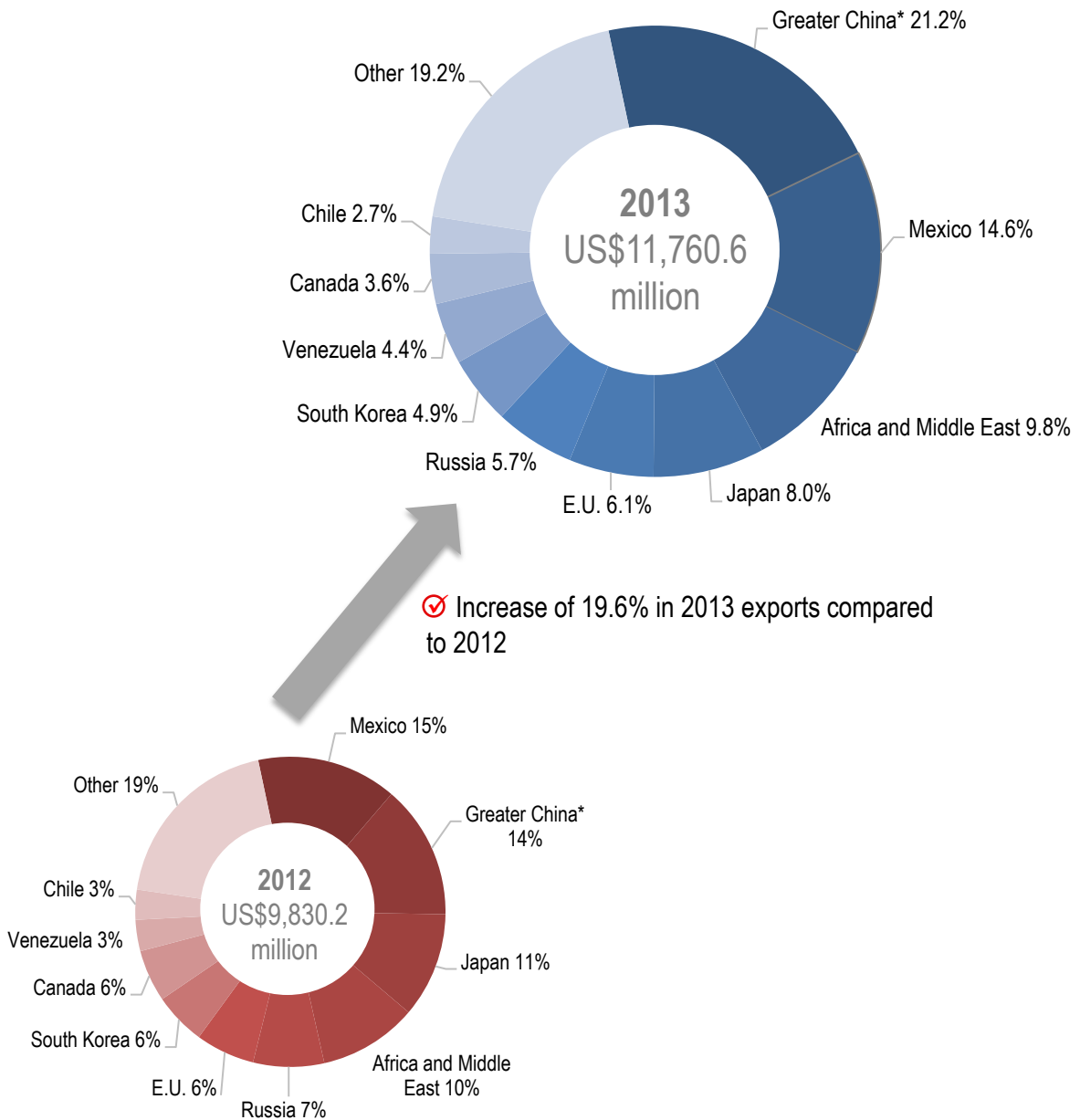
### ✓ Acquisition of Sul Valle

In March JBS acquired Sul Valle, which has one pork processing facility in the City of São Miguel do Oeste, Santa Catarina State, with capacity to process 2,000 animals a day. This acquisition is strategic to JBS Foods as it increases its pork processing capacity in 10% and allow access to important markets, like Japan.



## Tables and Charts

**Graph I - JBS Consolidated Exports Breakdown in 2013 and 2012**



\*Considers China and Hong Kong

**Table I - 4Q13 Breakdown of Production Costs by Business Unit (%)**

4Q13 (%)	Consolidated	JBS Mercosul	USA Beef	USA Pork	USA Chicken
Raw material (livestock)	79.2%	85.7%	83.7%	82.7%	56.7%
Processing (including ingredients and packaging)	12.1%	8.6%	9.2%	7.5%	27.3%
Labor Cost	8.7%	5.8%	7.1%	9.8%	16.0%

Source: JBS.



# 4Q13 and 2013 Results

## Indexes



## Contact



### Head Office

Avenida Marginal Direita do Tietê, 500  
CEP: 05118-100 – São Paulo – SP  
Brasil  
Tel.: (55 11) 3144-4000  
Fax: (55 11) 3144-4279  
[www.jbs.com.br](http://www.jbs.com.br)

### Investor Relations

Tel.: (55 11) 3144-4224  
E-mail: [ir@jbs.com.br](mailto:ir@jbs.com.br)  
[www.jbs.com.br/ir](http://www.jbs.com.br/ir)





# 4Q13 and 2013 Results

## Consolidated Financial Statements – JBS S.A.

### JBS S.A.

#### Balance sheets (In thousands of Reais)

	Company		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	5,223,978	3,564,984	9,013,147	5,383,087
Trade accounts receivable, net	4,087,073	2,753,737	8,919,926	5,688,648
Inventories	2,414,148	1,940,192	6,904,616	5,182,187
Biological assets	-	-	1,419,343	849,624
Recoverable taxes	1,275,614	1,309,995	2,003,256	1,676,267
Prepaid expenses	10,171	9,648	152,425	142,961
Other current assets	309,988	273,332	500,770	460,625
<b>TOTAL CURRENT ASSETS</b>	<b>13,320,972</b>	<b>9,851,888</b>	<b>28,913,483</b>	<b>19,383,399</b>
<b>NON-CURRENT ASSETS</b>				
<b>Long-term assets</b>				
Credits with related parties	1,784,948	808,062	733,958	548,909
Biological assets	-	-	496,903	304,309
Recoverable taxes	682,571	641,957	1,149,725	673,346
Other non-current assets	294,254	206,137	1,182,302	671,758
<b>Total long-term assets</b>	<b>2,761,773</b>	<b>1,656,156</b>	<b>3,562,888</b>	<b>2,198,322</b>
Investments in associate, subsidiaries and joint ventures	11,594,353	6,118,876	277,571	258,620
Property, plant and equipment, net	9,392,336	8,767,637	20,940,616	16,207,640
Intangible assets, net	9,547,037	9,531,964	14,975,663	11,708,212
<b>TOTAL NON-CURRENT ASSETS</b>	<b>33,295,499</b>	<b>26,074,633</b>	<b>39,756,738</b>	<b>30,372,794</b>
<b>TOTAL ASSETS</b>	<b>46,616,471</b>	<b>35,926,521</b>	<b>68,670,221</b>	<b>49,756,193</b>





# 4Q13 and 2013 Results

## Consolidated Financial Statements – JBS S.A.

### JBS S.A.

#### Balance sheets

(In thousands of Reais)

	Company		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Trade accounts payable	1,371,205	1,000,273	5,342,388	3,564,270
Loans and financings	6,839,122	5,355,774	9,430,892	6,098,898
Income taxes	-	-	19,760	8,886
Payroll, social charges and tax obligation	382,741	361,741	1,741,536	1,276,009
Declared dividends	220,494	170,749	220,494	170,749
Payables related to facilities acquisitions	95,853	112,712	264,264	112,712
Other current liabilities	535,352	280,649	689,535	306,049
<b>TOTAL CURRENT LIABILITIES</b>	<b>9,444,767</b>	<b>7,281,898</b>	<b>17,708,869</b>	<b>11,537,573</b>
<b>NON-CURRENT LIABILITIES</b>				
Loans and financings	13,753,849	6,795,885	23,330,449	14,390,046
Payroll, social charges and tax obligation	125,166	137,847	705,179	524,230
Payables related to facilities acquisitions	62,754	95,142	463,485	95,142
Deferred income taxes	1,090,973	825,781	2,119,594	1,276,756
Provision for lawsuits risk	164,051	155,156	849,324	203,361
Other non-current liabilities	23,123	24,265	360,067	295,779
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>15,219,916</b>	<b>8,034,076</b>	<b>27,828,098</b>	<b>16,785,314</b>
<b>EQUITY</b>				
Capital stock	21,506,247	21,506,247	21,506,247	21,506,247
Treasury shares	(595,849)	(776,526)	(595,849)	(776,526)
Capital transaction	86,444	77,374	86,444	77,374
Capital reserve	211,879	211,879	211,879	211,879
Revaluation reserve	92,227	96,847	92,227	96,847
Profit reserves	2,705,084	1,993,697	2,705,084	1,993,697
Valuation adjustments to equity in subsidiaries	132,787	92,999	132,787	92,999
Accumulated translation adjustments in subsidiaries	(2,187,031)	(2,591,970)	(2,187,031)	(2,591,970)
<b>Attributable to controlling interest</b>	<b>21,951,788</b>	<b>20,610,547</b>	<b>21,951,788</b>	<b>20,610,547</b>
<b>Attributable to noncontrolling interest</b>	<b>-</b>	<b>-</b>	<b>1,181,466</b>	<b>822,759</b>
<b>TOTAL EQUITY</b>	<b>21,951,788</b>	<b>20,610,547</b>	<b>23,133,254</b>	<b>21,433,306</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>46,616,471</b>	<b>35,926,521</b>	<b>68,670,221</b>	<b>49,756,193</b>





# 4Q13 and 2013 Results

## Consolidated Financial Statements – JBS S.A.

### JBS S.A.

#### Statements of income for the years ended on December 31, 2013 and 2012 (In thousands of Reais)

	Company		Consolidated	
	2013	2012	2013	2012
<b>NET REVENUE</b>	<b>20,975,955</b>	<b>16,405,822</b>	<b>92,902,798</b>	<b>75,696,710</b>
Cost of goods sold	(15,808,619)	(12,093,878)	(81,056,088)	(67,006,886)
<b>GROSS INCOME</b>	<b>5,167,336</b>	<b>4,311,944</b>	<b>11,846,710</b>	<b>8,689,824</b>
<b>OPERATING INCOME (EXPENSE)</b>				
General and administrative expenses	(1,072,208)	(816,779)	(2,519,993)	(2,057,415)
Selling expenses	(2,183,117)	(1,564,217)	(5,262,199)	(3,877,714)
Financial expense, net	(1,648,833)	(1,082,690)	(2,380,331)	(1,338,243)
Equity in earnings of subsidiaries	939,189	385,040	6,722	836
Other income (expenses), net	(10,251)	23,290	84,086	(35,002)
	<b>(3,975,220)</b>	<b>(3,055,356)</b>	<b>(10,071,715)</b>	<b>(7,307,538)</b>
<b>NET INCOME BEFORE TAXES</b>	<b>1,192,116</b>	<b>1,256,588</b>	<b>1,774,995</b>	<b>1,382,286</b>
Current income taxes	2,380	2,424	(166,231)	(176,742)
Deferred income taxes	(267,589)	(540,074)	(490,439)	(442,654)
	<b>(265,209)</b>	<b>(537,650)</b>	<b>(656,670)</b>	<b>(619,396)</b>
<b>NET INCOME</b>	<b>926,907</b>	<b>718,938</b>	<b>1,118,325</b>	<b>762,890</b>
<b>ATTRIBUTABLE TO:</b>				
Controlling interest			926,907	718,938
Noncontrolling interest			191,418	43,952
			<b>1,118,325</b>	<b>762,890</b>
Net income basic per thousand shares - in reais	323.32	247.84	323.32	247.84
Net income diluted per thousand shares - in reais	323.32	247.84	323.32	247.84





# 4Q13 and 2013 Results

## Consolidated Financial Statements – JBS S.A.

### JBS S.A.

#### Statements of cash flows for the years ended on December 31, 2013 and 2012

(In thousands of Reais)

	Company		Consolidated	
	2013	2012	2013	2012
<b>Cash flow from operating activities</b>				
Net income attributable to controlling interest	926,907	718,938	926,907	718,938
Adjustments to reconcile net income to cash provided on operating activities				
. Depreciation and amortization	515,215	435,920	2,038,817	1,613,710
. Allowance for doubtful accounts	375	(6,431)	11,459	(4,657)
. Equity in earnings of subsidiaries	(939,189)	(385,040)	(6,722)	(836)
. Loss (gain) on assets sales	8,220	(14,852)	7,984	26,131
. Deferred income taxes	267,589	540,074	490,439	409,062
. Current and non-current financial charges	1,354,307	495,970	1,591,257	490,681
. Provision for lawsuits risk	8,895	10,027	52,477	5,106
. Gain on bargain	-	-	(72,337)	-
. Impairment	-	-	-	10,282
	<b>2,142,319</b>	<b>1,794,606</b>	<b>5,040,281</b>	<b>3,268,417</b>
<b>Decrease (increase) in operating assets</b>				
Trade accounts receivable	(1,387,750)	(828,058)	(2,026,347)	(892,675)
Inventories	(294,557)	(329,123)	(142,024)	(395,360)
Recoverable taxes	(6,283)	106,863	(171,962)	(163,553)
Other current and non-current assets	(234,389)	(58,723)	(297,446)	89,214
Related party receivable	(500,820)	(463,806)	(84,879)	11,612
Biological assets	-	-	(338,899)	(440,813)
<b>Increase (decrease) operating liabilities</b>				
Trade accounts payable	331,204	303,692	340,744	206,669
Other current and non-current liabilities	224,367	28,412	85,512	(270,741)
Noncontrolling interest	-	-	191,418	44,541
Valuation adjustments to equity in subsidiaries	-	-	(55,351)	14,945
<b>Changes in operating assets and liabilities</b>	<b>(1,868,228)</b>	<b>(1,240,743)</b>	<b>(2,499,234)</b>	<b>(1,796,161)</b>
<b>Net cash provided by operating activities</b>	<b>274,091</b>	<b>553,863</b>	<b>2,541,047</b>	<b>1,472,256</b>
<b>Cash flow from investing activities</b>				
Additions to property, plant and equipment and intangible assets	(1,019,292)	(1,083,314)	(1,737,313)	(1,619,393)
Net effect of Joint Venture deconsolidation	-	-	(8,623)	(211,856)
Decrease in investments in subsidiaries	(281,975)	(109,306)	1,540	2,067
Dividends received JBS USA	-	875,503	-	-
Net effect of working capital of acquired / merged company	915	7,356	(161,517)	(21,355)
Net effect of the consolidation of Beef Snacks International B.V.	-	-	-	(19,757)
<b>Net cash used in investing activities</b>	<b>(1,300,352)</b>	<b>(309,761)</b>	<b>(1,905,913)</b>	<b>(1,870,294)</b>
<b>Cash flow from financing activities</b>				
Proceeds from loans and financings	10,745,707	5,579,875	21,703,197	14,145,935
Payments of loans and financings	(7,887,692)	(5,869,508)	(18,833,041)	(13,773,332)
Payments of dividends	(170,396)	-	(170,396)	-
Capital transactions	-	-	9,070	(8,760)
Shares acquisition of own emission	(2,364)	(2,352)	(2,364)	(2,352)
<b>Net cash used in financing activities</b>	<b>2,685,255</b>	<b>(291,985)</b>	<b>2,706,466</b>	<b>361,491</b>
<b>Effect of exchange variation on cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>288,460</b>	<b>131,440</b>
Variance in cash and cash equivalents	1,658,994	(47,883)	3,630,060	94,893
Cash and cash equivalents at the beginning of the year	3,564,984	3,612,867	5,383,087	5,288,194
<b>Cash and cash equivalents at the end of the year</b>	<b>5,223,978</b>	<b>3,564,984</b>	<b>9,013,147</b>	<b>5,383,087</b>





# 4Q13 and 2013 Results

## Consolidated Financial Statements – JBS S.A.

### JBS S.A.

#### Statements of cash flows for the three months period ended December 31, 2013 and 2012 (In thousands of Reais)

	Company		Consolidated	
	2013	2012	2013	2012
<b>Cash flow from operating activities</b>				
Net income of the period attributable to controlling interest	140,723	66,376	140,723	66,376
Adjustments to reconcile net income to cash provided on operating activities				
. Depreciation and amortization	134,648	114,489	635,197	449,753
. Allowance for doubtful accounts	-	(3,799)	8,941	(1,747)
. Equity in earnings of subsidiaries	(78,056)	(15,107)	21,422	(205)
. Loss (gain) on assets sales	2,283	(5,274)	6,036	17,454
. Deferred income taxes	106,988	244,023	146,850	102,754
. Current and non-current financial charges	529,558	157,405	557,251	200,241
. Provision for lawsuits risk	2,553	3,108	33,476	(2,905)
	<b>838,697</b>	<b>561,221</b>	<b>1,549,896</b>	<b>833,891</b>
<b>Decrease (increase) in operating assets</b>				
Trade accounts receivable	(685,288)	(289,138)	(1,005,633)	(404,912)
Inventories	125,219	75,470	765,567	327,685
Recoverable taxes	41,670	85,391	106,405	(35,899)
Other current and non-current assets	(49,130)	(9,478)	(106,470)	182,312
Related party receivable	(547,437)	95,808	(56,018)	10,954
Biological assets	-	-	54,287	(74,519)
<b>Increase (decrease) operating liabilities</b>				
Trade accounts payable	329,000	202,344	(105,151)	258,476
Other current and non-current liabilities	(480,617)	(275,748)	(836,090)	(340,813)
Noncontrolling interest	-	-	69,002	(3,587)
Valuation adjustments to shareholders' equity in subsidiaries	-	-	(81,008)	42,289
<b>Net cash provided by operating activities</b>	<b>(427,886)</b>	<b>445,870</b>	<b>354,787</b>	<b>795,877</b>
<b>Cash flow from investing activities</b>				
Additions to property, plant and equipment and intangible assets	(321,543)	(240,942)	(585,223)	(473,779)
Net effect of Vigor deconsolidation	-	-	-	-
Decrease in investments in subsidiaries	(288,355)	(998,208)	-	-
Receipt of dividends from JBS USA	-	875,503	-	-
Net effect of working capital of acquired / merged company	-	7,356	-	3,053
Net effect of the consolidation of Beef Snacks International B.V.	-	-	-	(19,757)
<b>Net cash provided by investing activities</b>	<b>(609,898)</b>	<b>(356,291)</b>	<b>(585,223)</b>	<b>(470,726)</b>
<b>Cash flow from financing activities</b>				
Proceeds from loans and financings	4,517,214	1,362,281	6,371,698	1,012,862
Payments of loans and financings	(2,752,069)	(1,441,489)	(5,070,037)	(1,003,260)
Payments of dividends	-	7	-	7
Capital transactions	-	-	2,179	(1,912)
Shares acquisition of own emission	7,223	-	7,223	-
<b>Net cash provided by financing activities</b>	<b>1,772,368</b>	<b>(79,201)</b>	<b>1,311,063</b>	<b>7,697</b>
<b>Effect of exchange variation on cash and cash equivalents</b>	-	-	<b>100,199</b>	<b>29,337</b>
Variance in cash and cash equivalents	734,584	10,378	1,180,826	342,428
Cash and cash equivalents at the beginning of the period	4,489,394	3,554,606	7,832,321	5,040,659
<b>Cash and cash equivalents at the end of the period</b>	<b>5,223,978</b>	<b>3,564,984</b>	<b>9,013,147</b>	<b>5,383,087</b>







## Disclaimer

*This release contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of JBS. These are merely projections and, as such, are based exclusively on the expectations of JBS' management concerning the future of the business and its continued access to capital to fund the Company's business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors and risks disclosed in JBS' filed disclosure documents and are, therefore, subject to change without prior notice.*

