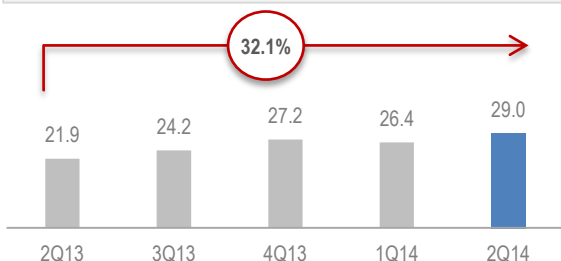


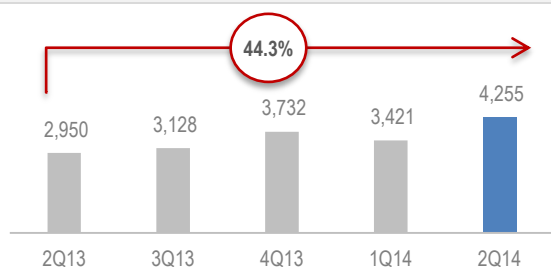
2Q14 Highlights

Net Revenue (R\$ Billion)



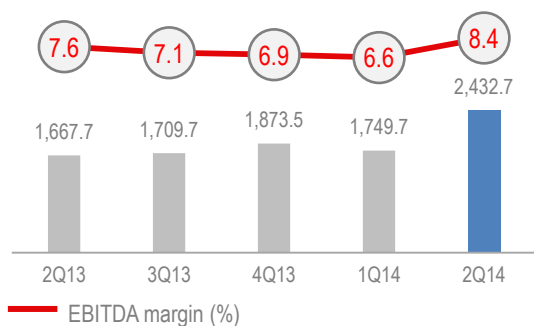
✓ **Net revenue of R\$29.0 billion**, an increase of R\$7.0 billion, or **32.1% higher than 2Q13**.

Gross Profit (R\$ Million)



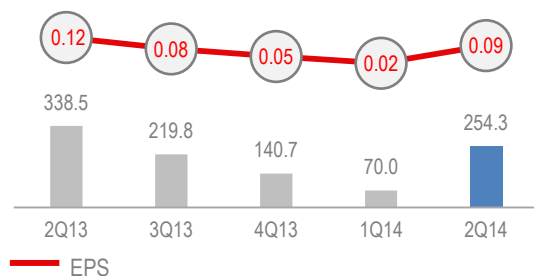
✓ **Gross profit of R\$4.25 billion**, expansion of R\$1.3 billion, or **44.3% higher than 2Q13**.

EBITDA (R\$ Million)



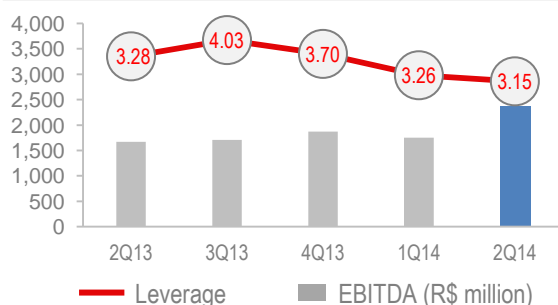
✓ **Consolidated EBITDA of R\$2.4 billion**, an increase of 45.9% over 2Q13. EBITDA margin was **8.4%**.

Net Income (R\$ Million) and EPS (R\$)



✓ **Net income of R\$254.3 million**, which corresponds to an EPS of R\$0.09.

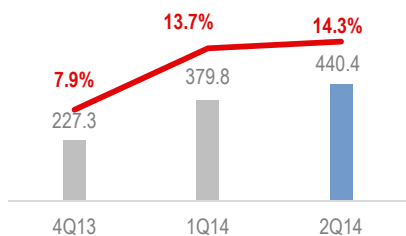
Leverage (Net Debt/EBITDA LTM)



✓ JBS ended 2Q14 with a **leverage (Net Debt/EBITDA LTM) of 3.15x**, compared to 3.26x in 1Q14.

Business Units 2Q14 Highlights

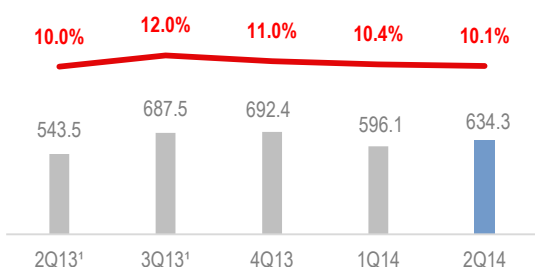
JBS Foods (R\$ Million)



✓ JBS Foods recorded an EBITDA of **R\$440.4 million** and margin of **14.3%**.

✓ Net revenue was **R\$3,084.5 million**, an increase of **11.0%** over 2Q13.

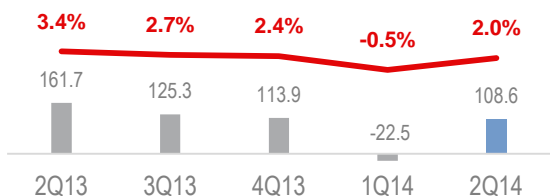
JBS Mercosul (R\$ Million)



✓ JBS Mercosul posted EBITDA of **R\$634.3 million** and margin of **10.1%**.

✓ Net revenue was **R\$6,291.4 million**, an increase of **15.8%** compared to 2Q13.

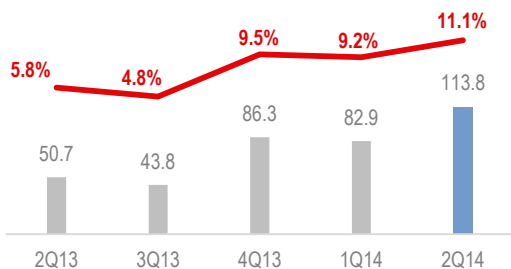
JBS USA Beef (US\$ Million)



✓ JBS USA Beef posted an EBITDA of **US\$108.6 million** and margin of **2.0%**.

✓ Net revenue was **10.9%** higher than 2Q13, reaching **US\$5,331.4 million**.

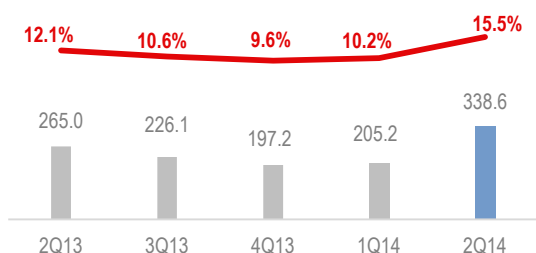
JBS USA Pork (US\$ Million)



✓ JBS USA Pork registered EBITDA of **US\$113.8 million** and margin of **11.1%**.

✓ Net revenue in 2Q14 was **18.4%** higher than 2Q13, reaching **US\$1,028.3 million**.

JBS USA Chicken (US\$ Million)



✓ The chicken unit in the USA (PPC) posted an EBITDA of **US\$338.6 million** and margin of **15.5%**.

✓ Net revenue of **US\$2,186.8 million**, in line with the same period of previous year.

— EBITDA margin ■ EBITDA

Analysis of Consolidated Results

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

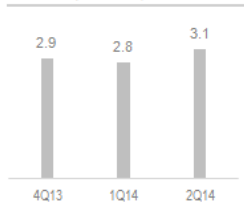
Million		2Q14	1Q14	Δ%	2Q13	Δ%
Net Revenue						
JBS Foods	R\$	3,084.5	2,780.0	11.0%	-	-
JBS Mercosul ¹	R\$	6,291.4	5,725.3	9.9%	5,432.8	15.8%
JBS USA Beef	US\$	5,331.4	4,520.7	17.9%	4,806.2	10.9%
JBS USA Pork	US\$	1,028.3	896.9	14.7%	868.5	18.4%
JBS USA Chicken	US\$	2,186.8	2,018.1	8.4%	2,184.1	0.1%
EBITDA						
JBS Foods	R\$	440.4	379.8	15.9%	-	-
JBS Mercosul ¹	R\$	634.3	596.1	6.4%	543.9	16.6%
JBS USA Beef	US\$	108.6	-22.5	-	161.7	-32.8%
JBS USA Pork	US\$	113.8	82.9	37.2%	50.7	124.3%
JBS USA Chicken	US\$	338.6	205.2	65.0%	265.0	27.8%
EBITDA Margin						
JBS Foods	%	14.3%	13.7%	0.61 p.p.	-	-
JBS Mercosul ¹	%	10.1%	10.4%	-0.33 p.p.	10.0%	0.07 p.p.
JBS USA Beef	%	2.0%	-0.5%	2.54 p.p.	3.4%	-1.33 p.p.
JBS USA Pork	%	11.1%	9.2%	1.82 p.p.	5.8%	5.22 p.p.
JBS USA Chicken	%	15.5%	10.2%	5.32 p.p.	12.1%	3.35 p.p.

Note 1. Includes JBS Aves in 2Q13

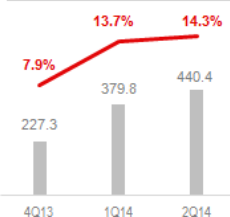
Performance by Business Unit

JBS Foods

Net sales (R\$ billion)



EBITDA (R\$ million)

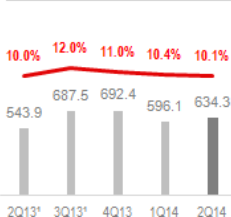


JBS Mercosul

Net sales (R\$ billion)

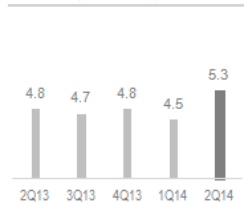


EBITDA (R\$ million)

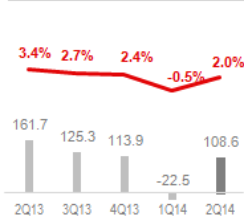


JBSUSA
(Including Australia & Canada)

Net sales (US\$ billion)

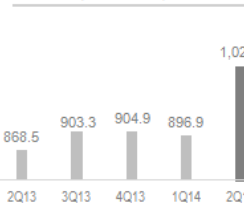


EBITDA (US\$ million)

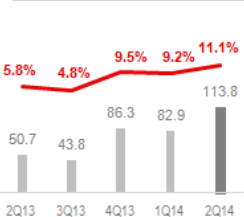


JBSUSA

Net sales (US\$ million)

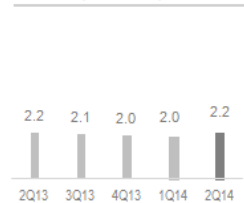


EBITDA (US\$ million)

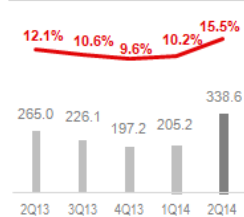


JBSUSA (PPC)

Net sales (US\$ billion)



EBITDA (US\$ million)



— EBITDA margin (%)

Note 1. Includes JBS Aves

Analysis of Consolidated Results

Consolidated analysis of the main operational indicators of JBS

R\$ million	2Q14		1Q14		Δ%	2Q13		Δ%
	R\$ million	% NR	R\$ million	% NR		2Q14 vs 1Q14	R\$ million	
Net Revenue	28,968.9	100.0%	26,419.1	100.0%	9.7%	21,931.0	100.0%	32.1%
Cost of Goods Sold	(24,713.4)	-85.3%	(22,997.8)	-87.0%	7.5%	(18,981.1)	-86.5%	30.2%
Gross Income	4,255.5	14.7%	3,421.3	13.0%	24.4%	2,949.9	13.5%	44.3%
Selling Expenses	(1,721.8)	-5.9%	(1,604.4)	-6.1%	7.3%	(1,163.2)	-5.3%	48.0%
General and Adm. Expenses	(708.0)	-2.4%	(688.0)	-2.6%	2.9%	(592.1)	-2.7%	19.6%
Net Financial Income (expense)	(1,087.7)	-3.8%	(869.3)	-3.3%	25.1%	(659.6)	-3.0%	64.9%
Equity in earnings of subsidiaries	6.9	0.0%	4.7	0.0%	46.4%	24.4	0.1%	-71.8%
Other Income (expense)	2.4	0.0%	(4.5)	0.0%	-	71.5	0.3%	-96.6%
Operating Income	747.3	2.6%	259.7	1.0%	187.8%	630.9	2.9%	18.5%
Income and social contribution taxes	(395.9)	-1.4%	(139.7)	-0.5%	183.4%	(222.9)	-1.0%	77.6%
Participation of non-controlling shareholders	(97.2)	-0.3%	(50.0)	-0.2%	94.3%	(69.6)	-0.3%	39.7%
Net Income (Loss)	254.3	0.9%	70.0	0.3%	263.3%	338.5	1.5%	-24.9%
EBITDA	2,432.7	8.4%	1,749.7	6.6%	0.39 p.p.	1,667.7	7.6%	0.46 p.p.

Number of Animals Processed

	2Q14	1Q14	Δ%	2Q13	Δ%
Animals processed (thousand)					
Cattle	4,793.9	4,474.8	7.1%	4,794.7	0.0%
Hogs	3,992.8	4,303.9	-7.2%	3,184.3	25.4%
Birds ¹	229,868.5	227,446.4	1.1%	-	-
Smalls ²	1,269.0	1,364.7	-7.0%	1,223.7	3.7%

¹Not including PPC

²Not including poultry

Consolidated Results

Net Revenue

JBS' net revenue in 2Q14 totaled R\$28,968.9 million, an expansion of R\$7,037.9 million or 32.1% higher than 2Q13. This increase is due to an improvement in revenues from all business units, except for the US chicken operations which remained stable, and to the acquisition of Seara which was consolidated into JBS Foods in 4Q13. The main highlights were Mercosul which recorded a 15.8% increase in revenue and JBS USA Beef and Pork businesses, whose revenues increased due to higher sales prices.

In 2Q14, approximately 68% of JBS global revenue were derived from domestic sales and 32% came from exports.

EBITDA

Consolidated EBITDA in 2Q14 was R\$2,432.7 million, an increase of 45.9% compared to 2Q13. EBITDA margin in the quarter was 8.4%. This result reflects the performance of Chicken and Pork operations in the US, which registered an EBITDA increase of 27.8% and 124.3%, respectively, as well as JBS Foods, which recorded an EBITDA of R\$440.4 million, with an EBITDA margin of 14.3%.

R\$ million	2Q14	2Q13	Δ%
Net income for the period (including non-controlling interest)	351.5	408.1	-13.9%
Financial income/expense, net	1,087.7	659.6	64.9%
Current and deferred income taxes	395.9	222.9	77.6%
Depreciation and amortization	606.4	466.6	29.9%
Equity in subsidiaries	-6.9	-24.4	-71.8%
Restructuring, reorganization and indemnity	3.9	-65.1	-
Premium due to early liquidation paid by JBS USA	-5.6	0.0	-
(=) EBITDA	2,432.7	1,667.7	45.9%

Net Financial Expense

In 2Q14, carry costs of derivatives position, which totaled around R\$350.0 million, coupled with a Real appreciation in the period impacted JBS Financial Results. In addition, interest expenses were impacted by the payment of a premium amounting US\$40.8 million (R\$90.5 million) regarding the Tender Offer for the 2016 Notes of JBS S.A. and Bertin S.A. Total net financial expense were R\$1,087.7 million.

Net Income

Net income in 2Q14, excluding non-controlling interest, was R\$254.3 million, which corresponds to R\$88.61 per thousand shares. This result was impacted by derivative carry costs and by the payment of the premium regarding the Tender Offer for the 2016 Notes of JBS S.A. and Bertin S.A., as described above.

Consolidated Results

CAPEX

In 2Q14, total capital expenditure (CAPEX) was R\$760.0 million, of which approximately 40% in acquisitions, expansions and facilities modernization and 60% in maintenance.

In addition, JBS recorded the payment of Massa Leve, which was made through the transfer of shares held in treasury (R\$203.5 million) and part in cash (R\$55.1 million), in the statement of cash flow in “net effect of working capital from acquired companies”, which totaled R\$266.6 million.

Cash Generation

In 2Q14 the Company generated net cash flow from operations of R\$147.3 million, due to an increase in sales prices and an expansion of sales in general, besides the robust expansion of JBS exports during the quarter.

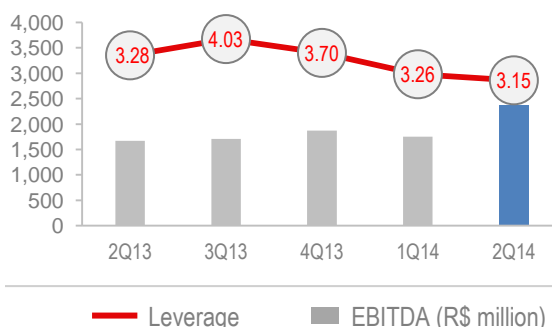
Indebtedness

JBS ended 2Q14 with leverage of 3.15x, compared to 3.26x in 1Q14.

In June 2014, JBS issued Bonds in the amount of US\$750.0 million through its wholly-owned subsidiaries JBS USA, LLC and JBS USA Finance, Inc. with maturity in 2024 and coupon of 5.875% per year. Proceeds from this issuance were used to partially pay 2016 Notes of JBS S.A. and Bertin S.A., with coupons of 10.50% and 10.25%, respectively. This transaction allowed JBS to reduce its financial costs and to extend its debt profile.

Gross debt	35,012.1	32,375.5	8.1%
(+) Short Term Debt	9,894.8	9,346.7	5.9%
(+) Long Term Debt	25,117.3	23,028.7	9.1%
(-) Cash and Equivalents	10,297.7	8,696.4	18.4%
Net debt	24,714.4	23,679.1	4.4%
Net debt/EBITDA LTM	3.15x	3.26x	

Leverage



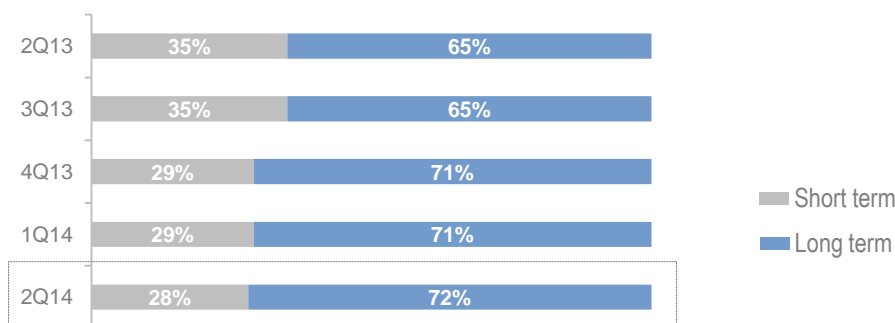
Consolidated Results

Indebtedness (cont.)

The Company ended the quarter with R\$10,297.7 million in cash, equivalent to approximately 104% of its short-term debt. In addition, JBS USA has US\$1,271.1 million fully available under revolving credit facilities which, if added to the current cash position, represents 133% of short term debt.

The percentage of short term debt (ST) in relation to total debt dropped to 28% in 2Q14.

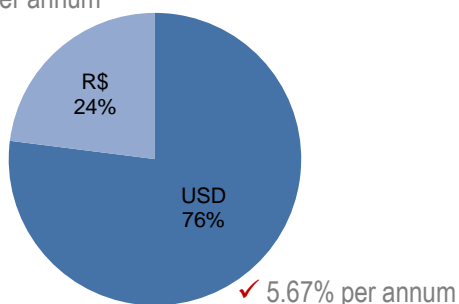
Debt profile ST / LT



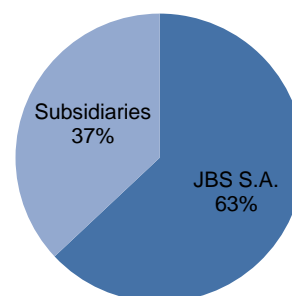
At the end of the period, 77% of JBS consolidated debt was denominated in U.S. dollars, with an average cost of 5.67% per year. The proportion of debt denominated in Reais, 23% of consolidated debt, has an average cost of 11.25% per year.

Breakdown by Currency & Average Cost

✓ 11.25% per annum



Breakdown by Company



Recent Events

According to the Notice to the Market on July 14, 2014, JBS signed a binding agreement with Céu Azul Alimentos Ltda., regarding the acquisition of two poultry processing plants in the state of São Paulo.

On July 28, JBS together with Pilgrim's Pride announced through a material fact that a definitive agreement has been entered into for the entities to purchase the totality of the poultry businesses of Tyson Foods, Inc. (NYSE: TSN) in Mexico and Brazil. The Mexican business will be acquired through Pilgrim's Pride and the Brazilian business is to be acquired through JBS Foods S.A.

On August 13, JBS' Board of Directors approved the renewal of its share buyback program, which has been active since 2009. This program allows the acquisition of up to 119,548,755 common, nominative shares, without par value issued by the Company to be held in treasury for subsequent sale or cancellation, without reduction of capital.

Analysis of Results by Business Unit

JBS Foods

JBS Foods posted net revenue of R\$3,084.5 million, an increase of 11.0% compared to 1Q14. Revenue on the domestic market was R\$1,405.1 million while net revenue from exports was R\$1,679.4 million. This increase was due to an improvement in sales volumes in both markets coupled with an increase in prices in the domestic market, thanks to brands and categories repositioning efforts, and an increase of 11.0% in pork export prices.

Main destinations of JBS Foods exports in 2Q14 were Russia, United Arab Emirates, Germany and South Korea.

JBS Foods' EBITDA reached R\$440.4 million in 2Q14, an increase of 15.9% compared with 1Q14, with an EBITDA margin of 14.3% compared to 13.7% in the previous quarter.

Initiatives implemented to improve gross margin and EBITDA included:

- ✓ Benchmark of global best practices between JBS Foods and PPC applied to the companies acquired by JBS Foods;
- ✓ A relevant improvement in yields and productivity gains, in addition to cost reduction in the processing facilities;
- ✓ Redesign and rationalization of the logistics network, which permitted cost reductions and increase in volume delivered;
- ✓ A renewed go-to-market strategy, which provided efficiency gains in the sales channels;
- ✓ Increase in margins from prepared and convenient products;
- ✓ Increased access to customers abroad through synergies captured and know-how already existing at JBS Group.

In addition, aiming to expand the knowledge over Seara brand in the beginning of this year, the Company launched 17 SKUs of prepared and convenient products and initiate a national marketing and advertising campaign, focused on attracting new costumers and retaining existing ones, which is contributing to the results of JBS Foods.

Highlights

	2Q14		1Q14		Δ%
	R\$	% NR	R\$	% NR	QoQ
Net Revenue	3,084.5	100.0%	2,780.0	100.0%	11.0%
COGS	(2,294.3)	-74.4%	(2,076.5)	-74.7%	10.5%
Gross Profit	790.2	25.6%	703.6	25.3%	12.3%
EBITDA	440.4	14.3%	379.8	13.7%	15.9%

JBS Foods	2Q14	1Q14	Δ%
Birds Processed (thousand)	229,868.5	227,446.4	1.1%
Hogs processed (thousand)	1,077.5	1,033.3	4.3%

Analysis of Results by Business Unit

JBS Foods

Breakdown of Net Revenue

Domestic Market	2Q14	1Q14	Δ%
Net Revenue (million R\$)			
Fresh Poultry	363.8	330.4	10.1%
Fresh Pork	102.3	102.2	0.1%
Processed Products	843.9	767.1	10.0%
Others	95.1	80.0	18.9%
TOTAL	1,405.1	1,279.7	9.8%
Volume (thousand tons)			
Fresh Poultry	66.9	64.3	4.1%
Fresh Pork	17.8	18.5	-4.1%
Processed Products	143.2	136.7	4.7%
Others	-	-	-
TOTAL	227.9	219.6	3.8%
Average Price (R\$/Kg)			
Fresh Poultry	5.43	5.14	5.7%
Fresh Pork	5.76	5.51	4.4%
Processed Products	5.89	5.61	5.0%
Others	-	-	-
Exports			
Net Revenue (million R\$)			
Fresh Poultry	1,386.3	1,248.8	11.0%
Fresh Pork	193.3	156.7	23.4%
Processed Products	99.8	94.9	5.2%
TOTAL	1,679.4	1,500.3	11.9%
Volume (thousand tons)			
Fresh Poultry	300.3	255.8	17.4%
Fresh Pork	26.7	24.0	11.2%
Processed Products	15.1	13.3	13.4%
TOTAL	342.0	293.0	16.7%
Average Price (R\$/Kg)			
Fresh Poultry	4.62	4.88	-5.4%
Fresh Pork	7.25	6.53	11.0%
Processed Products	6.62	7.14	-7.2%

Analysis of Results by Business Unit

JBS Mercosul

JBS Mercosul posted net revenue of R\$6,291.4 million in 2Q14, 15.8% higher than 2Q13 (which included results of JBS Poultry business in Brazil). Compared to 1Q14, net revenue increased 9.9%, highlighting an increase of 21.9% in beef exports.

EBITDA totaled R\$634.3 million for the quarter, an expansion of 16.7% over 2Q13. EBITDA margin was 10.1%. The slight margin reduction is due to an increase in raw material prices, partially offset by an increase in sales prices. Compared to 1Q14, EBITDA increased 6.0% thanks to a small decrease in SG&A as a percentage of sales.

Operations in Paraguay and Uruguay presented an increase in exports average price, which contributed to the increase in sales in addition to fixed costs dilution. In Brazil, the Company foresees an increase in sales volume to the international market and an improvement in sales in the domestic market as a result of marketing investments to promote the Friboi brand.

Highlights

	2Q14		1Q14		Δ%	2Q13 ¹		Δ%
	R\$	% NR	R\$	% NR	QoQ	R\$	% NR	YoY
Net Revenue	6,291.4	100.0%	5,725.3	100.0%	9.9%	5,432.8	100.0%	15.8%
COGS	(4,769.5)	-75.8%	(4,326.1)	-75.6%	10.2%	(4,102.3)	-75.5%	16.3%
Gross Profit	1,521.8	24.2%	1,399.2	24.4%	8.8%	1,330.5	24.5%	14.4%
EBITDA	634.3	10.1%	596.1	10.4%	6.4%	543.9	10.0%	16.6%

Note 1. Includes JBS Aves

JBS Mercosul	2Q14	1Q14	Δ%	2Q13	Δ%
Bovine processed (thousand)	2,348.7	2,244.7	4.6%	2,351.6	-0.1%

Analysis of Results by Business Unit

Highlights

Domestic Market	2Q14	1Q14	Δ%	2Q13 ¹	Δ%
Net Revenue (million R\$)					
Fresh and Chilled Products	2,585.4	2,612.7	-1.0%	2,399.3	7.8%
Processed Products	313.4	311.2	0.7%	344.4	-9.0%
Others	451.0	398.5	13.2%	421.2	7.1%
TOTAL	3,349.8	3,322.5	0.8%	3,164.9	5.8%
Volume (thousand tons)					
Fresh and Chilled Products	318.5	299.9	6.2%	373.8	-14.8%
Processed Products	42.9	44.0	-2.6%	57.9	-26.0%
Others	161.5	163.1	-1.0%	179.0	-9.8%
TOTAL	522.8	507.0	3.1%	610.7	-14.4%
Average Price (R\$/Kg)					
Fresh and Chilled Product	8.12	8.71	-6.8%	6.42	26.5%
Processed Items	7.31	7.07	3.4%	5.95	22.9%
Others	2.79	2.44	14.3%	2.35	18.7%

Exports	2Q14	1Q14	Δ%	2Q13 ¹	Δ%
Net Revenue (million R\$)					
Fresh and Chilled Products	1,868.7	1,532.8	21.9%	1,675.0	11.6%
Processed Products	202.8	207.4	-2.2%	177.4	14.3%
Others	870.0	662.6	31.3%	415.6	109.4%
TOTAL	2,941.6	2,402.8	22.4%	2,267.9	29.7%
Volume (thousand tons)					
Fresh and Chilled Products	182.2	173.4	5.1%	237.2	-23.2%
Processed Products	16.6	13.3	25.4%	18.9	-12.1%
Others	89.4	45.9	94.8%	22.0	307.1%
TOTAL	288.2	232.5	24.0%	278.1	3.7%
Average Price (R\$/Kg)					
Fresh and Chilled Beef	10.25	8.84	16.0%	7.06	45.2%
Processed Beef	12.19	15.63	-22.0%	9.37	30.0%
Others	9.73	14.44	-32.6%	18.93	-48.6%

Analysis of Results by Business Unit

JBS USA Beef (including Australia and Canada)

Net revenue in 2Q14 for this business unit was US\$5,331.4 million, an increase of 10.9% compared to the same period in 2013. This improvement is due to an increase in sales volume in both domestic and export markets, coupled with an increase in prices in the domestic market. Compared with 1Q14, net revenue posted an increase of 17.9%, as a reflect of a higher seasonal demand in the period and an increase in sales prices.

EBITDA was US\$108.6 million in the quarter, 32.8% lower than 2Q13, due to an increase in the cost of raw materials. The reduction in beef supply combined with an increased demand contributed to the increase in beef prices and partially offset the increase in cattle prices during the period. Compared with 1Q14, the improved EBITDA margin is due to lower cattle prices resulting from an increase in availability of animals to process. EBITDA margin in the quarter was 2.0%.

This period result is a reflect of a better balance in cattle supply coupled with increased exports, which recorded a growth of 17.7% in volume, boosted by a substantial increase in sales to South Korea and to Greater China¹, compared to 2Q13.

Highlights (US GAAP)

	2Q14		1Q14		Δ%	2Q13		Δ%
	US\$	% NR	US\$	% NR	QoQ	US\$	% NR	YoY
Net Revenue	5,331.4	100.0%	4,520.7	100.0%	17.9%	4,806.2	100.0%	10.9%
COGS	(5,229.5)	-98.1%	(4,556.5)	-100.8%	14.8%	(4,651.7)	-96.8%	12.4%
Gross Profit	101.9	1.9%	(35.8)	-0.8%	-	154.5	3.2%	-34.1%
EBITDA	108.6	2.0%	-22.5	-0.5%	-	161.7	3.4%	-32.8%

JBS USA Beef (includes Australia and Canac	2Q14	1Q14	Δ%	2Q13	Δ%
Bovine processed (thousand)	2,445.2	2,230.1	9.6%	2,443.1	0.1%

Breakdown of Net Revenue

Domestic Market	2Q14	1Q14	Δ%	2Q13	Δ%
Net Revenue (US\$ million)	3,812.1	3,283.4	16.1%	3,491.7	9.2%
Volume (tons)	892.6	852.2	4.7%	861.5	3.6%
Average Price (US\$/Kg)	4.27	3.85	10.8%	4.05	5.4%

Exports	2Q14	1Q14	Δ%	2Q13	Δ%
Net Revenue (US\$ million)	1,519.3	1,237.3	22.8%	1,314.5	15.6%
Volume (tons)	335.1	282.9	18.4%	284.6	17.7%
Average Price (US\$/Kg)	4.53	4.37	3.7%	4.62	-1.8%

Analysis of Results by Business Unit

JBS USA Pork

Net revenue in the quarter totaled US\$1,028.3 million, an increase of 18.4% compared to 2Q13. This result is due to an increase of 24.3% in sales prices in the domestic market and an increase of 16.7% in export prices. Compared with 2Q14, net revenue growth was 14.7%.

EBITDA for 2Q14 was US\$113.8 million, an increase of 124.3% compared to 2Q13, with an EBITDA margin of 11.1%. In comparison with 1Q14, EBITDA posted a growth of 37.2%.

Hog supply remained tight and, combined with a strong demand in domestic market and in the main consumer markets such as Hong Kong, Japan and South Korea, contributed to a better pricing of pork in the US.

Highlights (US GAAP)

	2Q14		1Q14		Δ%	2Q13		Δ%
	US\$	% NR	US\$	% NR	QoQ	US\$	% NR	YoY
Net Revenue	1,028.3	100.0%	896.9	100.0%	14.7%	868.5	100.0%	18.4%
COGS	(914.5)	-88.9%	(815.4)	-90.9%	12.2%	(818.1)	-94.2%	11.8%
Gross Profit	113.8	11.1%	81.5	9.1%	39.8%	50.4	5.8%	125.9%
EBITDA	113.8	11.1%	82.9	9.2%	37.2%	50.7	5.8%	124.3%

JBS US Pork	2Q14	1Q14	Δ%	2Q13	Δ%
Hogs Processed (thousand)	2,915.3	3,270.6	-10.9%	3,184.3	-8.4%

Breakdown of Net Revenue

Domestic Market	2Q14	1Q14	Δ%	2Q13	Δ%
Net Revenue (US\$ million)	877.5	741.3	18.4%	738.3	18.9%
Volume (thousand tons)	276.1	289.7	-4.7%	288.9	-4.4%
Average Price (US\$/Kg)	3.18	2.56	24.2%	2.56	24.3%

Exports	2Q14	1Q14	Δ%	2Q13	Δ%
Net Revenue (US\$ million)	150.8	155.6	-3.1%	130.1	15.9%
Volume (thousand tons)	52.3	62.5	-16.3%	52.6	-0.7%
Average Price (US\$/Kg)	2.89	2.49	15.8%	2.47	16.7%

Analysis of Results by Business Unit

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

PPC recorded a net revenue of US\$2,186.8 million in 2Q14, stable compared to 2Q13, with a highlight to an increase in sales volume, partially offset by a decrease in sales price both in the US and Mexico, due to a slightly change in sales mix.

EBITDA in 2Q14 was US\$338.6 million, an expansion of 27.8% in relation to 2Q13 and 65.0% compared to 1Q14. This significant improvement in EBITDA is due to a reduction of US\$89.0 million in feed costs, as well as a reduction of US\$6.4 million in labor costs and US\$4.6 million in freight and warehousing costs in the US. EBITDA margin was 15.5%.

Net income in the quarter was US\$190.4 million, an increase of 94.1% compared to 1Q14. Cash flow from operations in PPC during this quarter was US\$416.2 million. PPC ended 2Q14 with net cash (cash and cash equivalent minus gross debt) of US\$25.1 million.

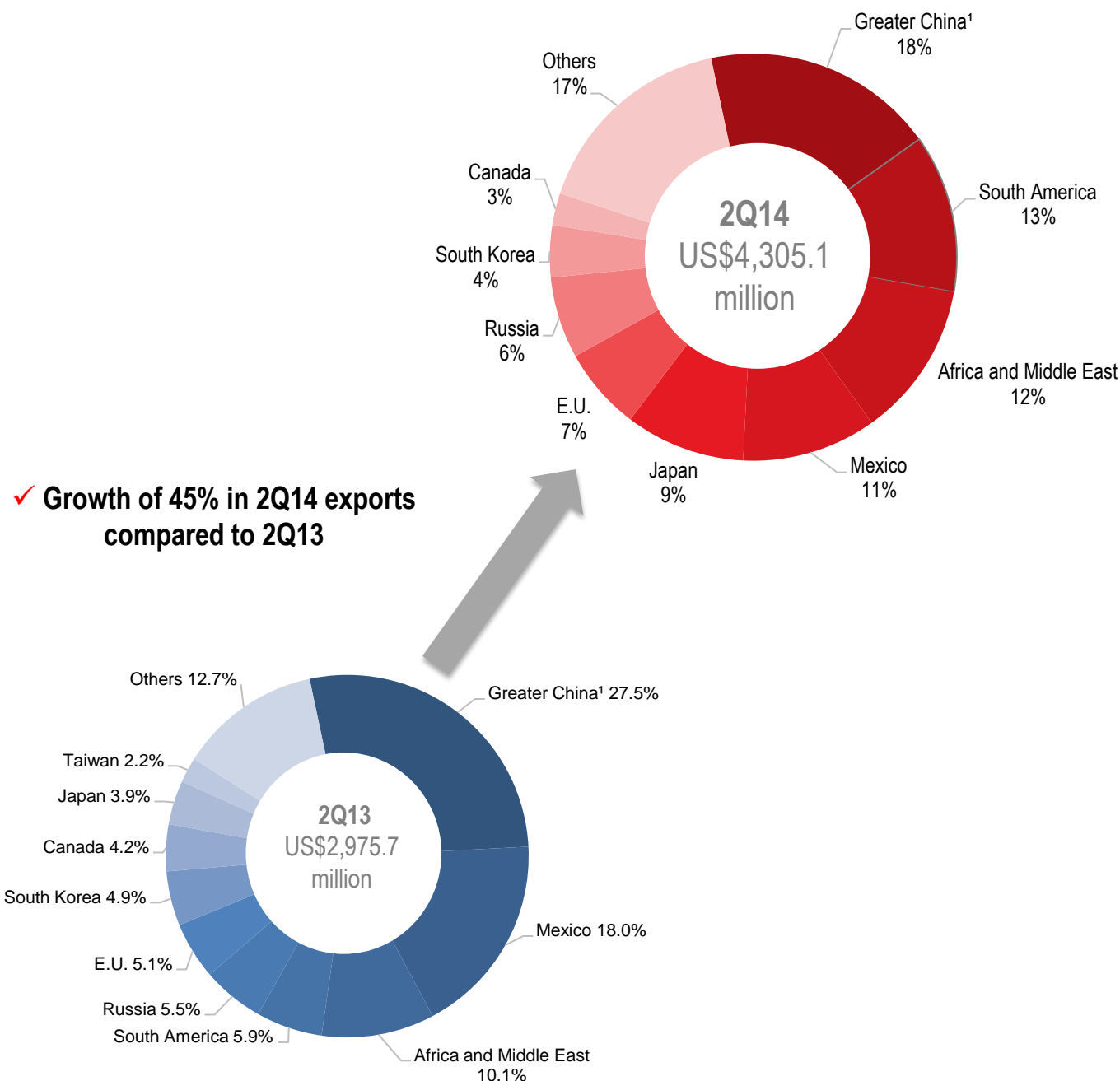
This quarter results reflect improvements in costs and sales mix, all rooted on operational excellence. This year PPC has found significant savings through reduction in corporate expenses and operational costs, and its management is identifying even more areas where it can drive efficiencies. PPC team members are driven to be the best in class and produce results that will translate into long term profitable growth.

Highlights (US GAAP)

	2Q14		1Q14		Δ%	2Q13		Δ%
	US\$	% NR	US\$	% NR	QoQ	US\$	% NR	YoY
Net Revenue	2,186.8	100.0%	2,018.1	100.0%	8.4%	2,184.1	100.0%	0.1%
COGS	(1,837.3)	-84.0%	(1,803.0)	-89.3%	1.9%	(1,901.6)	-87.1%	-3.4%
Gross Profit	349.5	16.0%	215.1	10.7%	62.5%	282.5	12.9%	23.7%
EBITDA	338.6	15.5%	205.2	10.2%	65.0%	265.0	12.1%	27.8%

Tables and Charts

Graph I - JBS Consolidated Exports Breakdown in 2Q14 and 2Q13



Note 1. Considers China and Hong Kong

Table I – 2Q14 Breakdown of Production Costs by Business Unit (%)

2Q14 (%)	Consolidated	JBS Mercosul	JBS Foods	USA Beef	USA Pork	USA Chicken
Raw material (livestock)	82.2%	85.8%	67.4%	88.2%	86.9%	57.1%
Processing (including ingredients and packaging)	9.3%	7.5%	18.4%	4.9%	5.8%	26.2%
Labor Cost	8.6%	6.7%	14.2%	6.8%	7.3%	16.7%

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Consolidated Financial Statements – JBS S.A.

JBS S.A.

Balance sheets

(In thousands of Reais)

	Company		Consolidated	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5,511,099	5,223,978	10,297,747	9,013,147
Trade accounts receivable, net	3,912,729	4,087,073	8,748,807	8,919,926
Inventories	2,734,263	2,414,148	7,510,227	6,904,616
Biological assets	-	-	1,507,413	1,419,343
Recoverable taxes	1,269,180	1,275,614	1,858,582	2,003,256
Prepaid expenses	20,325	10,171	178,674	152,425
Other current assets	445,090	309,988	641,687	500,770
TOTAL CURRENT ASSETS	13,892,686	13,320,972	30,743,137	28,913,483
NON-CURRENT ASSETS				
Long-term assets				
Credits with related parties	4,231,572	1,784,948	682,579	733,958
Biological assets	-	-	487,621	496,903
Recoverable taxes	726,805	682,571	1,180,176	1,149,725
Other non-current assets	373,356	294,254	1,433,184	1,182,302
Total long-term assets	5,331,733	2,761,773	3,783,560	3,562,888
Investments in associate, subsidiaries and joint ventures	9,297,029	11,594,353	288,884	277,571
Property, plant and equipment, net	10,020,992	9,392,336	21,534,933	20,940,616
Intangible assets, net	9,547,559	9,547,037	14,919,191	14,975,663
TOTAL NON-CURRENT ASSETS	34,197,313	33,295,499	40,526,568	39,756,738
TOTAL ASSETS	48,089,999	46,616,471	71,269,705	68,670,221

Consolidated Financial Statements – JBS S.A.

JBS S.A.

Balance sheets

(In thousands of Reais)

	Company		Consolidated	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade accounts payable	1,227,603	1,371,205	5,202,269	5,342,388
Loans and financings	8,292,318	6,839,122	9,894,847	9,430,892
Income taxes	-	-	302,182	19,760
Payroll, social charges and tax obligation	368,276	382,741	1,797,290	1,741,536
Declared dividends	609	220,494	609	220,494
Payables related to facilities acquisitions	92,001	95,853	301,498	264,264
Other current liabilities	679,513	535,352	1,074,979	689,535
TOTAL CURRENT LIABILITIES	10,660,320	9,444,767	18,573,674	17,708,869
NON-CURRENT LIABILITIES				
Loans and financings	13,911,632	13,753,849	25,117,282	23,330,449
Payroll, social charges and tax obligation	125,025	125,166	711,779	705,179
Payables related to facilities acquisitions	48,204	62,754	528,299	463,485
Deferred income taxes	1,102,578	1,090,973	1,798,297	2,119,594
Provision for lawsuits risk	170,601	164,051	834,006	849,324
Other non-current liabilities	24,674	23,123	412,046	360,067
TOTAL NON-CURRENT LIABILITIES	15,382,714	15,219,916	29,401,709	27,828,098
EQUITY				
Capital stock	21,506,247	21,506,247	21,506,247	21,506,247
Treasury shares	(387,465)	(595,849)	(387,465)	(595,849)
Capital transaction	91,741	86,444	91,741	86,444
Capital reserve	211,879	211,879	211,879	211,879
Revaluation reserve	90,099	92,227	90,099	92,227
Profit reserves	2,705,084	2,705,084	2,705,084	2,705,084
Valuation adjustments to equity in subsidiaries	116,696	132,787	116,696	132,787
Accumulated translation adjustments in subsidiaries	(2,613,688)	(2,187,031)	(2,613,688)	(2,187,031)
Retained earnings	326,372	-	326,372	-
Attributable to controlling interest	22,046,965	21,951,788	22,046,965	21,951,788
Attributable to noncontrolling interest	-	-	1,247,357	1,181,466
TOTAL EQUITY	22,046,965	21,951,788	23,294,322	23,133,254
TOTAL LIABILITIES AND EQUITY	48,089,999	46,616,471	71,269,705	68,670,221

Consolidated Financial Statements – JBS S.A.

JBS S.A.

Statements of income for the three months period ended June 30, 2014 and 2013
(In thousands of Reais)

	Company		Consolidated	
	2014	2013	2014	2013
NET SALE REVENUE	6,428,867	4,790,562	28,968,867	21,930,994
Cost of goods sold	<u>(5,007,798)</u>	<u>(3,602,992)</u>	<u>(24,713,399)</u>	<u>(18,981,123)</u>
GROSS INCOME	1,421,069	1,187,570	4,255,468	2,949,871
OPERATING INCOME (EXPENSE)				
General and administrative expenses	(295,007)	(262,403)	(707,989)	(592,075)
Selling expenses	(668,024)	(512,590)	(1,721,752)	(1,163,197)
Financial expense, net	(827,423)	(564,584)	(1,087,659)	(659,577)
Equity in earnings of subsidiaries	636,114	530,860	6,872	24,399
Other income (expenses), net	(6,905)	(5,051)	2,408	71,508
	<u>(1,161,245)</u>	<u>(813,768)</u>	<u>(3,508,120)</u>	<u>(2,318,942)</u>
NET INCOME BEFORE TAXES	259,824	373,802	747,348	630,929
Current income taxes	547	592	(580,891)	(34,970)
Deferred income taxes	(6,106)	(35,927)	185,008	(187,909)
	<u>(5,559)</u>	<u>(35,335)</u>	<u>(395,883)</u>	<u>(222,879)</u>
NET INCOME	254,265	338,467	351,465	408,050
ATTRIBUTABLE TO:				
Controlling interest			254,265	338,467
Noncontrolling interest			97,200	69,583
			<u>351,465</u>	<u>408,050</u>
Net income basic per thousand shares - in reais	88.61	118.13	88.61	118.13
Net income diluted per thousand shares - in reais	88.61	118.13	88.61	118.13

Consolidated Financial Statements – JBS S.A.

JBS S.A.

Statements of cash flows for the three months period ended June 30, 2014 and (In thousands of Reais)

	Company		Consolidated	
	2014	2013	2014	2013
Cash flow from operating activities				
Net income of the period attributable to controlling interest	254,265	338,467	254,265	338,467
Adjustments to reconcile net income to cash provided on operating activities				
. Depreciation and amortization	140,780	128,779	606,369	466,620
. Allowance for doubtful accounts	-	3,432	8,210	6,258
. Equity in earnings of subsidiaries	(636,114)	(530,860)	(6,872)	(24,399)
. Loss (gain) on assets sales	2,052	(5,727)	744	(6,243)
. Deferred income taxes	6,106	35,927	(185,008)	187,909
. Current and non-current financial charges	(127,729)	767,588	(25,854)	774,210
. Provision for lawsuits risk	3,467	2,078	12,018	3,491
	(357,173)	739,684	663,872	1,673,976
Decrease (increase) in operating assets				
Trade accounts receivable	(178,715)	(153,387)	(559,643)	(509,040)
Inventories	(117,233)	(333,494)	(114,445)	(458,185)
Recoverable taxes	(46,116)	(13,597)	163,396	(18,517)
Other current and non-current assets	(189,453)	(70,715)	(365,237)	(93,271)
Related party receivable	581,149	(158,654)	(21,096)	(29,295)
Biological assets	-	-	(237,761)	(158,486)
Increase (decrease) operating liabilities				
Trade accounts payable	170,834	50,156	300,146	372,896
Other current and non-current liabilities	(246,523)	51,554	324,204	116,466
Noncontrolling interest	-	-	97,200	69,583
Valuation adjustments to shareholders' equity in subsidiaries	-	-	(103,370)	(79,415)
Net cash provided by operating activities	(383,230)	111,547	147,266	886,712
Cash flow from investing activities				
Additions to property, plant and equipment and intangible assets	(447,922)	(256,644)	(760,033)	(369,675)
Net effect of Vigor deconsolidation	-	-	-	-
Decrease (increase) in investments in subsidiaries	(308)	522	-	1,540
Receipt of dividends from JBS USA	-	-	-	-
Net effect of working capital of acquired / merged company	-	915	(266,550)	44,437
Net effect of the consolidation of Beef Snacks International B.V.	-	-	-	-
Net cash provided by investing activities	(448,230)	(255,207)	(1,026,583)	(323,698)
Cash flow from financing activities				
Proceeds from loans and financings	4,563,791	1,986,139	8,195,082	4,942,813
Payments of loans and financings	(2,919,321)	(792,579)	(5,400,135)	(3,832,667)
Payments of dividends	(219,885)	(170,396)	(219,885)	(170,396)
Capital transactions	-	-	2,984	6,128
Shares acquisition of own emission	-	(9,587)	-	(9,587)
Net cash provided by financing activities	1,424,585	1,013,577	2,578,046	936,291
Effect of exchange variation on cash and cash equivalents				
	-	-	(97,354)	186,705
Variance in cash and cash equivalents	593,125	869,917	1,601,375	1,686,010
Cash and cash equivalents at the beginning of the period	4,917,974	3,049,626	8,696,372	5,516,914
Cash and cash equivalents at the end of the period	5,511,099	3,919,543	10,297,747	7,202,924

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.