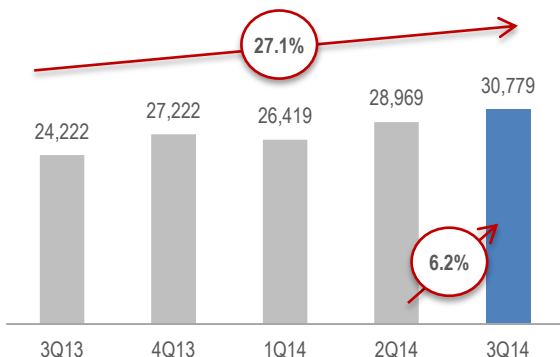


3Q14 Highlights

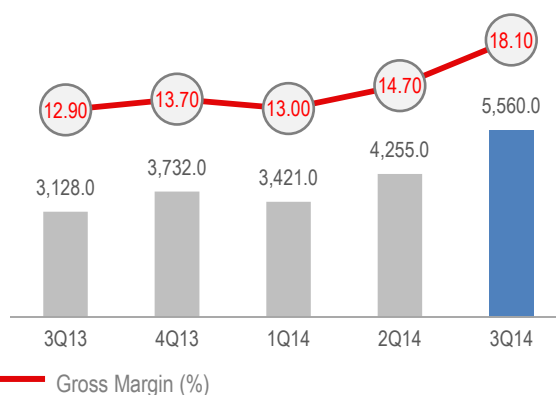
Net Revenue (R\$ Billion)

- Net revenue of R\$30.8 billion, an increase of R\$6.6 billion, or 27.1% higher than 3Q13.



Gross Profit (R\$ Million)

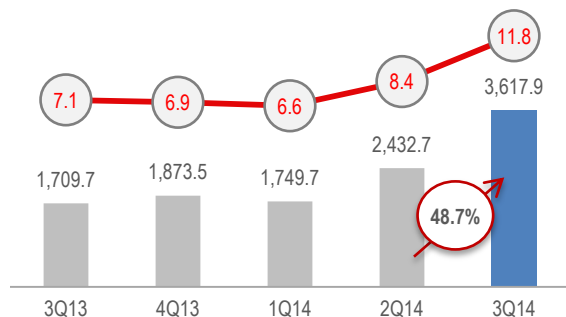
- Gross profit of R\$5.6 billion, expansion of R\$2.4 billion, or 77.7% higher than 3Q13.



— Gross Margin (%)

Adjusted EBITDA (R\$ Million)

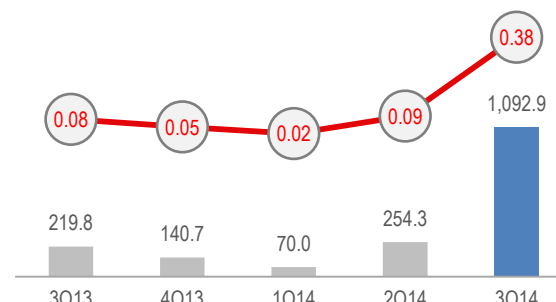
- EBITDA of R\$3.6 billion, an increase of 111.6% over 3Q13. EBITDA margin was 11.8%.



— Adjusted EBITDA Margin (%)

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

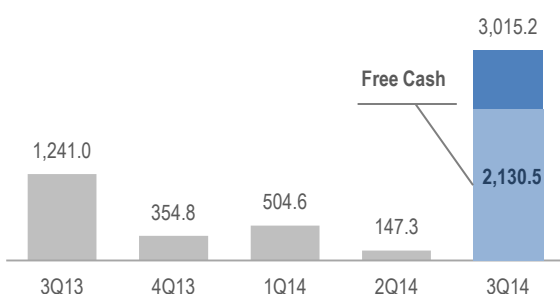
- Net income of R\$1.1 billion, which corresponds to an EPS of R\$0.38.



— EPS

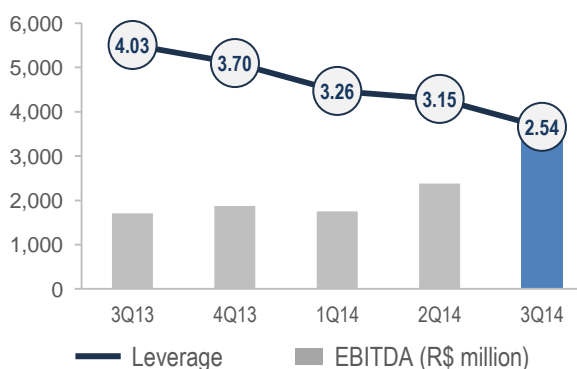
Cash Generation (R\$ Million)

- Cash Generation from Operations of R\$3.0 billion and Free Cash Flow of R\$2.1 billion



Leverage (Net Debt/EBITDA LTM)

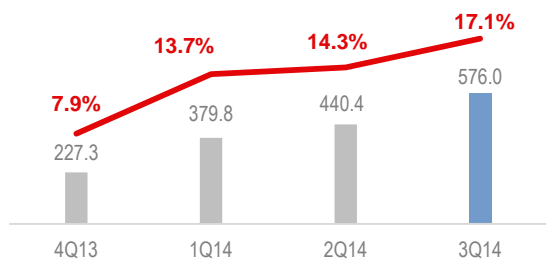
- JBS ended 3Q14 with a leverage of 2.54x, compared to 3.15x in 2Q14.



— Leverage ■ EBITDA (R\$ million)

Business Units 3Q14 Highlights

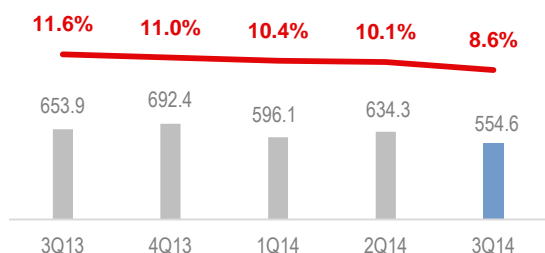
JBS Foods (R\$ Million)



✓ JBS Foods recorded an EBITDA of **R\$576.0 million** and margin of **17.1%**.

✓ Net revenue was **R\$3,376.8 million**, an increase of 9.5% over 2Q14.

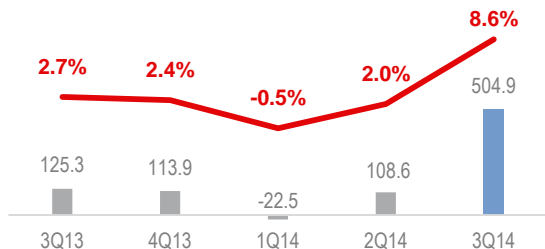
JBS Mercosul (R\$ Million)



✓ JBS Mercosul posted an EBITDA of **R\$554.6 million** and margin of **8.6%**.

✓ Net revenue was **R\$6,470.5 million**, an increase of 14.8% compared to 3Q13.

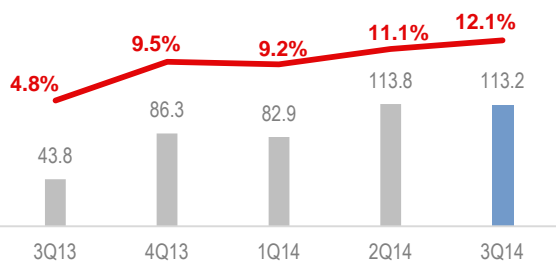
JBS USA Beef (US\$ Million)



✓ JBS USA Beef posted an EBITDA of **US\$504.9 million** and margin of **8.6%**.

✓ Net revenue was 24.7% higher than 3Q13, reaching **US\$5,849.3 million**.

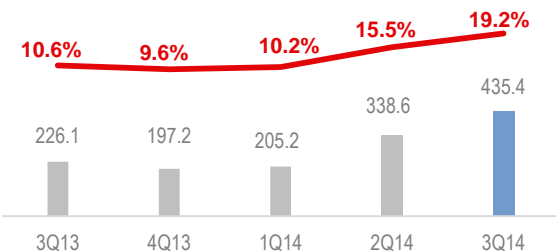
JBS USA Pork (US\$ Million)



✓ JBS USA Pork registered an EBITDA of **US\$113.2 million** and margin of **12.1%**.

✓ Net revenue in 3Q14 was **3.8% higher than 3Q13**, reaching **US\$937.8 million**.

JBS USA Chicken (US\$ Million)



✓ The chicken unit in the USA (PPC) posted an EBITDA of **US\$435.4 million** and margin of **19.2%**.

✓ Net revenue of **US\$2,268.0 million**, an increase of 5.8% compared to 3Q13.

Analysis of Consolidated Results

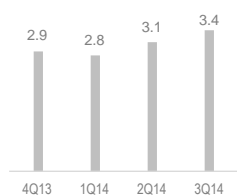
Analysis of the main financial indicators of JBS by Business Unit (in local currency)

Million		3Q14	2Q14	Δ%	3Q13	Δ%
Net Revenue						
JBS Foods	R\$	3,376.8	3,084.5	9.5%	-	-
JBS Mercosul	R\$	6,470.5	6,291.4	2.8%	5,637.6	14.8%
JBS USA Beef	US\$	5,849.3	5,331.4	9.7%	4,689.8	24.7%
JBS USA Pork	US\$	937.8	1,028.3	-8.8%	903.3	3.8%
JBS USA Chicken	US\$	2,268.0	2,186.8	3.7%	2,142.8	5.8%
EBITDA						
JBS Foods	R\$	576.0	440.4	30.8%	-	-
JBS Mercosul	R\$	554.6	634.3	-12.6%	653.9	-15.2%
JBS USA Beef	US\$	504.9	108.6	364.9%	125.3	303.0%
JBS USA Pork	US\$	113.2	113.8	-0.6%	43.8	158.3%
JBS USA Chicken	US\$	435.4	338.6	28.6%	226.1	92.6%
EBITDA Margin						
JBS Foods	%	17.1%	14.3%	2.78 p.p.	-	-
JBS Mercosul	%	8.6%	10.1%	-1.51 p.p.	11.6%	-3.03 p.p.
JBS USA Beef	%	8.6%	2.0%	6.59 p.p.	2.7%	5.96 p.p.
JBS USA Pork	%	12.1%	11.1%	1.00 p.p.	4.8%	7.22 p.p.
JBS USA Chicken	%	19.2%	15.5%	3.71 p.p.	10.6%	8.65 p.p.

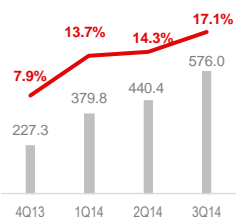
Performance by Business Unit

JBS Foods

Net sales (R\$ billion)

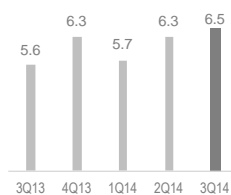


EBITDA (R\$ million)

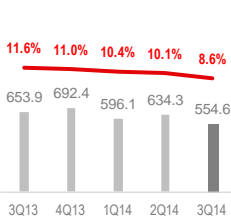


JBS Mercosul

Net sales (R\$ billion)

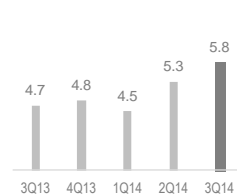


EBITDA (R\$ million)

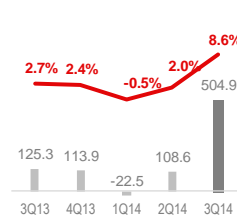


JBS USA (Including Australia & Canada)

Net sales (US\$ billion)

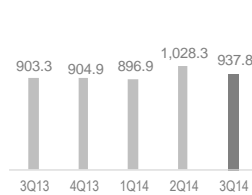


EBITDA (US\$ million)

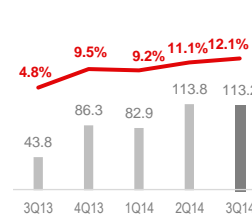


JBS USA

Net sales (US\$ million)

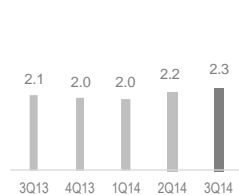


EBITDA (US\$ million)

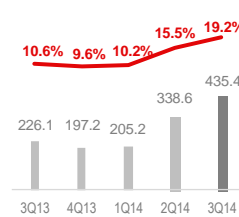


JBS USA (PPC)

Net sales (US\$ billion)



EBITDA (US\$ million)



— EBITDA margin (%)

Analysis of Consolidated Results

Consolidated analysis of the main operational indicators of JBS

R\$ million	3Q14		2Q14		Δ%	3Q13		Δ%
	R\$ million	% NR	R\$ million	% NR	3Q14 vs 2Q14	R\$ million	% NR	3Q14 vs 3Q13
Net Revenue	30,778.6	100.0%	28,968.9	100.0%	6.2%	24,222.0	100.0%	27.1%
Cost of Goods Sold	(25,218.1)	-81.9%	(24,713.4)	-85.3%	2.0%	(21,093.6)	-87.1%	19.6%
Gross Income	5,560.5	18.1%	4,255.5	14.7%	30.7%	3,128.4	12.9%	77.7%
Selling Expenses	(1,744.4)	-5.7%	(1,721.8)	-5.9%	1.3%	(1,296.0)	-5.4%	34.6%
General and Adm. Expenses	(787.8)	-2.6%	(708.0)	-2.4%	11.3%	(632.9)	-2.6%	24.5%
Net Financial Income (expense)	(978.7)	-3.2%	(1,087.7)	-3.8%	-10.0%	(874.9)	-3.6%	11.9%
Equity in earnings of subsidiaries	8.2	0.0%	6.9	0.0%	20.0%	2.1	0.0%	296.3%
Other Income (expense)	(241.4)	-0.8%	2.4	0.0%	-	(4.5)	0.0%	5306.5%
Operating Income	1,816.4	5.9%	747.3	2.6%	143.1%	322.3	1.3%	463.6%
Income and social contribution taxes	(588.4)	-1.9%	(395.9)	-1.4%	48.6%	(64.0)	-0.3%	819.7%
Participation of non-controlling shareholders	(135.2)	-0.4%	(97.2)	-0.3%	39.0%	(38.5)	-0.2%	251.1%
Net Income (Loss)	1,092.9	3.6%	254.3	0.9%	329.8%	219.8	0.9%	397.2%
Adjusted EBITDA	3,617.9	11.8%	2,432.7	8.4%	0.49 p.p.	1,709.7	7.1%	1.12 p.p.
Net Income (Loss) per thousand shares	377.54	-	88.61	-	326.0%	76.69	-	392.3%

Number of Animals Processed

	3Q14	2Q14	Δ%	3Q13	Δ%
Animals processed (thousand)					
Cattle	4,728.4	4,793.9	-1.4%	4,853.3	-2.6%
Hogs	4,015.7	3,992.8	0.6%	3,274.4	22.6%
Birds ¹	241,167.5	229,868.5	4.9%	-	-
Smalls ²	1,273.5	1,269.0	0.3%	1,147.4	11.0%

¹Not including PPC

²Not including poultry

Consolidated Results

Net Revenue

JBS' net revenue in 3Q14 totaled R\$30,778.6 million, an expansion of R\$6,556.6 million or 27.1% higher than 3Q13. The main highlights were Mercosul which recorded a 14.8% increase in revenue and JBS USA Beef, whose revenues increased 24.7%.

In 3Q14, approximately 69% of JBS global revenue were derived from domestic sales and 31% came from exports.

Adjusted EBITDA

Consolidated Adjusted EBITDA in 3Q14 was R\$3,617.9 million, an increase of 111.6% compared to 3Q13. EBITDA margin in the quarter was 11.8%. This result reflects the continuous pursuit for excellence in each operation. The main highlights were the performance of Chicken and Beef operations in the US, which registered an EBITDA increase of 28.6% and 364.9%, respectively, as well as JBS Foods, which recorded an EBITDA of R\$576.0 million, with an EBITDA margin of 17.1%.

R\$ million	3Q14	3Q13	Δ%
Net income for the period (including non-controlling interest)	1,228.0	258.3	375.4%
Financial income/expense, net	978.7	874.9	11.9%
Current and deferred income taxes	588.4	64.0	819.7%
Depreciation and amortization	611.1	508.0	20.3%
Equity in subsidiaries	-8.2	-2.1	296.3%
Restructuring, reorganization, donations and indemnity	220.0	6.6	3226.2%
(=) Adjusted EBITDA	3,617.9	1,709.7	111.6%

Net Financial Expense

In 3Q14, JBS recorded net financial expense of R\$978.7 million, impacted by approximately R\$350.0 million related to carry costs regarding protection against exchange rate variation, which generated a revenue of R\$1.1 billion. Interest expense was R\$814.9 million, whilst interest revenue was R\$130.8 million. Taxes, contributions, tariffs and others resulted in an expense of R\$13.5 million.

Net Income

Net income in 3Q14, excluding non-controlling interest, was R\$1,092.9 million, an increase of 397.2% compared to 3Q13 and 329.8% when compared to 2Q14. Earnings per thousand shares were R\$377.54.

Consolidated Results

CAPEX

In 3Q14, total capital expenditure (CAPEX) was R\$878.6 million, of which approximately 20% in acquisitions, 25% in expansions and facilities modernization and 55% in maintenance.

Cash Generation

In 3Q14 the Company generated net cash flow from operations of R\$3.0 billion and free cash flow (after capex) of R\$2.1 billion, due to the strong performance of JBS' businesses units.

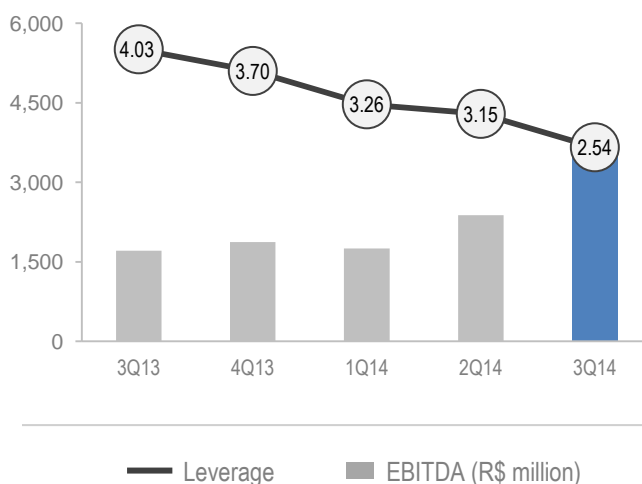
Indebtedness

JBS ended 3Q14 with leverage of 2.54x, compared to 3.15x in 2Q14. The reduction in leverage is due to the improvement in operational performance of JBS, in addition to the strong free cash generation in the quarter.

The reduction in the indebtedness level reflects the Company's commitment to continually improve its financial structure, resulting in value creation for all its stakeholders.

R\$ million	09/30/14	6/30/14	Var.%
Gross debt	38,426.7	35,012.1	9.8%
(+) Short Term Debt	11,483.4	9,894.8	16.1%
(+) Long Term Debt	26,943.3	25,117.3	7.3%
(-) Cash and Equivalents	12,578.5	10,297.7	22.1%
Net debt	25,848.3	24,714.4	4.6%
Net debt/EBITDA LTM	2.54x	3.15x	

Leverage



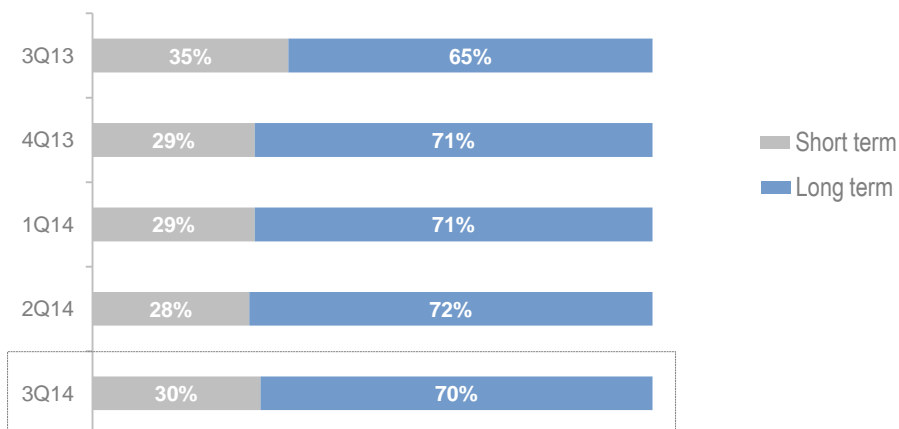
Consolidated Results

Indebtedness (cont.)

The Company ended the quarter with R\$12,578.5 million in cash, equivalent to approximately 110% of its short-term debt. In addition, JBS USA has US\$1.33 billion fully available under revolving credit facilities which, if added to the current cash position, represents 121% of short term debt.

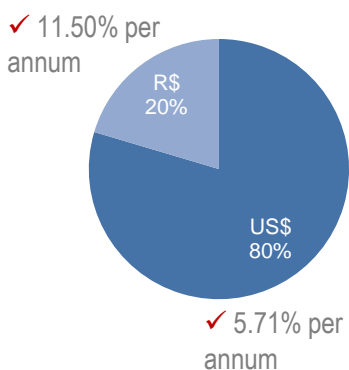
The percentage of short term debt (ST) in relation to total debt was 30% in 3Q14.

Debt profile ST / LT

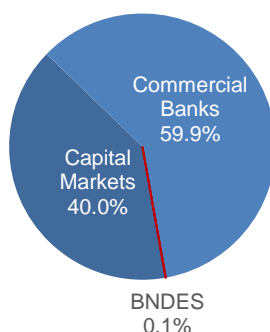


At the end of the period, 80% of JBS consolidated debt was denominated in U.S. dollars, with an average cost of 5.71% per year. The proportion of debt denominated in Reais, 20% of consolidated debt, has an average cost of 11.50% per year.

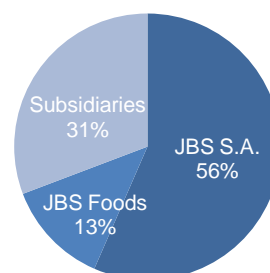
Breakdown by Currency & Average Cost



Breakdown by Source



Breakdown by Company



Analysis of Results by Business Unit

JBS Foods

JBS Foods posted net revenue of R\$3,376.8 million, an increase of 9.5% compared to 2Q14.

Revenue on the domestic market was R\$1,647.1 million, an increase of 17.2% compared to last quarter, reflecting an increase in sales volumes in the three products category (pork, poultry and processed products). The main highlights were fresh pork (+25.0% vs 2Q14) and processed products (+17.9% vs 2Q14), as well as a higher price in the processed products segment, thanks to the initiatives to improve the product mix at the point of sales.

In the export market, net revenue was R\$1,729.7 million, a growth of 3.0% compared to 2Q14, boosted by an increase in volumes of fresh pork and poultry, principally to Russia, due to the embargo imposed by this country to the US and Europe exports. This embargo also resulted in an increase in pork prices. In this quarter, the main export markets included Asia, MENA and Russia.

EBITDA in 3Q14 totaled R\$576.0 million, which represents an increase of 30.9% over 2Q14. EBITDA margin was 17.1%, compared to 14.3% in the last quarter. This improvement in EBITDA is a result of an increase in prices, coupled with better productivity, cost reduction at the plants and a decrease in raw material costs, related principally to the reduction in grain costs during the quarter. In addition, there was a decrease in sales expenses, which represented 11.9% of JBS Foods' net revenues in 3Q14, compared to 12.8% in 2Q14, mainly due to a reduction in logistics costs, as a reflection of reorganization and rationalization of the logistics network.

Throughout the quarter, JBS Foods continued to improve the number of sales points, which totaled 78.6 thousand at the end of this period and reflects one of the Company's strategic pillar regarding the pursuit for an even more efficient execution in the sales points.

Highlights

	3Q14		2Q14		Δ%
	R\$	% NR	R\$	% NR	QoQ
Net Revenue	3,376.8	100.0%	3,084.5	100.0%	9.5%
COGS	(2,413.9)	-71.5%	(2,294.3)	-74.4%	5.2%
Gross Profit	962.9	28.5%	790.2	25.6%	21.8%
EBITDA	576.0	17.1%	440.4	14.3%	30.8%

Analysis of Results by Business Unit

JBS Foods

JBS Foods	3Q14	2Q14	Δ%
Birds Processed (thousand)	241,167.5	229,868.5	4.9%
Hogs processed (thousand)	1,138.5	1,077.5	5.7%

Breakdown of Net Revenue

Domestic Market	3Q14	2Q14	Δ%
Net Revenue (million R\$)			
Fresh Poultry	416.6	363.8	14.5%
Fresh Pork	120.3	102.2	17.7%
Processed / Prepared Products	1,024.0	844.0	21.3%
Others	86.2	95.1	-9.4%
TOTAL	1,647.1	1,405.1	17.2%

Volume (thousand tons)			
Fresh Poultry	75.2	66.9	12.3%
Fresh Pork	22.2	17.8	25.0%
Processed / Prepared Products	168.8	143.2	17.9%
Others	-	-	-
TOTAL	266.2	227.9	16.8%

Average Price (R\$/Kg)			
Fresh Poultry	5.54	5.43	2.0%
Fresh Pork	5.42	5.75	-5.9%
Processed / Prepared Products	6.07	5.89	2.9%
Others	-	-	-

Exports	3Q14	2Q14	Δ%
Net Revenue (million R\$)			
Fresh Poultry	1,347.0	1,386.3	-2.8%
Fresh Pork	288.7	193.3	49.3%
Processed / Prepared Products	82.7	99.8	-17.2%
Others	11.3	-	-
TOTAL	1,729.7	1,679.4	3.0%

Volume (thousand tons)			
Fresh Poultry	284.3	300.3	-5.3%
Fresh Pork	31.4	26.7	17.7%
Processed / Prepared Products	12.6	15.1	-16.2%
Others	2.9	-	-
TOTAL	331.1	342.0	-3.2%

Average Price (R\$/Kg)			
Fresh Poultry	4.74	4.62	2.6%
Fresh Pork	9.20	7.25	26.9%
Processed / Prepared Products	6.55	6.62	-1.1%
Others	3.93	-	-

Analysis of Results by Business Unit

JBS Mercosul

JBS Mercosul posted net revenue of R\$6,470.5 million in 3Q14, 14.8% higher than 3Q13, influenced by an increase in sales prices in the export market. Compared to 2Q14, net revenue increased 2.8%. EBITDA totaled R\$554.6 million for the quarter, a decrease of 15.2% compared to 3Q13, due to an increase in cattle prices in the period. EBITDA margin was 8.6%.

JBS reduced by 6.1% the number of bovine processed in comparison with 3Q13 due to lower availability of cattle. Nonetheless, a strong demand in the international market allowed the Company to drive more products towards exports in order to maximize profitability per animal processed, whilst an increase in beef prices in the domestic market offset the reduction in the volume sold.

JBS has been benefiting from its strategy of investing in brands and in products innovation in the domestic market. The launching of convenience beef products reflected in an increase in the sales volumes in this category (processed products) coupled with an increase in prices during the period.

Paraguay and Uruguay operations maintained the good performance presented in the last quarters as a result of the initiatives related to increasing yields and operational efficiency, better use of byproducts and access to strategic markets. In Argentina, efforts were concentrated in increasing in production of value added products and improving productivity.

Highlights

	3Q14		2Q14		Δ%	3Q13		Δ%
	R\$	% NR	R\$	% NR	QoQ	R\$	% NR	YoY
Net Revenue	6,470.5	100.0%	6,291.4	100.0%	2.8%	5,637.6	100.0%	14.8%
COGS	(4,979.2)	-77.0%	(4,769.5)	-75.8%	4.4%	(4,265.8)	-75.7%	16.7%
Gross Profit	1,491.3	23.0%	1,521.8	24.2%	-2.0%	1,371.8	24.3%	8.7%
EBITDA	554.6	8.6%	634.3	10.1%	-12.6%	653.9	11.6%	-15.2%

JBS Mercosul	3Q14	2Q14	Δ%	3Q13	Δ%
Bovine processed (thousand)	2,316.7	2,348.7	-1.4%	2,467.0	-6.1%

Analysis of Results by Business Unit

Highlights

Domestic Market	3Q14	2Q14	Δ%	3Q13	Δ%
Net Revenue (million R\$)					
Fresh and Chilled Products	2,605.9	2,585.4	0.8%	2,587.7	0.7%
Processed Products	335.6	313.4	7.1%	301.7	11.2%
Others	449.0	451.0	-0.4%	472.1	-4.9%
TOTAL	3,390.5	3,349.8	1.2%	3,361.6	0.9%

Volume (thousand tons)					
Fresh and Chilled Products	322.7	318.5	1.3%	366.7	-12.0%
Processed Products	45.6	42.9	6.3%	42.9	6.2%
Others	161.3	161.5	-0.1%	185.4	-13.0%
TOTAL	529.6	522.8	1.3%	595.0	-11.0%

Average Price (R\$/Kg)					
Fresh and Chilled Products	8.08	8.12	-0.5%	7.06	14.4%
Processed Items	7.36	7.31	0.7%	7.03	4.7%
Others	2.78	2.79	-0.4%	2.55	9.0%

Exports	3Q14	2Q14	Δ%	3Q13	Δ%
Net Revenue (million R\$)					
Fresh and Chilled Products	1,980.7	1,868.7	6.0%	1,578.2	25.5%
Processed Products	201.1	202.8	-0.8%	250.0	-19.6%
Others	898.1	870.0	3.2%	447.7	100.6%
TOTAL	3,080.0	2,941.6	4.7%	2,276.0	35.3%

Volume (thousand tons)					
Fresh and Chilled Products	187.9	182.2	3.1%	193.9	-3.1%
Processed Products	15.6	16.6	-6.4%	16.5	-5.8%
Others	56.6	89.4	-36.7%	25.8	119.7%
TOTAL	260.0	288.2	-9.8%	236.1	10.1%

Average Price (R\$/Kg)					
Fresh and Chilled Products	10.54	10.25	2.8%	8.14	29.5%
Processed Products	12.92	12.19	6.0%	15.13	-14.6%
Others	15.86	9.73	63.0%	17.37	-8.7%

Analysis of Results by Business Unit

JBS USA Beef (including Australia and Canada)

Net revenue in 3Q14 for this business unit was US\$5,849.3 million, an increase of 24.7% 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 a significant increase in prices. Compared with 2Q14, net revenue posted an increase of 9.7%.

EBITDA was US\$504.9 million in the quarter, an increase of 303.0% over 3Q13. Compared with 2Q14, EBITDA recorded an increase of 364.9%. EBITDA margin was 8.6%.

This quarter results is a reflection of the Company' strategy regarding the purchase of cattle, which permitted the improvement in COGS, coupled with the seasonal stronger beef demand in a scenario whose beef supply remains constraint, contributing to an increase in sales prices. Prices in the export market maintained a growth pace and recorded an increase of 9.3% compared to last quarter. The main destinations of this business unit were Japan, Greater China¹ and South Korea.

Australia operations performed well and contributed to the strong results of this quarter. The increase in export prices, boosted by the demand in Asian markets, combined with a rationalization in the productive process and diversification of sales channels in the US, contributed to an improvement in EBITDA margin. In addition, JBS operations in Canada had an important improvement in the period as a result of implemented initiatives in the region, such as production costs reductions and efficiency gains.

Highlights (US GAAP)

	3Q14		2Q14		Δ%	3Q13		Δ%
	US\$	% NR	US\$	% NR	QoQ	US\$	% NR	YoY
Net Revenue	5,849.3	100.0%	5,331.4	100.0%	9.7%	4,689.8	100.0%	24.7%
COGS	(5,343.0)	-91.3%	(5,229.5)	-98.1%	2.2%	(4,566.3)	-97.4%	17.0%
Gross Profit	506.3	8.7%	101.9	1.9%	396.9%	123.5	2.6%	309.8%
EBITDA	504.9	8.6%	108.6	2.0%	364.9%	125.3	2.7%	303.0%

JBS USA Beef (including AUS and CAN)	3Q14	2Q14	Δ%	3Q13	Δ%
Bovine processed (thousand)	2,411.7	2,445.2	-1.4%	2,386.3	1.1%

Breakdown of Net Revenue

Domestic Market	3Q14	2Q14	Δ%	3Q13	Δ%
Net Revenue (US\$ million)	4,203.8	3,812.1	10.3%	3,353.4	25.4%
Volume (tons)	903.3	892.6	1.2%	883.4	2.3%
Average Price (US\$/Kg)	4.65	4.27	9.0%	3.80	22.6%

Exports	3Q14	2Q14	Δ%	3Q13	Δ%
Net Revenue (US\$ million)	1,645.5	1,519.3	8.3%	1,336.4	23.1%
Volume (tons)	332.0	335.1	-0.9%	315.2	5.3%
Average Price (US\$/Kg)	4.96	4.53	9.3%	4.24	16.9%

Analysis of Results by Business Unit

JBS USA Pork

Net revenue in the quarter totaled US\$937.8 million, an increase of 3.8% compared to 3Q13. This result is due to an increase of 18.7% in sales prices in the domestic market and an increase of 14.7% in export prices. Compared with 2Q14, net revenue decrease 8.8%, due to lower volumes.

EBITDA for 3Q14 was US\$113.2 million, an increase of 158.3% compared to 3Q13, with an EBITDA margin of 12.1%. In comparison with 2Q14, EBITDA remained stable.

The maintenance of pork prices in higher levels due to constraint supply, coupled with a decrease in raw material costs contributed to this quarter results.

Highlights (US GAAP)

	3Q14		2Q14		Δ%	3Q13		Δ%
	US\$	% NR	US\$	% NR	QoQ	US\$	% NR	YoY
Net Revenue	937.8	100.0%	1,028.3	100.0%	-8.8%	903.3	100.0%	3.8%
COGS	(820.0)	-87.4%	(914.5)	-88.9%	-10.3%	(857.9)	-95.0%	-4.4%
Gross Profit	117.8	12.6%	113.8	11.1%	3.5%	45.4	5.0%	159.4%
EBITDA	113.2	12.1%	113.8	11.1%	-0.6%	43.8	4.8%	158.3%

JBS US Pork	3Q14	2Q14	Δ%	3Q13	Δ%
Hogs Processed (thousand)	2,877.3	2,915.3	-1.3%	3,274.4	-12.1%

Breakdown of Net Revenue

Domestic Market	3Q14	2Q14	Δ%	3Q13	Δ%
Net Revenue (US\$ million)	825.4	877.5	-5.9%	765.4	7.8%
Volume (thousand tons)	260.4	276.1	-5.7%	286.6	-9.1%
Average Price (US\$/Kg)	3.17	3.18	-0.3%	2.67	18.7%

Exports	3Q14	2Q14	Δ%	3Q13	Δ%
Net Revenue (US\$ million)	112.4	150.8	-25.4%	137.9	-18.5%
Volume (thousand tons)	39.0	52.3	-25.4%	54.9	-28.9%
Average Price (US\$/Kg)	2.88	2.89	-0.1%	2.51	14.7%

Analysis of Results by Business Unit

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

PPC recorded a net revenue of US\$2,268.0 million in 3Q14, an increase of 5.8% compared with 3Q13. In the US, PPC sales increased 4.8%, of which 2.4% is due to an increase in volume and 2.4% is due to an increase in prices, as a reflect of a change in product mix, with an improvement in the participation of small and deboned small birds, in addition to convenience products, categories in which PPC is a market leader.

In Mexico, revenue increased 15.0%, as a result of an increase in price per kilo, due to the restriction in the supply of eggs sets for incubation, as well as in the number of chicks placed. This increase in revenue was partially offset by a decrease in volume sold and by the devaluation of Mexican Peso.

EBITDA in 3Q14 was US\$435.4 million, an increase of 92.6% compared with 3Q13 and increase of 28.6% compared to 2Q14. This continuous improvement in EBITDA is due to a reduction of US\$102.8 million in feed costs in the US and of US\$12.5 million in Mexico, as well as a cost reduction with labor, freights and storage, packaging and in contract growers, totaling a cost reduction of US\$13.8 million. EBITDA margin was 19.2%.

Net income in the quarter was US\$256.0 million, an increase of 59.1% compared to 2Q14. Cash flow from operations in this quarter was US\$802.4 million. PPC ended 3Q14 with net cash (cash and cash equivalents minus gross debt) of US\$366.2 million.

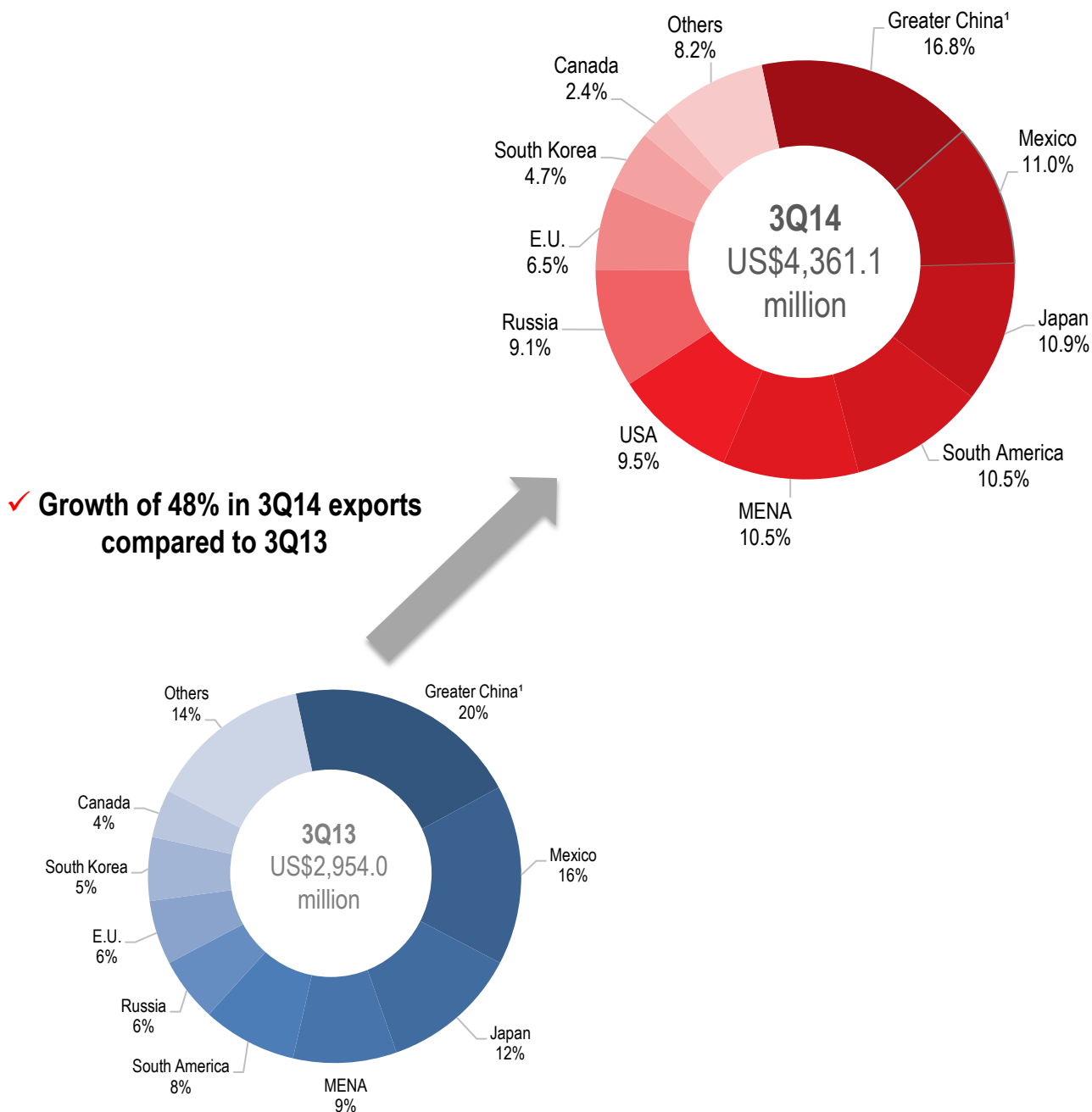
"Third quarter results reflect the discipline that Pilgrim's has demonstrated in managing the variables within our control. Our focus has been the consistent execution of our strategy to be a valued partner to our key customers, relentless pursuit of operational excellence and value-added export growth," stated Bill Lovette, CEO of PPC.

Highlights (US GAAP)

	3Q14		2Q14		Δ% QoQ	3Q13		Δ% YoY
	US\$	% NR	US\$	% NR		US\$	% NR	
Net Revenue	2,268.0	100.0%	2,186.8	100.0%	3.7%	2,142.8	100.0%	5.8%
COGS	(1,817.8)	-80.1%	(1,837.3)	-84.0%	-1.1%	(1,906.2)	-89.0%	-4.6%
Gross Profit	450.3	19.9%	349.5	16.0%	28.8%	236.6	11.0%	90.3%
EBITDA	435.4	19.2%	338.6	15.5%	28.6%	226.1	10.6%	92.6%

Tables and Charts

Graph I - JBS Consolidated Exports Breakdown in 3Q14 and 3Q13



Note 1. Considers China and Hong Kong

Table I – 3Q14 Breakdown of Production Costs by Business Unit (%)

3Q14 (%)	Consolidated	JBS Mercosul	JBS Foods	USA Beef	USA Pork	USA Chicken
Raw material (livestock)	82.0%	85.6%	66.6%	87.0%	84.7%	56.0%
Processing (including ingredients and packaging)	9.1%	7.8%	19.0%	5.1%	7.8%	26.8%
Labor Cost	8.9%	6.6%	14.3%	7.8%	7.5%	17.2%

Indexes



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Consolidated Financial Statements – JBS S.A.

JBS S.A.

Balance sheets

(In thousands of Reais)

	Company		Consolidated	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	7,267,308	5,223,978	12,578,469	9,013,147
Trade accounts receivable, net	4,118,470	4,087,073	9,485,436	8,919,926
Inventories	2,966,830	2,414,148	8,650,655	6,904,616
Biological assets	-	-	1,517,161	1,419,343
Recoverable taxes	1,262,134	1,275,614	2,268,016	2,003,256
Prepaid expenses	27,916	10,171	200,042	152,425
Other current assets	593,401	309,988	843,130	500,770
TOTAL CURRENT ASSETS	16,236,059	13,320,972	35,542,909	28,913,483
NON-CURRENT ASSETS				
Long-term assets				
Credits with related parties	2,498,101	1,784,948	761,702	733,958
Biological assets	-	-	553,969	496,903
Recoverable taxes	759,055	682,571	1,359,291	1,149,725
Other non-current assets	395,578	294,254	1,685,214	1,182,302
Total long-term assets	3,652,734	2,761,773	4,360,176	3,562,888
Investments in associate, subsidiaries and joint ventures	9,225,197	11,594,353	297,358	277,571
Property, plant and equipment, net	10,315,374	9,392,336	22,679,464	20,940,616
Intangible assets, net	9,547,787	9,547,037	15,195,746	14,975,663
TOTAL NON-CURRENT ASSETS	32,741,092	33,295,499	42,532,744	39,756,738
TOTAL ASSETS	48,977,151	46,616,471	78,075,653	68,670,221

Consolidated Financial Statements – JBS S.A.

JBS S.A.

Balance sheets

(In thousands of Reais)

	Company		Consolidated	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade accounts payable	1,267,921	1,371,205	6,065,644	5,342,388
Loans and financings	8,316,509	6,839,122	11,483,440	9,430,892
Income taxes	-	-	850,719	19,760
Payroll, social charges and tax obligation	438,260	382,741	2,171,118	1,741,536
Declared dividends	485	220,494	485	220,494
Payables related to facilities acquisitions	71,840	95,853	290,460	264,264
Other current liabilities	647,489	535,352	657,544	689,535
TOTAL CURRENT LIABILITIES	10,742,504	9,444,767	21,519,410	17,708,869
NON-CURRENT LIABILITIES				
Loans and financings	13,408,373	13,753,849	26,943,303	23,330,449
Payroll, social charges and tax obligation	58,785	125,166	975,067	705,179
Payables related to facilities acquisitions	46,554	62,754	507,015	463,485
Deferred income taxes	948,810	1,090,973	1,833,820	2,119,594
Provision for lawsuits risk	174,515	164,051	737,677	849,324
Other non-current liabilities	21,889	23,123	438,822	360,067
TOTAL NON-CURRENT LIABILITIES	14,658,926	15,219,916	31,435,704	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	94,504	86,444	94,504	86,444
Capital reserve	211,879	211,879	211,879	211,879
Revaluation reserve	89,007	92,227	89,007	92,227
Profit reserves	2,705,084	2,705,084	2,705,084	2,705,084
Valuation adjustments to equity in subsidiaries	115,688	132,787	115,688	132,787
Accumulated translation adjustments in subsidiaries	(2,179,572)	(2,187,031)	(2,179,572)	(2,187,031)
Retained earnings	1,420,349	-	1,420,349	-
Attributable to controlling interest	23,575,721	21,951,788	23,575,721	21,951,788
Attributable to noncontrolling interest	-	-	1,544,818	1,181,466
TOTAL EQUITY	23,575,721	21,951,788	25,120,539	23,133,254
TOTAL LIABILITIES AND EQUITY	48,977,151	46,616,471	78,075,653	68,670,221

Consolidated Financial Statements – JBS S.A.

JBS S.A.

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

	Company		Consolidated	
	2014	2013	2014	2013
NET SALE REVENUE	6,457,751	5,413,179	30,778,574	24,221,998
Cost of goods sold	<u>(5,034,529)</u>	<u>(4,061,055)</u>	<u>(25,218,124)</u>	<u>(21,093,614)</u>
GROSS INCOME	1,423,222	1,352,124	5,560,450	3,128,384
OPERATING INCOME (EXPENSE)				
General and administrative expenses	(342,418)	(275,031)	(787,788)	(632,862)
Selling expenses	(680,045)	(570,499)	(1,744,429)	(1,295,971)
Financial expense, net	(856,058)	(647,601)	(978,651)	(874,868)
Equity in earnings of subsidiaries	1,611,957	342,451	8,248	2,081
Other income (expenses), net	(221,716)	(4,163)	(241,400)	(4,465)
	<u>(488,280)</u>	<u>(1,154,843)</u>	<u>(3,744,020)</u>	<u>(2,806,085)</u>
NET INCOME BEFORE TAXES	934,942	197,281	1,816,430	322,299
Current income taxes	563	586	(822,076)	(18,337)
Deferred income taxes	157,380	21,957	233,686	(45,639)
	<u>157,943</u>	<u>22,543</u>	<u>(588,390)</u>	<u>(63,976)</u>
NET INCOME	1,092,885	219,824	1,228,040	258,323
ATTRIBUTABLE TO:				
Controlling interest			1,092,885	219,824
Noncontrolling interest			<u>135,155</u>	<u>38,499</u>
			<u>1,228,040</u>	<u>258,323</u>
Net income basic per thousand shares - in reais	377.54	76.69	377.54	76.69
Net income diluted per thousand shares - in reais	377.54	76.69	377.54	76.69

Consolidated Financial Statements – JBS S.A.

JBS S.A.

Statements of cash flows for the three months period ended September 30, 2014 and 2013

(In thousands of Reais)

	Company		Consolidated	
	2014	2013	2014	2013
Cash flow from operating activities				
Net income of the period attributable to controlling interest	1,092,885	219,824	1,092,885	219,824
Adjustments to reconcile net income to cash provided on operating activities				
. Depreciation and amortization	143,404	131,810	611,063	507,994
. Allowance for doubtful accounts	-	-	(25,436)	(233)
. Equity in earnings of subsidiaries	(1,611,957)	(342,451)	(8,248)	(2,081)
. Loss (gain) on assets sales	3,404	4,165	1,604	3,866
. Deferred income taxes	(157,380)	(21,957)	(233,686)	45,639
. Current and non-current financial charges	1,853,539	112,911	1,980,268	173,136
. Provision for lawsuits risk	3,913	2,256	(85,730)	9,139
	1,327,808	106,558	3,332,720	957,284
Decrease (increase) in operating assets				
Trade accounts receivable	37,799	(473,527)	(104,641)	(368,560)
Inventories	(232,567)	(182,651)	(816,783)	(230,740)
Recoverable taxes	(22,830)	(69,560)	(83,778)	(251,595)
Other current and non-current assets	(53,184)	(46,016)	(195,848)	(6,683)
Related party receivable	923,810	334,794	5,488	87,748
Biological assets	-	-	(127,031)	(126,986)
Increase (decrease) operating liabilities				
Trade accounts payable	26,378	78,852	397,367	269,682
Other current and non-current liabilities	(160,655)	632,181	368,367	781,761
Noncontrolling interest	-	-	135,155	38,499
Valuation adjustments to shareholders' equity in subsidiaries	-	-	104,218	90,551
	1,846,559	380,631	3,015,234	1,240,961
Net cash provided by operating activities	1,846,559	380,631	3,015,234	1,240,961
Cash flow from investing activities				
Additions to property, plant and equipment and intangible assets	(451,207)	(265,655)	(878,648)	(499,911)
Net effect of Vigor deconsolidation	-	-	-	-
Decrease in investments in subsidiaries	1,482,027	976,076	-	-
Receipt of dividends from JBS USA	-	-	-	-
Net effect of working capital of acquired / merged company	-	-	(6,094)	65,889
Net effect of the consolidation of Beef Snacks International B.V.	-	-	-	-
	1,030,820	710,421	(884,742)	(434,022)
Net cash provided by (used in) investing activities	1,030,820	710,421	(884,742)	(434,022)
Cash flow from financing activities				
Proceeds from loans and financings	1,420,391	2,032,024	5,961,498	5,958,425
Payments of loans and financings	(2,541,561)	(2,553,225)	(6,120,629)	(6,193,272)
Payments of dividends	-	-	-	-
Capital transactions	-	-	2,763	1,351
Shares acquisition of own emission	-	-	-	-
	(1,121,170)	(521,201)	(156,368)	(233,496)
Net cash provided by financing activities	(1,121,170)	(521,201)	(156,368)	(233,496)
Effect of exchange variation on cash and cash equivalents	-	-	306,598	55,954
Variance in cash and cash equivalents	1,756,209	569,851	2,280,722	629,397
Cash and cash equivalents at the beginning of the period	5,511,099	3,919,543	10,297,747	7,202,924
	7,267,308	4,489,394	12,578,469	7,832,321
Cash and cash equivalents at the end of the period	7,267,308	4,489,394	12,578,469	7,832,321

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.