

## JBS reports a net income of R\$1.4 billion and a R\$33.8 billion net revenue in 1Q15

JBS S.A. announces its results for the first quarter of 2015 with R\$2.76 billion EBITDA, 57.6% higher than the same period in 2014. Sales totaled R\$33.8 billion, an increase of 28% compared to 1Q14. Net income was R\$1.4 billion or a R\$0.48 earnings per share. After the payment of the acquisitions of Primo Smallgoods Group in Australia and Big Frango in Brazil and the payment of extraordinary dividends to minority shareholders at Pilgrim's, which totaled R\$5.5 billion, leverage stood at 2.3x. Prior to these events, leverage would be 1.9x.

"Our strategy over the last years allowed us to create a global production platform. Today we operate a diversified portfolio, with value-added products and strong brands worldwide. This strategy allows us to generate more solid and consistent results ongoing", said Wesley Batista, Global CEO of JBS.

JBS management remains focused on operational excellence, in the quality of its products and services with a management committed to generate value to its shareholders and the opportunity of a better future for all its employees.

### JBS S.A. conference call information

English	Portuguese
May 14th, 2015	May 14th, 2015
10am (New York Time)	08am (New York Time)
11am (Brasília Time)	09am (Brasília Time)
Brazil: +55 11 3193-1001	Brazil: +55 11 3193-1001
International: +1 412 317-6029	+55 11 2820-4001
Password: JBS	Password: JBS
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Password: 6756870#	Password: 1888944#

## 1Q15 Highlights



**Net revenue** in the period was **R\$33.8 billion**, which represents an **increase of 28%** compared with 1Q14.



**Gross profit** in 1Q15 was **R\$4.8 billion**, **39.6% higher** than the same period in the previous year.

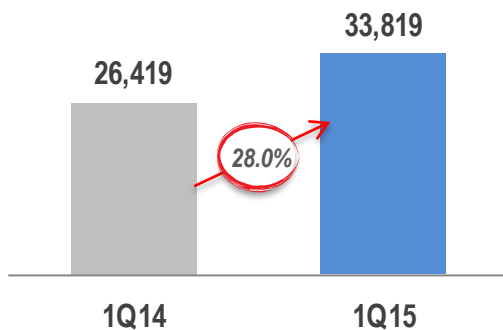


**EBITDA** in 1Q15 was **R\$2.8 billion**, an **increase of 57.6%** over 1Q14. **EBITDA margin** was **8.2%**.



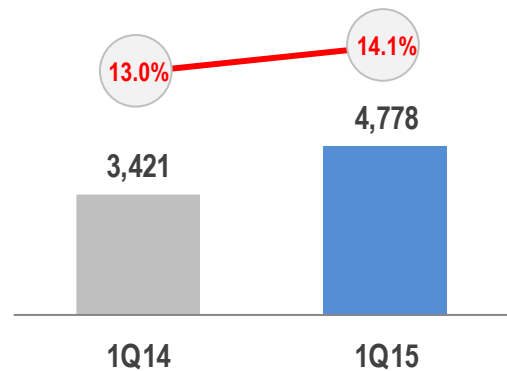
**JBS** recorded **net income** of **R\$1.39 billion** in 1Q15, equivalent to **R\$0.482 per share**.

Consolidated Net Revenue (R\$ Million)



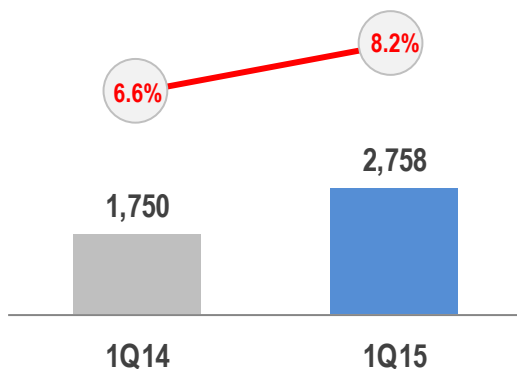
Consolidated Gross Profit (R\$ Million)

— Gross margin (%)



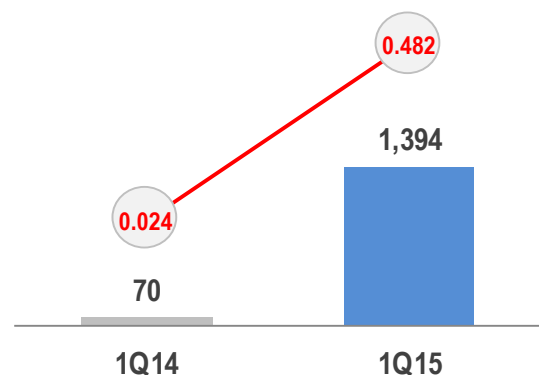
Consolidated EBITDA (R\$ Million)

— EBITDA margin (%)



Consolidated Net Income (R\$ Million)

— Earnings per share (R\$)



## 1Q15 Highlights



In 1Q15, net operating cash generation was **R\$4.5 billion** and free cash generation before acquisitions was **R\$3.8 billion**.



JBS ended 1Q15 with net debt of **R\$33.2 billion**, after the acquisitions of Primo Group and Big Frango, in addition to the payment of extraordinary dividends at PPC, which totaled **R\$5.5 billion**, approximately.

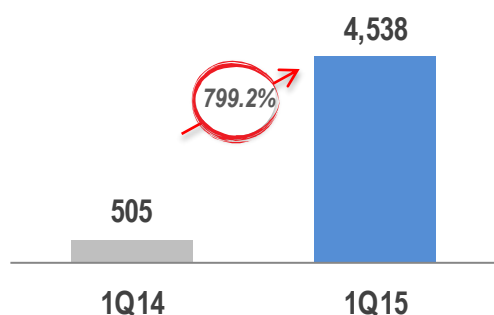


**Leverage** at the end of this quarter was **2.3x**. Leverage would have been **1.9x** when analyzed **before the acquisitions and payment of extraordinary dividends**.

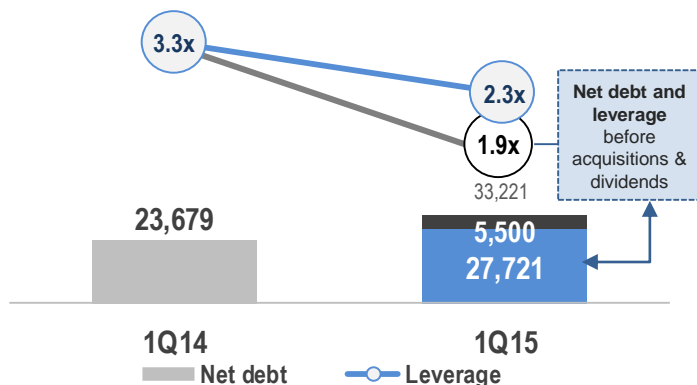


Primo Group acquisition was concluded in the end of 1Q15. (With annual revenues of **US\$1.4 billion** and EBITDA of **US\$110 million**, approximately, Primo's results are not contemplated into JBS results).

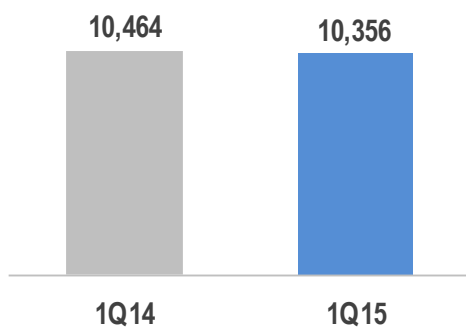
Net Operating Cash Generation (R\$ Million)



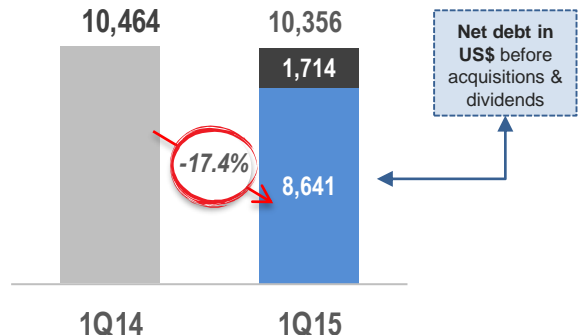
Net Debt (R\$ Million) / Leverage



Net Debt (US\$ Million)



Adjusted Net Debt (US\$ Million)



## 1Q15 Highlights

### Net Revenue and EBITDA Evolution (R\$ billion)



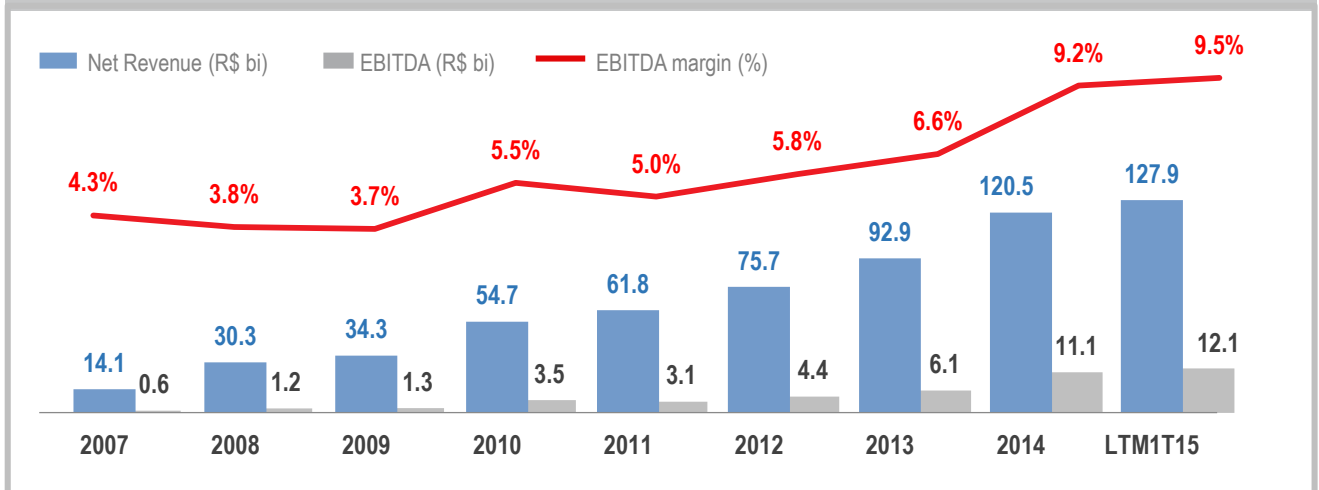
LTM, JBS reached R\$127.9 billion in net revenue, EBITDA of R\$12.1 billion, equivalent to an EBITDA margin of 9.5%, and net income of R\$3.36 billion.



Updating the results using FX at the end of 1Q15, EBITDA LTM was R\$14.5 billion and net revenue reached R\$153.9 billion.



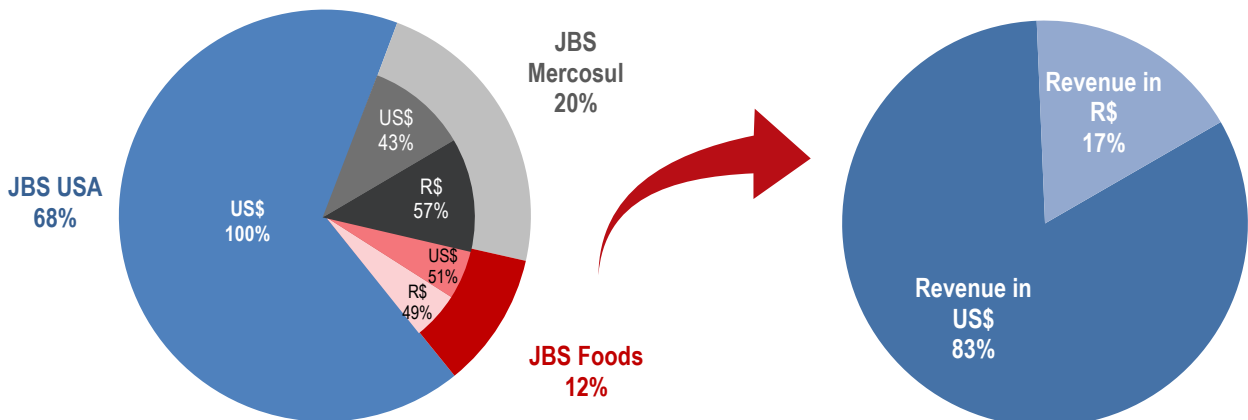
JBS, with its internationalization strategy and geographical diversification, combined with a relevant presence in several proteins and a growing share in value added products with strong brands, created an operation that generates consistent and sustainable results, with stability and balance over the years.



### Revenue Breakdown by Location and Currency



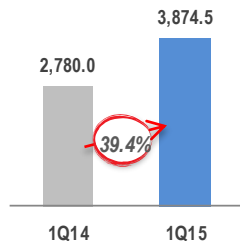
**83% of JBS net revenue is in US\$**



## Business Units 1Q15 Highlights

### JBS Foods

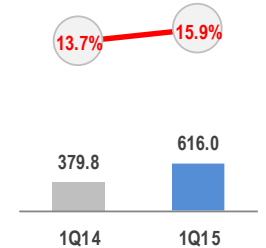
Net Revenue (R\$ million)



✓ In 1Q15, **JBS Foods net revenue was R\$3.9 billion**, 39.4% greater than 1Q14.

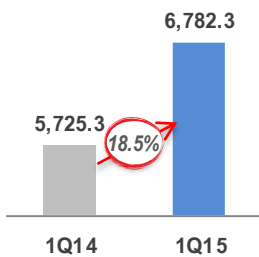
✓ **EBITDA in 1Q15 was R\$616 million**, an increase of 62.2% over 1Q14. **EBITDA margin was 15.9%**.

EBITDA (R\$ million) and Margin(%)



### JBS Mercosul

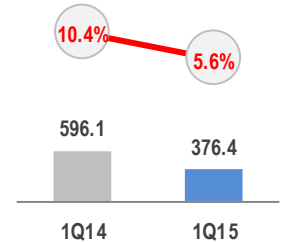
Net Revenue (R\$ million)



✓ In 1Q15, **JBS Mercosul net revenue was R\$6.8 billion**, 18.5% greater than 1Q14.

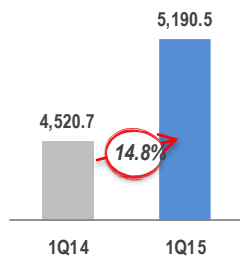
✓ **EBITDA in 1Q15 was R\$376.4 million**, a decrease of 36.8% over 1Q14. **EBITDA margin was 5.6%**.

EBITDA (R\$ million) and Margin(%)



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

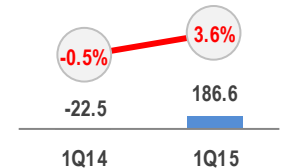
Net Revenue (US\$ million)



✓ In 1Q15, **JBS USA Beef net revenue was US\$5.2 billion**, 14.8% greater than 1Q14.

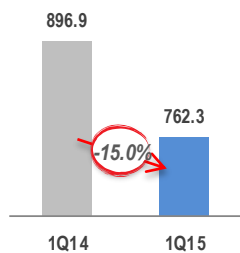
✓ **EBITDA was US\$186.6 million**, reverting 1Q14 result. **EBITDA margin was 3.6%**.

EBITDA (US\$ million) and Margin(%)



### JBS USA Pork

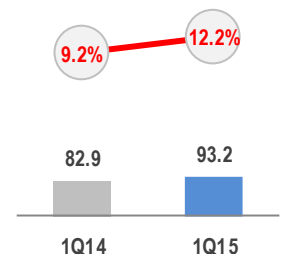
Net Revenue (US\$ million)



✓ In 1Q15, **JBS USA Pork net revenue was US\$762.3 million**, a decrease of 15.0% over 1Q14.

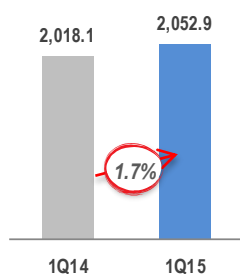
✓ **EBITDA was US\$93.2 million**, 12.4% higher than 1Q14. **EBITDA margin was 12.2%**.

EBITDA (US\$ million) and Margin(%)



### JBS USA Chicken – Pilgrim’s Pride “PPC”

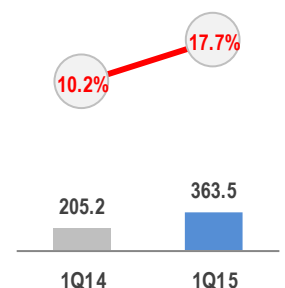
Net Revenue (US\$ million)



✓ In 1Q15, **PPC net revenue was US\$2.1 billion**, a 1.7% increase over 1Q14.

✓ **EBITDA was US\$363.5 million**, 77.2% higher than 1Q14. **EBITDA margin was 17.7%**.

EBITDA (US\$ million) and Margin(%)



## Analysis of Consolidated Results

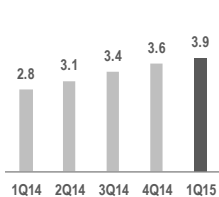
### Analysis of the main financial indicators of JBS by Business Unit (in local currency)

Million		1Q15	4Q14	Δ%	1Q14	Δ%
<b>Net Revenue</b>						
JBS Foods	R\$	3,874.5	3,649.0	6.2%	2,780.0	39.4%
JBS Mercosul	R\$	6,782.3	7,545.7	-10.1%	5,725.3	18.5%
JBS USA Beef	US\$	5,190.5	5,923.7	-12.4%	4,520.7	14.8%
JBS USA Pork	US\$	762.3	964.0	-20.9%	896.9	-15.0%
JBS USA Chicken	US\$	2,052.9	2,110.4	-2.7%	2,018.1	1.7%
<b>EBITDA</b>						
JBS Foods	R\$	616.0	656.1	-6.1%	379.8	62.2%
JBS Mercosul	R\$	376.4	534.1	-29.5%	596.1	-36.8%
JBS USA Beef	US\$	186.6	325.1	-42.6%	-22.5	-
JBS USA Pork	US\$	93.2	95.7	-2.6%	82.9	12.4%
JBS USA Chicken	US\$	363.5	367.8	-1.2%	205.2	77.2%
<b>EBITDA Margin</b>						
JBS Foods	%	15.9%	18.0%	-2.08 p.p.	13.7%	2.24 p.p.
JBS Mercosul	%	5.6%	7.1%	-1.53 p.p.	10.4%	-4.86 p.p.
JBS USA Beef	%	3.6%	5.5%	-1.89 p.p.	-0.5%	4.09 p.p.
JBS USA Pork	%	12.2%	9.9%	2.30 p.p.	9.2%	2.98 p.p.
JBS USA Chicken	%	17.7%	17.4%	0.28 p.p.	10.2%	7.54 p.p.

### Performance by Business Unit

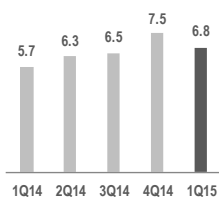
#### JBS Foods

Net sales (R\$ billion)



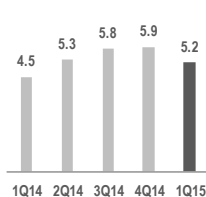
#### JBS Mercosul

Net sales (R\$ billion)



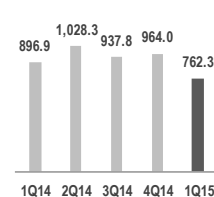
#### JBS USA Beef (Including Australia & Canada)

Net sales (US\$ billion)



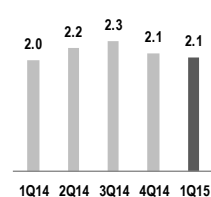
#### JBS USA Pork

Net sales (US\$ million)

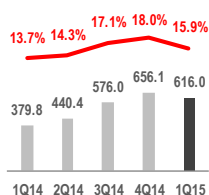


#### JBS USA (PPC)

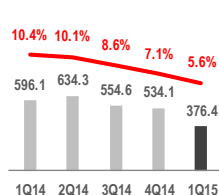
Net sales (US\$ billion)



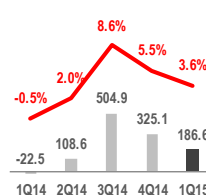
EBITDA (R\$ million)



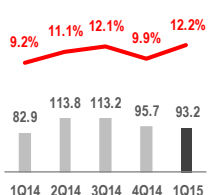
EBITDA (R\$ million)



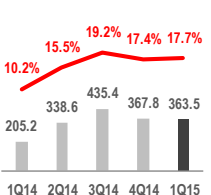
EBITDA (US\$ million)



EBITDA (US\$ million)



EBITDA (US\$ million)



— EBITDA margin (%)

## Consolidated Results

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

R\$ million	1Q15		4Q14		Δ%	1Q14		Δ%
	R\$ MM	% NR	R\$ MM	% NR	1Q15 vs 4Q14	R\$ MM	% NR	1Q15 vs 1Q14
<b>Net Revenue</b>	<b>33,819.0</b>	<b>100.0%</b>	<b>34,303.2</b>	<b>100.0%</b>	-1.4%	<b>26,419.1</b>	<b>100.0%</b>	<b>28.0%</b>
Cost of Goods Sold	<b>(29,041.2)</b>	-85.9%	(28,867.1)	-84.2%	0.6%	(22,997.8)	-87.0%	26.3%
<b>Gross Income</b>	<b>4,777.8</b>	<b>14.1%</b>	<b>5,436.2</b>	<b>15.8%</b>	-12.1%	<b>3,421.3</b>	<b>13.0%</b>	<b>39.6%</b>
Selling Expenses	(1,955.2)	-5.8%	(2,083.8)	-6.1%	-6.2%	(1,604.4)	-6.1%	21.9%
General and Adm. Expenses	(843.3)	-2.5%	(1,146.2)	-3.3%	-26.4%	(688.0)	-2.6%	22.6%
Net Financial Income (expense)	83.9	0.2%	(702.0)	-2.0%	-	(869.3)	-3.3%	-
Equity in earnings of subsidiaries	24.1	0.1%	6.3	0.0%	283.6%	4.7	0.0%	414.2%
Other Income (expense)	2.1	0.0%	(142.1)	-0.4%	-	(4.5)	0.0%	-
<b>Operating Income</b>	<b>2,089.4</b>	<b>6.2%</b>	<b>1,368.3</b>	<b>4.0%</b>	<b>52.7%</b>	<b>259.7</b>	<b>1.0%</b>	<b>704.5%</b>
Income and social contribution taxes	(561.3)	-1.7%	(661.4)	-1.9%	-15.1%	(139.7)	-0.5%	301.8%
Participation of non-controlling shareholders	(134.4)	-0.4%	(88.1)	-0.3%	52.5%	(50.0)	-0.2%	168.6%
<b>Net Income (Loss)</b>	<b>1,393.7</b>	<b>4.1%</b>	<b>618.8</b>	<b>1.8%</b>	<b>125.2%</b>	<b>70.0</b>	<b>0.3%</b>	<b>1891.6%</b>
<b>Adjusted EBITDA</b>	<b>2,757.8</b>	<b>8.2%</b>	<b>3,289.7</b>	<b>9.6%</b>	-16.2%	<b>1,749.7</b>	<b>6.6%</b>	<b>57.6%</b>
<b>Net Income per share (R\$)</b>	<b>0.48</b>		<b>0.21</b>		<b>125.4%</b>	<b>0.02</b>		<b>1877.7%</b>

### **Net Revenue**

JBS consolidated net revenue in 1Q15 totaled R\$33,819.0 million, an expansion of R\$7,399.9 million, or 28.0% higher than 1Q14.

The main highlights were JBS Foods, which recorded a 39.4% increase in revenue, JBS Mercosul, with a 18.5% increase and JBS USA Beef, whose revenues increased 14.8% compared to the same period last year.

In 1Q15, approximately 71% of JBS global revenue were derived from domestic sales and 29% came from exports.

## Consolidated Results

### EBITDA

JBS's EBITDA in 1Q15 was R\$ 2,757.8 million, a 57.6% increase over 1Q14, with an EBITDA margin of 8.2%. This result reflects significant improvement at JBS Foods and PPC, which registered an increase of 62.2% and 77.2%, respectively, compared to 1Q14, combined with the continuous improvement at JBS USA Beef operations which turned from a negative US\$22.5 million EBITDA in 1Q14 to US\$ 186.6 million in 1Q15.

R\$ million	1Q15	4Q14	Δ%	1Q14	Δ%
<b>Net income for the period</b>	<b>1,528.1</b>	<b>706.9</b>	116.2%	<b>120.0</b>	1173.3%
Financial income (expense), net	-83.9	702.0	-	869.3	-
Current and deferred income taxes	561.3	661.4	-15.1%	139.7	301.8%
Depreciation and amortization	776.4	715.3	8.5%	614.1	26.4%
Equity in subsidiaries	-24.1	-6.3	283.6%	-4.7	414.2%
Restructuring, reorganization, donation and indemnity	0.0	510.4	-	11.3	-
<b>(=) EBITDA</b>	<b>2,757.8</b>	<b>3,289.7</b>	-16.2%	<b>1,749.7</b>	57.6%

### Net Financial Results

In 1Q15, JBS registered net financial results of R\$83.9 million. Impact from exchange rate variation was R\$ 3,757.0 million, compensated by R\$ 4,489.0 million on derivative results. Interest expense was R\$825.6 million, whilst interest revenue was R\$229.4 million. Taxes, contributions, tariffs and others resulted in a expense of R\$52.8 million.

### Income Tax and Social Contribution

In 1Q15, Income tax and social contribution (IT/SC) was R\$561.3 million, equivalent to an effective tax rate of 26.9%. The reduction over 1Q14 rate is due to the accounting effect of deferred IT/SC over accumulated losses in subsidiaries acquired in recent years that until 2014 did not meet the accounting criteria.

### Net Income

Net income in 1Q15, was R\$1,393.7 million, an increase of 1,891.6% over 1Q14 and 125.5% over 4Q14. Earnings per share was R\$0.482.

### CAPEX

In 1Q15, total capital expenditure (CAPEX) was R\$4,610.3 million, of which R\$3,905.2 due to the equity effect of acquired companies, specifically to the acquisitions of Primo Smallgoods in Australia and Big Frango in Brazil, both concluded in 1Q15. Additions to property, plant and equipment and intangible assets totaled R\$705.2 million. Approximately 42% was related to acquisitions, expansion and facility modernization and 58% to maintenance.



## Consolidated Results

### Cash Generation

In 1Q15, the Company generated net cash flow from operations of R\$4,538.0 million. Current and non-current financial charges, which totaled R\$4,451.6 million in 1Q15, refer to the elimination of the exchange rate variation and accrued interests, since both do not have cash effect.

Free cash flow generation, after Capex and prior to acquisitions, was R\$ 3,832.8 million. The cash generation in 1Q15 allowed the Company to pay for the acquisitions of Primo Smallgoods in Australia and Big Frango without compromising its leverage, financing JBS growth with resources from its own operational activities.

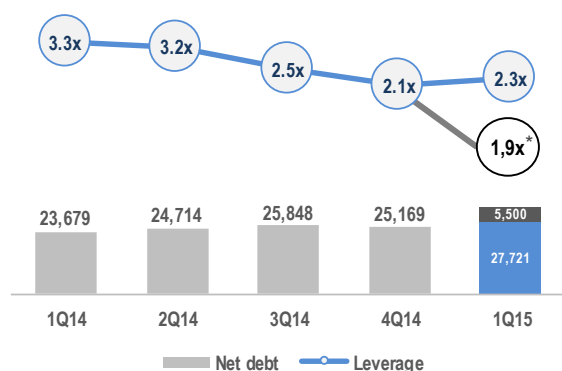
### Indebtedness

JBS ended 1Q15 with a net debt of R\$33.2 billion, after the acquisition of Primo Group, Big Frango and the payment of extraordinary dividends at PPC, which totaled approximately R\$5.5 billion.

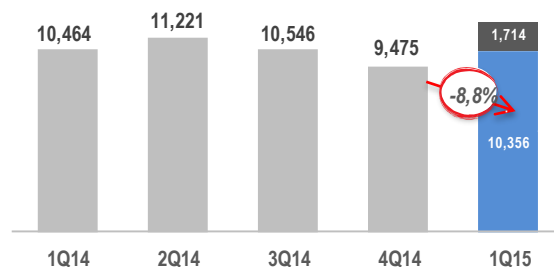
R\$ million	03/31/15	12/31/14	Var. %
<b>Gross debt</b>	<b>47,341.9</b>	<b>40,079.1</b>	<b>18.1%</b>
(+) Short Term Debt	13,547.5	13,687.0	-1.0%
(+) Long Term Debt	33,794.4	26,392.2	28.0%
(-) Cash and Equivalent	14,120.8	14,910.4	-5.3%
<b>Net debt</b>	<b>33,221.1</b>	<b>25,168.7</b>	<b>32.0%</b>
Net debt/EBITDA	<b>2.3x</b>	<b>2.1x</b>	

JBS ended 1Q15 with leverage of 2.3x compared to 2.1x in 4Q14. The increase in leverage is due to the payment for the acquisition of Primo Smallgoods, Big Frango, and payment of extraordinary dividends at Pilgrim's, compensated by the cash generation in the period. The leverage would have been 1.9x if adjusted prior to acquisitions and dividends.

#### Net Debt (R\$ million) and Leverage



#### Adjusted Net Debt in US\$ (million)



\*Net debt and leverage net of acquisitions and extraordinary dividend payments effect, which totaled R\$5.5 billion.

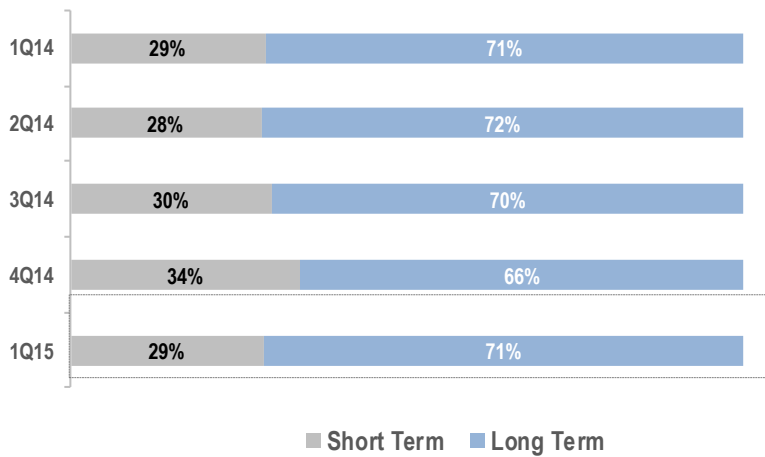
## Consolidated Results

### Indebtedness (cont.)

The Company ended the quarter with R\$14,120.8 million in cash, equivalent to approximately 104% of its short-term debt. In addition, JBS USA has US\$1.5 billion fully available under revolving credit facilities that, if added to the current cash position, represents 140% of short term debt.

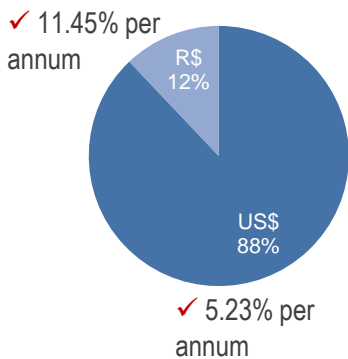
The percentage of short-term debt (ST) in relation to total debt was 29% in 1Q15.

Debt profile ST / LT

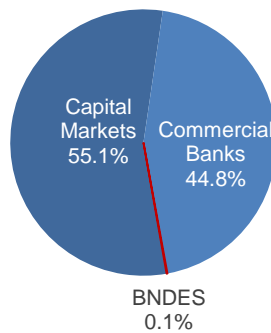


At the end of the period, 88% of JBS consolidated debt was denominated in U.S. dollars, with an average cost of 5.23% per annum. The proportion of debt denominated in Reais, 12% of consolidated debt, has an average cost of 11.45% per year.

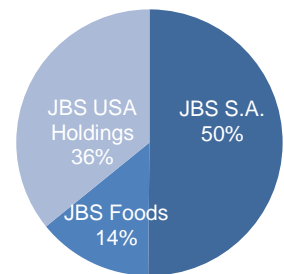
### Breakdown by Currency & Average Cost



### Breakdown by Source



### Breakdown by Company



## Analysis of Results by Business Unit

### JBS Foods

JBS Foods posted net revenues of R\$3,874.5 million, a 39.4% growth compared to 1Q14. Such performance comes from acquisitions made during the recent quarters, as well as from operational efficiency gains and organic growth, aligned with the continuing successful execution strategy implemented throughout the last quarters.

The company ended the quarter with a total of 253.1 million birds and 1.1 million hogs processed. Bird processing grew 11.3% in 1Q15 when compared to the same period of last year, while hog processing went up by 7.8%, positively impacted by acquisitions and asset purchases that occurred in 2014.

In Brazil, sales volume grew expressively in all three categories. Fresh poultry grew by 127.2%, partially offset by a 11.3% decrease in sales prices due to higher volumes of fresh poultry within the quarter's sales mix. Prepared and processed products grew by 24.0% in volume, combined with a 7.6% increase in average sales prices.

On the export market, fresh poultry sales volumes increased by 19.1%, coupled with an average price increase of 14.7%, driven by sales to the Middle East, China and South Korea. Pork volumes decreased by 29.9% on the back of lower demand from Russia, partially offset by a 16.7% growth in sales price in comparison to the 1Q14.

Gross margin was slightly better than in 1Q14, while sales, general and administrative expenses decreased significantly when compared to the same period of last year. EBITDA amounted to R\$616.0 million, 62.2% higher year on year, with an EBITDA margin of 15.9%.

JBS Foods continues to generate synergies and increased efficiencies at the acquired companies, while constantly improving product quality, service level, and execution at the points of sale, all of which are reflected in successive market share gains posted by the company.

### Highlights

	1Q15		4Q14		Δ%	1Q14		Δ%
	R\$	% NR	R\$	% NR	QoQ	R\$	% NR	YoY
<b>Net Revenue</b>	<b>3,874.5</b>	<b>100.0%</b>	<b>3,649.0</b>	<b>100.0%</b>	<b>6.2%</b>	<b>2,780.0</b>	<b>100.0%</b>	<b>39.4%</b>
COGS	(2,881.1)	-74.4%	(2,574.0)	-70.5%	11.9%	(2,076.5)	-74.7%	38.7%
Gross Profit	993.4	25.6%	1,075.0	29.5%	-7.6%	703.5	25.3%	41.2%
<b>EBITDA</b>	<b>616.0</b>	<b>15.9%</b>	<b>656.1</b>	<b>18.0%</b>	<b>-6.1%</b>	<b>379.8</b>	<b>13.7%</b>	<b>62.2%</b>

JBS Foods	1Q15	4Q14	Δ%	1Q14	Δ%
Birds Processed (thousand)	253,086.4	255,166.3	-0.8%	227,446.4	11.3%
Hogs processed (thousand)	1,113.4	1,185.8	-6.1%	1,033.3	7.8%

## Analysis of Results by Business Unit

### JBS Foods

#### Breakdown of Net Revenue

Domestic Market	1Q15	4Q14	Δ%	1Q14	Δ%
<b>Net Revenue (million R\$)</b>					
Fresh Poultry	665.8	608.1	9.5%	330.4	101.5%
Fresh Pork	129.7	131.1	-1.1%	102.2	26.9%
Processed / Prepared Products	1,024.1	1,064.6	-3.8%	767.1	33.5%
Others	135.3	119.4	13.3%	79.9	69.3%
<b>TOTAL</b>	<b>1,954.9</b>	<b>1,923.3</b>	<b>1.6%</b>	<b>1,279.7</b>	<b>52.8%</b>

Volume (thousand tons)	1Q15	4Q14	Δ%	1Q14	Δ%
Fresh Poultry	146.1	113.3	28.9%	64.3	127.2%
Fresh Pork	25.2	23.1	9.0%	18.5	35.7%
Processed / Prepared Products	169.6	172.4	-1.6%	136.8	24.0%
Others	-	-	-	-	-
<b>TOTAL</b>	<b>340.9</b>	<b>308.8</b>	<b>10.4%</b>	<b>219.6</b>	<b>55.2%</b>

Average Price (R\$/Kg)	1Q15	4Q14	Δ%	1Q14	Δ%
Fresh Poultry	4.56	5.37	-15.1%	5.14	-11.3%
Fresh Pork	5.15	5.68	-9.3%	5.52	-6.6%
Processed / Prepared Products	6.04	6.18	-2.3%	5.61	7.6%
Others	-	-	-	-	-

Exports	1Q15	4Q14	Δ%	1Q14	Δ%
<b>Net Revenue (million R\$)</b>					
Fresh Poultry	1,704.9	1,423.9	19.7%	1,248.8	36.5%
Fresh Pork	128.2	209.3	-38.8%	156.6	-18.2%
Processed / Prepared Products	86.5	92.5	-6.4%	94.9	-8.8%
Others	-	-	-	-	-
<b>TOTAL</b>	<b>1,919.5</b>	<b>1,725.7</b>	<b>11.2%</b>	<b>1,500.3</b>	<b>27.9%</b>

Volume (thousand tons)	1Q15	4Q14	Δ%	1Q14	Δ%
Fresh Poultry	304.5	278.0	9.5%	255.8	19.1%
Fresh Pork	16.8	23.5	-28.5%	24.0	-29.9%
Processed / Prepared Products	9.4	13.2	-28.8%	13.3	-29.2%
Others	-	-	-	-	-
<b>TOTAL</b>	<b>330.8</b>	<b>314.7</b>	<b>5.1%</b>	<b>293.0</b>	<b>12.9%</b>

Average Price (R\$/Kg)	1Q15	4Q14	Δ%	1Q14	Δ%
Fresh Poultry	5.60	5.12	9.3%	4.88	14.7%
Fresh Pork	7.62	8.91	-14.4%	6.54	16.7%
Processed / Prepared Products	9.18	6.99	31.4%	7.13	28.7%
Others	-	-	-	-	-

## Analysis of Results by Business Unit

### JBS Mercosul

JBS Mercosul net revenue was R\$6,782.3 million, an improvement of 18.5% compared to 1Q14. In the domestic market, fresh beef sales volume grew 15.9%, combined with price increases of 7.0%. Prices of prepared products increased by 20.4% and volumes remained practically stable in comparison to 1Q14. In the international market, fresh beef sales volume declined by 15.3%, compensated by sales prices, which were 25.3% higher in the period in local currency. Exports were impacted by lower demand in the main importing countries, such as Russia, Venezuela and Egypt.

Higher cattle prices impacted gross margins, which deteriorated from 24.4% in 1Q14 to 19.6% in the quarter. Sales, general and administrative expenses remained stable. EBITDA was R\$376.4 million, a decline of 29.5% regarding 1Q14, with an EBITDA margin of 5.6%.

The management team at JBS Mercosul adopted initiatives to increase productivity during 2014, benchmarking against JBS global facilities, leading to significant results. In Brazil, productivity gains in slaughter and deboning were 6.1% and 9.2%, respectively, in comparison with 1Q14. In Paraguay and Uruguay, increase in productivity in the plants surpassed 30%, combined with deboning productivity gains in both countries. In the leather business, there were gains above 10% in the Wet Blue and semi-finished segments.

The JBS Mercosul operation has a strategic geographic position, combining low cost operations and expanding customer bases. The company has benefited from investments in brands and value added products, which translated into better pricing and stronger fidelity links with strategic customers.

### Highlights

	1Q15		4Q14		Δ%	1Q14		Δ%
	R\$	% NR	R\$	% NR	QoQ	R\$	% NR	YoY
<b>Net Revenue</b>	<b>6,782.3</b>	<b>100.0%</b>	<b>7,545.7</b>	<b>100.0%</b>	<b>-10.1%</b>	<b>5,725.3</b>	<b>100.0%</b>	<b>18.5%</b>
COGS	(5,455.2)	-80.4%	(5,956.2)	-78.9%	-8.4%	(4,326.1)	-75.6%	26.1%
Gross Profit	1,327.1	19.6%	1,589.5	21.1%	-16.5%	1,399.2	24.4%	-5.2%
<b>EBITDA</b>	<b>376.4</b>	<b>5.6%</b>	<b>534.1</b>	<b>7.1%</b>	<b>-29.5%</b>	<b>596.1</b>	<b>10.4%</b>	<b>-36.8%</b>

JBS Mercosul	1Q15	4Q14	Δ%	1Q14	Δ%
Bovine processed (thousand)	2,287.6	2,471.4	-7.4%	2,244.7	1.9%

## Analysis of Results by Business Unit

### JBS Mercosul

#### Breakdown of Net Revenue

Domestic Market	1Q15	4Q14	Δ%	1Q14	Δ%
<b>Net Revenue (million R\$)</b>					
Fresh and Chilled Products	3,240.0	3,436.3	-5.7%	2,612.7	24.0%
Processed Products	371.1	330.7	12.2%	311.2	19.2%
Others	482.9	474.9	1.7%	398.5	21.2%
<b>TOTAL</b>	<b>4,094.0</b>	<b>4,242.0</b>	<b>-3.5%</b>	<b>3,322.5</b>	<b>23.2%</b>
<b>Volume (thousand tons)</b>					
Fresh and Chilled Products	347.6	369.4	-5.9%	299.9	15.9%
Processed Products	43.6	40.3	8.2%	44.0	-1.0%
Others	155.7	181.3	-14.1%	163.1	-4.5%
<b>TOTAL</b>	<b>547.0</b>	<b>590.9</b>	<b>-7.4%</b>	<b>507.0</b>	<b>7.9%</b>
<b>Average Price (R\$/Kg)</b>					
Fresh and Chilled Product	9.32	9.30	0.2%	8.71	7.0%
Processed Items	8.51	8.21	3.7%	7.07	20.4%
Others	3.10	2.62	18.3%	2.44	27.0%

Exports	1Q15	4Q14	Δ%	1Q14	Δ%
<b>Net Revenue (million R\$)</b>					
Fresh and Chilled Products	1,626.2	2,174.6	-25.2%	1,532.8	6.1%
Processed Products	259.8	237.9	9.2%	207.4	25.3%
Others	802.3	891.2	-10.0%	662.6	21.1%
<b>TOTAL</b>	<b>2,688.3</b>	<b>3,303.7</b>	<b>-18.6%</b>	<b>2,402.8</b>	<b>11.9%</b>
<b>Volume (thousand tons)</b>					
Fresh and Chilled Products	146.8	191.2	-23.2%	173.4	-15.3%
Processed Products	18.7	18.3	2.2%	13.3	40.7%
Others	44.6	68.8	-35.2%	45.9	-2.7%
<b>TOTAL</b>	<b>210.1</b>	<b>278.3</b>	<b>-24.5%</b>	<b>232.5</b>	<b>-9.6%</b>
<b>Average Price (R\$/Kg)</b>					
Fresh and Chilled Beef	11.08	11.37	-2.6%	8.84	25.3%
Processed Beef	13.91	13.02	6.8%	15.63	-11.0%
Others	17.98	12.95	38.9%	14.44	24.5%

## Analysis of Results by Business Unit

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

This business unit posted net revenues of US\$5.19 billion, expanding 14.8% compared to 1Q14, supported by the increase in sales prices of 16.7% in domestic and 6.4% in export markets. Volumes sold in the international market increased 4.2% over 1Q14, while volumes in the domestic market remained stable. The number of animals processed decreased 1.1% in comparison to the same period last year.

EBITDA was US\$186.6 million in the quarter, compared to a negative US\$22.5 million in 1Q14. EBITDA margin was 3.6%. The company was successful in its cattle procurement strategy, aligned with better pricing of its products, which contributed to expanding the gross margin in the period.

Independent management of the fed cattle and regional businesses allowed the company more flexibility and agility in the decision-making process and faster adjustments to market conditions.

In Australia, the weakening of the local currency partially compensated the increase in raw material costs and operations, preserving the good performance presented in the last few quarters. Australia has unique sanitary conditions and has benefited from free trade agreements signed with the major beef importers in Asia.

### Highlights (US GAAP)

	1Q15		4Q14		Δ%	1Q14		Δ%
	US\$	% NR	US\$	% NR	QoQ	US\$	% NR	YoY
Net Revenue	5,190.5	100.0%	5,923.7	100.0%	-12.4%	4,520.7	100.0%	14.8%
COGS	(5,005.7)	-96.4%	(5,594.8)	-94.4%	-10.5%	(4,556.5)	-100.8%	9.9%
Gross Profit	184.8	3.6%	328.9	5.6%	-43.8%	(35.8)	-0.8%	-
EBITDA	186.6	3.6%	325.1	5.5%	-42.6%	-22.5	-0.5%	-

JBS USA Beef (including AUS and CAN)	1Q15	4Q14	Δ%	1Q14	Δ%
Bovine processed (thousand)	2,206.4	2,338.6	-5.7%	2,230.1	-1.1%

### Breakdown of Net Revenue

Domestic Market	1Q15	4Q14	Δ%	1Q14	Δ%
Net Revenue (US\$ million)	3,818.3	4,163.4	-8.3%	3,283.4	16.3%
Volume (tons)	849.4	876.2	-3.1%	852.2	-0.3%
Average Price (US\$/Kg)	4.50	4.75	-5.4%	3.85	16.7%

Exports	1Q15	4Q14	Δ%	1Q14	Δ%
Net Revenue (US\$ million)	1,372.2	1,760.3	-22.0%	1,237.3	10.9%
Volume (tons)	294.9	317.6	-7.1%	282.9	4.2%
Average Price (US\$/Kg)	4.65	5.54	-16.1%	4.37	6.4%

## Analysis of Results by Business Unit

### JBS USA Pork

Net revenue in the pork business was US\$762.3 million, a reduction of 15.0% compared to 1Q14. Sales were impacted by the pork prices decline of 20.3% in domestic and 6.3% in international markets, partially compensated by higher volumes sold in both markets.

The reduction in pork prices reflects an oversupply of hogs, which on the other hand enabled better volumes. In 1Q15, the number of animals processed increased by 5.1% in comparison to 1Q14, allowing the company to dilute operational fixed costs.

The pork business unit posted EBITDA of US\$93.2 million, an expansion of 12.4% compared to the same period last year, with an EBITDA margin of 12.2%. Cheaper raw material costs contributed to the expansion of 3.2pp in gross margin relative to 1Q14 and explains the improvement in EBITDA in the quarter.

### Highlights (US GAAP)

	1Q15		4Q14		Δ%	1Q14		Δ%
	US\$	% NR	US\$	% NR	QoQ	US\$	% NR	YoY
<b>Net Revenue</b>	<b>762.3</b>	<b>100.0%</b>	<b>964.0</b>	<b>100.0%</b>	<b>-20.9%</b>	<b>896.9</b>	<b>100.0%</b>	<b>-15.0%</b>
COGS	(668.2)	-87.7%	(863.2)	-89.5%	-22.6%	(815.4)	-90.9%	-18.1%
Gross Profit	94.1	12.3%	100.8	10.5%	-6.6%	81.5	9.1%	15.6%
<b>EBITDA</b>	<b>93.2</b>	<b>12.2%</b>	<b>95.7</b>	<b>9.9%</b>	<b>-2.6%</b>	<b>82.9</b>	<b>9.2%</b>	<b>12.4%</b>

JBS US Pork	1Q15	4Q14	Δ%	1Q14	Δ%
Hogs Processed (thousand)	3,436.4	3,328.8	3.2%	3,270.6	5.1%

### Breakdown of Net Revenue

Domestic Market	1Q15	4Q14	Δ%	1Q14	Δ%
Net Revenue (US\$ million)	613.9	799.8	-23.2%	741.3	-17.2%
Volume (thousand tons)	301.2	294.9	2.1%	289.7	4.0%
Average Price (US\$/Kg)	2.04	2.71	-24.8%	2.56	-20.3%

Exports	1Q15	4Q14	Δ%	1Q14	Δ%
Net Revenue (US\$ million)	148.5	164.2	-9.6%	155.6	-4.6%
Volume (thousand tons)	63.6	62.7	1.3%	62.5	1.8%
Average Price (US\$/Kg)	2.34	2.62	-10.8%	2.49	-6.3%



## Analysis of Results by Business Unit

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

Pilgrim's Pride reported US\$2.05 billion in 1Q15, an increase of 1.7% compared to the same period last year. In the US, overall cutout pricing has remained strong, supported by the increase in consumption and more competitiveness of chicken. Demand in international markets has softened over 1Q14, because of the closure of some markets related to sanitary conditions, while importing demand from Mexico continued robust. Sales from PPC Mexican operations increased 4% in volume in relation to 1Q14.

EBITDA totaled US\$363.5 million, a 77.2% growth compared to 1Q14, and reflects the Company's strategy to focus on diversifying its products portfolio and management of its sales channels. The company has chosen to maintain its exposure to small birds, which has strengthened PPC leadership in this segment, and increased overall profitability of the business. Pilgrim's also have leading positions in the big bird deboning and case-ready retail chicken and approximately 20% of its total sales in prepared foods.

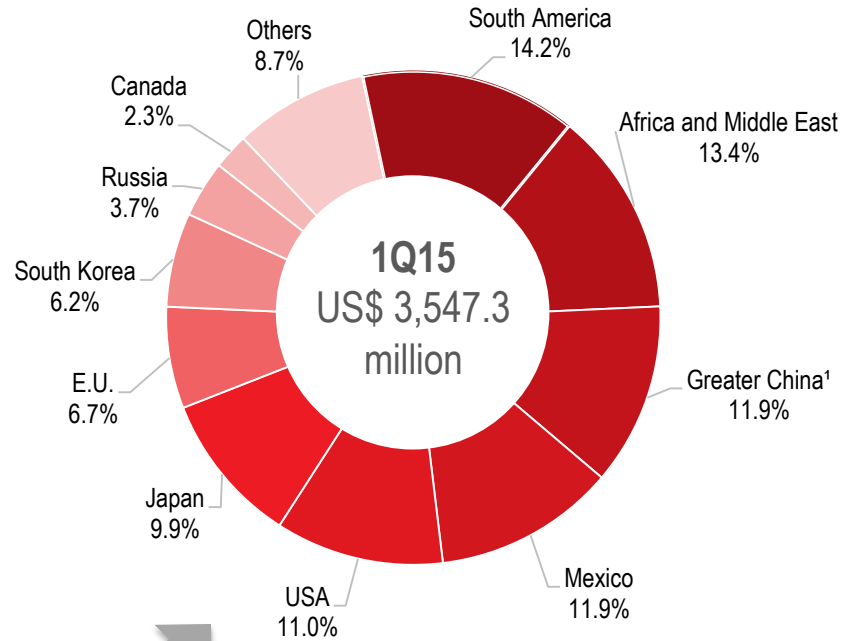
PPC net income in the quarter was US\$204.2 million, an improvement of 108% compared to 1Q14. Free cash flow generation was US\$264.4 million after taxes and after US\$32 million in capital investments. Management is confident that its unique strategy is essential to lower overall volatility and a more consistent performance over an extended period.

### Highlights (US GAAP)

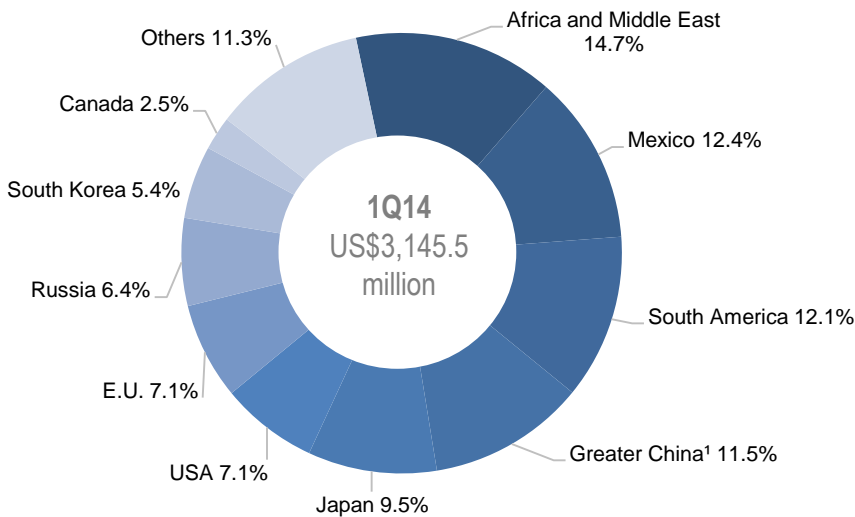
US\$ Million	1Q15		4Q14		Δ%	1Q14		Δ%
	US\$	% NR	US\$	% NR	QoQ	US\$	% NR	YoY
<b>Net Revenue</b>	<b>2,052.9</b>	<b>100.0%</b>	<b>2,110.4</b>	<b>100.0%</b>	-2.7%	<b>2,018.1</b>	<b>100.0%</b>	<b>1.7%</b>
COGS	(1,675.8)	-81.6%	(1,731.3)	-82.0%	-3.2%	(1,803.0)	-89.3%	-7.1%
Gross Profit	377.1	18.4%	379.1	18.0%	-0.5%	215.1	10.7%	75.3%
<b>EBITDA</b>	<b>363.5</b>	<b>17.7%</b>	<b>367.8</b>	<b>17.4%</b>	-1.2%	<b>205.2</b>	<b>10.2%</b>	<b>77.2%</b>

## Tables and Charts

**Graph I - JBS Consolidated Exports Breakdown in 1Q14 and 1Q15**



✓ Growth of 13% in 1Q15 exports compared to 1Q14

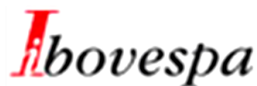


Note 1: Includes China and Hong Kong

**Table I – 1Q15 Breakdown of Production Costs by Business Unit (%)**

1Q15 (%)	Consolidated	JBS Mercosul	JBS Foods	USA Beef	USA Pork	USA Chicken
Raw material (livestock)	82.0%	88.3%	62.6%	87.6%	78.9%	52.5%
Processing (including ingredients and packaging)	9.3%	6.4%	24.8%	5.3%	9.2%	29.3%
Labor Cost	8.7%	5.3%	12.6%	7.2%	11.9%	18.2%

## Indexes



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## JBS S.A.

### Balance sheets

(In thousands of Reais)

	Company		Consolidated	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	8,339,789	9,503,923	14,120,824	14,910,427
Trade accounts receivable, net	3,579,616	3,502,612	10,680,262	9,577,548
Inventories	2,051,562	2,417,608	9,861,344	8,273,110
Biological assets	-	-	1,786,846	1,567,866
Recoverable taxes	1,355,500	1,310,521	2,435,582	2,300,624
Prepaid expenses	23,022	17,449	238,119	181,881
Other current assets	326,119	416,599	1,049,684	730,776
<b>TOTAL CURRENT ASSETS</b>	<b>15,675,608</b>	<b>17,168,712</b>	<b>40,172,661</b>	<b>37,542,232</b>
<b>NON-CURRENT ASSETS</b>				
<b>Long-term assets</b>				
Credits with related parties	2,780,415	3,160,451	1,080,169	370,072
Biological assets	-	-	715,650	633,689
Recoverable taxes	771,899	779,147	1,701,929	1,546,038
Other non-current assets	555,848	506,785	2,476,842	2,121,092
<b>Total long-term assets</b>	<b>4,108,162</b>	<b>4,446,383</b>	<b>5,974,590</b>	<b>4,670,891</b>
Investments in associate, subsidiaries and joint ventures	14,403,231	10,161,077	332,058	295,350
Property, plant and equipment, net	10,710,420	10,590,430	27,095,012	24,098,697
Intangible assets, net	9,551,151	9,550,264	18,886,229	15,436,512
<b>TOTAL NON-CURRENT ASSETS</b>	<b>38,772,964</b>	<b>34,748,154</b>	<b>52,287,889</b>	<b>44,501,450</b>
<b>TOTAL ASSETS</b>	<b>54,448,572</b>	<b>51,916,866</b>	<b>92,460,550</b>	<b>82,043,682</b>

## JBS S.A.

### Balance sheets

(In thousands of Reais)

	Company		Consolidated	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Trade accounts payable	1,103,592	1,567,402	7,442,232	6,942,933
Loans and financings	8,322,532	9,567,475	13,547,509	13,686,975
Income taxes	-	-	721,341	505,799
Payroll, social charges and tax obligation	407,009	369,756	2,239,766	2,105,278
Declared dividends	484,010	484,013	484,010	484,013
Payables related to facilities acquisitions	33,202	47,894	322,850	344,881
Other current liabilities	542,960	740,635	710,595	798,122
<b>TOTAL CURRENT LIABILITIES</b>	<b>10,893,305</b>	<b>12,777,175</b>	<b>25,468,303</b>	<b>24,868,001</b>
<b>NON-CURRENT LIABILITIES</b>				
Loans and financings	15,421,979	13,689,084	33,794,370	26,392,165
Payroll, social charges and tax obligation	149,497	151,199	806,867	639,114
Payables related to facilities acquisitions	42,900	44,904	469,618	490,461
Deferred income taxes	1,291,054	1,172,511	2,963,780	2,839,966
Provision for lawsuits risk	182,391	178,426	874,472	705,844
Other non-current liabilities	31,340	29,744	543,195	465,606
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>17,119,161</b>	<b>15,265,868</b>	<b>39,452,302</b>	<b>31,533,156</b>
<b>EQUITY</b>				
Capital stock	21,506,247	21,506,247	21,506,247	21,506,247
Treasury shares	(483,686)	(451,700)	(483,686)	(451,700)
Capital transaction	116,044	90,338	116,044	90,338
Capital reserve	215,461	212,793	215,461	212,793
Revaluation reserve	86,784	87,877	86,784	87,877
Profit reserves	4,261,815	4,261,815	4,261,815	4,261,815
Valuation adjustments to equity in subsidiaries	92,633	101,658	92,633	101,658
Accumulated translation adjustments in subsidiaries	(754,004)	(1,935,205)	(754,004)	(1,935,205)
Retained earnings	1,394,812	-	1,394,812	-
<b>Attributable to controlling interest</b>	<b>26,436,106</b>	<b>23,873,823</b>	<b>26,436,106</b>	<b>23,873,823</b>
<b>Attributable to noncontrolling interest</b>	<b>-</b>	<b>-</b>	<b>1,103,839</b>	<b>1,768,702</b>
<b>TOTAL EQUITY</b>	<b>26,436,106</b>	<b>23,873,823</b>	<b>27,539,945</b>	<b>25,642,525</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>54,448,572</b>	<b>51,916,866</b>	<b>92,460,550</b>	<b>82,043,682</b>

## JBS S.A.

### Statements of income for the three months period ended March 31, 2015 and 2014

(In thousands of Reais)

	Company		Consolidated	
	2015	2014	2015	2014
<b>NET REVENUE</b>	<b>6,672,479</b>	<b>5,750,712</b>	<b>33,818,992</b>	<b>26,419,076</b>
Cost of goods sold	<u>(5,400,813)</u>	<u>(4,407,031)</u>	<u>(29,041,151)</u>	<u>(22,997,772)</u>
<b>GROSS INCOME</b>	<b>1,271,666</b>	<b>1,343,681</b>	<b>4,777,841</b>	<b>3,421,304</b>
<b>OPERATING INCOME (EXPENSE)</b>				
General and administrative expenses	(349,517)	(293,370)	(843,290)	(688,045)
Selling expenses	(704,477)	(600,591)	(1,955,216)	(1,604,382)
Financial expense, net	97,953	(628,880)	83,862	(869,326)
Equity in earnings of subsidiaries	1,200,592	248,898	24,130	4,693
Other income (expenses), net	(3,955)	(626)	2,086	(4,538)
	<u>240,596</u>	<u>(1,274,569)</u>	<u>(2,688,428)</u>	<u>(3,161,598)</u>
<b>NET INCOME BEFORE TAXES</b>	<b>1,512,262</b>	<b>69,112</b>	<b>2,089,413</b>	<b>259,706</b>
Current income taxes	563	549	(840,154)	(223,243)
Deferred income taxes	(119,106)	318	278,826	83,548
	<u>(118,543)</u>	<u>867</u>	<u>(561,328)</u>	<u>(139,695)</u>
<b>NET INCOME</b>	<b>1,393,719</b>	<b>69,979</b>	<b>1,528,085</b>	<b>120,011</b>
<b>ATTRIBUTABLE TO:</b>				
Controlling interest			1,393,719	69,979
Noncontrolling interest			<u>134,366</u>	<u>50,032</u>
			<u>1,528,085</u>	<u>120,011</u>
<b>Net income basic and diluted per thousand shares - in reais</b>	<b>482.48</b>	<b>24.40</b>	<b>482.48</b>	<b>24.40</b>

## JBS S.A.

### Statements of cash flows for the three months period ended March 31, 2015 and 2014

(In thousands of Reais)

	Company		Consolidated	
	2015	2014	2015	2014
<b>Cash flow from operating activities</b>				
Net income attributable to controlling interest	1,393,719	69,979	1,393,719	69,979
Adjustments to reconcile net income to cash provided on operating activities				
. Depreciation and amortization	170,188	140,035	776,390	614,078
. Allowance for doubtful accounts	-	-	(672)	5,617
. Equity in earnings of subsidiaries	(1,200,592)	(248,898)	(24,130)	(4,693)
. Loss on assets sales	3,954	626	774	(1,925)
. Deferred income taxes	119,106	(318)	(278,826)	(83,548)
. Current and non-current financial charges	3,809,487	(259,517)	4,451,601	(143,297)
. Provision for lawsuits risk	3,965	3,083	23,501	2,748
	<b>4,299,827</b>	<b>(295,010)</b>	<b>6,342,357</b>	<b>458,959</b>
<b>Decrease (increase) in operating assets</b>				
Trade accounts receivable	225,934	533,573	580,764	657,253
Inventories	366,046	(202,882)	(329,557)	(684,513)
Recoverable taxes	(36,995)	9,365	(129,691)	(25,842)
Other current and non-current assets	29,528	(34,903)	(128,830)	(111,577)
Related party receivable	(1,332,615)	57,163	(625,053)	38,238
Biological assets	-	-	(235,774)	(156,048)
<b>Increase (decrease) operating liabilities</b>				
Trade accounts payable	(490,805)	(300,327)	(902,280)	(303,411)
Other current and non-current liabilities	(178,190)	323,638	(342,560)	626,725
Noncontrolling interest	-	-	134,366	50,032
Valuation adjustments to equity in subsidiaries	-	-	174,237	(45,174)
	<b>(1,417,097)</b>	<b>385,627</b>	<b>(1,804,378)</b>	<b>45,683</b>
<b>Changes in operating assets and liabilities</b>				
	<b>2,882,730</b>	<b>90,617</b>	<b>4,537,979</b>	<b>504,642</b>
<b>Net cash provided by operating activities</b>				
<b>Cash flow from investing activities</b>				
Additions to property, plant and equipment and intangible assets	(297,569)	(453,027)	(705,150)	(711,146)
Additions in investments in subsidiaries	(30)	(13,430)	-	-
Equity effect of acquired company	-	-	(3,905,196)	-
	<b>(297,599)</b>	<b>(466,457)</b>	<b>(4,610,346)</b>	<b>(711,146)</b>
<b>Net cash used in investing activities</b>				
<b>Cash flow from financing activities</b>				
Proceeds from loans and financings	1,674,162	2,402,373	10,695,945	4,740,538
Payments of loans and financings	(5,392,866)	(2,332,537)	(11,085,810)	(4,736,708)
Payments of dividends	(3)	-	(1,189,359)	-
Stock option premium received	1,428	-	1,428	-
Capital transactions	-	-	25,706	2,313
Shares acquisition of own emission	(31,986)	-	(31,986)	-
	<b>(3,749,265)</b>	<b>69,836</b>	<b>(1,584,076)</b>	<b>6,143</b>
<b>Net cash provided by (used in) financing activities</b>				
<b>Effect of exchange variation on cash and cash equivalents</b>				
	-	-	866,840	(116,414)
Variance in cash and cash equivalents	(1,164,134)	(306,004)	(789,603)	(316,775)
Cash and cash equivalents at the beginning of the period	9,503,923	5,223,978	14,910,427	9,013,147
<b>Cash and cash equivalents at the end of the period</b>	<b>8,339,789</b>	<b>4,917,974</b>	<b>14,120,824</b>	<b>8,696,372</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.*