Results for 4Q12 and 2012

JBS S.A. (Bovespa: JBSS3) São Paulo, March 13th, 2013

JBS posted net revenue of R$76 billion in 2012, R$14 billion or 22.5% more than 2011

EBITDA of R$4.4 billion, 40.0% above 2011

Adjusted net income of R$1.26 billion

Proposed dividends of R$170.7 million

Operating cash flow of R$1.5 billion

2012 HIGHLIGHTS

✓ JBS posted consolidated net revenue of R$75.7 billion, an increase of R$13.9 billion compared to 2011, or 22.5%.

✓ Consolidated EBITDA was R$4.4 billion, an increase of 40.0% over 2011, and EBITDA margin was 5.8%.

- ✓ JBS Mercosul posted net revenue of R$18.0 billion, 20.7% above 2011. The EBITDA increased 54.6% over the same period.
- ✓ JBS USA Chicken (Pilgrim's Pride Corporation – "PPC") net revenue totaled US$8.1 billion, 7.8% ahead of 2011. The 2012 EBITDA came in at US$402.6 million, compared to negative US$147.0 million in 2011.

✓ JBS posted adjusted net income for the year of R$1.26 billion, excluding deferred income tax liabilities due to goodwill at the parent Company. The reported net income in 2012 was R$718.9 million, R$0.25 per share.

✓ JBS generated net cash from operating activities in 2012 of R$1.5 billion.

✓ The Company ended the year with R$5.4 billion in cash or cash equivalent, corresponding to 90% of short-term debt.

✓ Leverage (net debt / EBITDA) decreased to 3.4x at the end of 2012, from 4.3x at 2T12 and 3.7x at 3T12.

4Q12 HIGHLIGHTS

✓ JBS posted consolidated net revenue of R$21.9 billion in 4Q12, 29.0% above 4Q11.

✓ EBITDA for the period was R$1.2 billion, an increase of 24.5% over 4Q11. EBITDA margin was 5.4%.

✓ Net cash from operating activities came in at R$795.9 million.

✓ Free cash flow (after CAPEX) was R$305.4 million.

✓ 4Q12 adjusted net income was R$310.4 million, excluding deferred income tax liabilities due to goodwill at the parent Company. The reported net income was R$66.4 million.

MESSAGE FROM THE PRESIDENT

2012 was a period of significant improvements at JBS. We transformed the 2011 loss of R$75.7 million into an adjusted profit of R$1.26 billion last year. Despite the weaker than expected growth of the Brazilian economy, the challenges that Europe is still going through, the ongoing recovery of the economy in the United States and a significant increase in grain prices caused by one of the most severe droughts in US history, we posted an EBITDA of R$4.4 billion in 2012, a result which exceeds by 40% the previous year's performance.

Undoubtedly, 2012 financial results were very positive. However, let us not forget the improved operating performance of our business and the continuation of the consolidation process conducted by our Company after years of expansion. We dedicated last year to making adjustments in our structure, our processes and targets with a view towards improving internal indicators. Virtually all performance indicators improved significantly with respect not only to our own expectations, but also in relation to the market as a whole.

When we look back to 2012, we see that we delivered what we promised. We indicated that we would consolidate our growth and we did just that; we promised to expand our beef business in Brazil and we also delivered on that; we said we would reduce the cost of our debt and improve our leverage and we achieved these goals. Over the past number of years we had the opportunity to grow and skillfully manage a large operation and now we are ready to generate more value for our shareholders.

Let me remind you how our sustainability program progressed. As part of the Company's Institutional Relations Area, we established a department dedicated to this important topic. The newly founded team has been working hard along with stakeholders in order to demonstrate JBS' commitment to social and environmental aspects of our business as well as to the welfare of the community. A major achievement in 2012 was the publication of our first global greenhouse gases (GHG) emissions inventory. We had already been conducting this survey in Brazil since 2009. Last year we took it global. From here on, we will have a more comprehensive analysis of the Company's emissions, which gives us a solid foundation to take the next step toward the establishment of strategies and targets.

Everything we have achieved to date and all that is yet to come can not be assigned to any single person. The company's growth and leading position in the global protein market was achieved as a result of collective actions performed on a daily basis by our team. This solid team is guided by our Board of Directors, composed by engaged members committed to the Company's success. We also count on committees that provide the necessary support towards the development of our strategies.

We began this year with a solid structure and good positioning to reach consistently better results through all our business. We are optimistic about the recovery in the US and a more consistent growth of the Brazilian economy. In our business, we see relevant growth potential in the Brazilian market and opportunities still ahead. Protein consumption in the world is growing and the outlook remains positive as an increasing number of people can enjoy the benefits of a healthier diet.

Also in 2013, we aim to improve the Company's financial indicators and debt profile as well as to reduce leverage. We want to further increase cash flow generation, pay dividends, continue to professionalize the Company and deliver solid and consistent results to the market.

Wesley Mendonça Batista
CEO of JBS S.A

Results for 4Q12 and 2012

ANALYSIS OF CONSOLIDATED RESULTS

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

		4Q12	3Q12	Δ%	4Q11	Δ%	2012	2011	Δ%
Net Revenue									
JBS USA Beef	US$	4,856.0	4,275.9	13.6%	4,491.6	8.1%	17,477.6	16,459.6	6.2%
JBS USA Pork	US$	955.5	846.1	12.9%	923.1	3.5%	3,501.1	3,472.6	0.8%
JBS USA Chicken	US$	2,189.7	2,068.5	5.9%	1,829.3	19.7%	8,121.4	7,535.7	7.8%
JBS Mercosul	R$	5,270.2	4,597.8	14.6%	3,800.5	38.7%	18,013.1	14,926.6	20.7%
EBITDA									
JBS USA Beef	US$	103.3	175.1	-41.0%	223.6	-53.8%	223.9	739.1	-69.7%
JBS USA Pork	US$	42.7	40.4	5.6%	77.0	-44.5%	188.1	338.2	-44.4%
JBS USA Chicken	US$	67.4	105.6	-36.2%	22.6	198.2%	402.6	-147.0	-
JBS Mercosul	R$	664.8	665.6	-0.1%	407.7	63.1%	2,469.2	1,597.6	54.6%
EBITDA Margin									
JBS USA Beef	%	2.1%	4.1%	-	5.0%	-	1.3%	4.5%	-
JBS USA Pork	%	4.5%	4.8%	-	8.3%	-	5.4%	9.7%	-
JBS USA Chicken	%	3.1%	5.1%	-	1.2%	-	5.0%	-2.0%	-
JBS Mercosul	%	12.6%	14.5%	-	10.7%	-	13.7%	10.7%	-

Performance by Business Unit

*JBS S.A. ("JBS") (Bovespa: JBSS3), the global leading producer of animal protein announces today its results for the fourth quarter of 2012 (4Q12) and for the full year of 2012. For the purpose of analysis, this report considers the results for the quarter ended September 30, 2012 (3Q12) and December 31, 2011 (4Q11) as well as the fiscal year 2011.The consolidated results of JBS are presented in Brazilian Real (R$) and when separately analyzed, each business unit reports its results in the currency of the country in which it operates. The operations of JBS Australia and JBS Canada are an integral part of the subsidiary JBS USA and both results refer to the period of 14 weeks ended December 30, 2012 (4Q12). The quantitative data, such as volumes and heads slaughtered, are not audited.

Consolidated analysis of the principal operational indicators of JBS

R$ million	4Q12	3Q12	Δ%	4Q11	Δ%	2012	2011	Δ%
Net Revenue	**21,850.7**	19,366.6	**12.8%**	16,934.5	**29.0%**	75,696.7	61,796.8	**22.5%**
Cost of Goods Sold	(19,409.5)	(16,889.4)	14.9%	(15,040.0)	29.1%	(67,006.9)	(55,100.2)	21.6%
Gross Income	**2,441.3**	**2,477.2**	**-1.5%**	**1,894.5**	**28.9%**	**8,689.8**	**6,696.6**	**29.8%**
Gross Margin	11.2%	12.8%	-12.7%	11.2%	-0.1%	11.5%	10.8%	-
Selling Expenses	(1,129.0)	(999.9)	12.9%	(839.3)	34.5%	(3,877.7)	(3,144.1)	23.3%
General and Adm. Expenses	(594.6)	(516.1)	15.2%	(491.4)	21.0%	(2,057.4)	(1,739.2)	18.3%
Net Financial Income (expense)	(374.4)	(418.7)	-10.6%	(549.2)	-31.8%	(1,338.2)	(2,010.7)	-33.4%
Other Income (expense)	(43.2)	(0.9)	-	(22.4)	92.5%	(34.2)	(32.7)	4.6%
Operating Income	**300.1**	**541.6**	**-44.6%**	**(7.9)**	**-**	**1,382.3**	**(230.1)**	**-**
Income and social contribution taxes	(237.9)	(155.0)	53.5%	(15.3)	1454.9%	(619.4)	(92.8)	567.6%
Participation of non-controlling shareholders	4.2	(19.6)	-	48.7	-91.4%	(44.0)	247.2	-
Net Income (Loss)(1)	**66.4**	**367.0**	**-81.9%**	**25.6**	**159.7%**	**718.9**	**(75.7)**	-
Adjusted Net Income (Loss)(2)	**310.4**	**495.4**	**-37.3%**	**25.6**	**1112.6%**	**1,259.0**	**(75.7)**	-
EBITDA	**1,170.9**	**1,378.8**	**-15.1%**	**940.6**	**24.5%**	**4,410.3**	**3,151.0**	**40.0%**
EBITDA Margin	5.4%	7.1%	-	5.6%	-	5.8%	5.1%	-
Net Income (Loss) per share	**0.02**	**0.13**	**-81.3%**	**0.01**	**123.3%**	**0.25**	**(0.03)**	**-**

(1) Participation of Controlling Shareholders.
(2) Excluding deferred income tax liabilities due to goodwill at the parent Company.

Number of Heads Slaughtered and Sales Volume

	4Q12	3Q12	Δ%	4Q11	Δ%	2012	2011	Δ%
Heads slaughtered (thousand)								
Cattle	4,397.1	4,057.1	8.4%	3,625.7	21.3%	16,359.3	15,088.9	8.4%
Hogs	3,926.3	3,302.5	18.9%	3,651.9	7.5%	13,683.2	13,132.2	4.2%
Smalls*	1,230.7	978.9	25.7%	894.7	37.6%	4,041.9	3,198.3	26.4%
Volume Sold (thousand tons)**								
Domestic Market	**1,883.0**	**1,663.6**	**13.2%**	**1,679.5**	**12.1%**	**6,976.5**	**6,642.5**	**5.0%**
Fresh and Chilled Beef	1,666.5	1,446.5	15.2%	1,423.2	17.1%	6,009.9	5,587.9	7.6%
Processed Beef	51.0	53.5	-4.7%	35.9	42.0%	175.0	139.2	25.7%
Others	165.6	163.6	1.2%	220.4	-24.9%	791.6	915.4	-13.5%
Exports	**625.2**	**556.8**	**12.3%**	**502.9**	**24.3%**	**2,147.5**	**2,055.4**	**4.5%**
Fresh and Chilled Beef	587.6	518.9	13.3%	472.4	24.4%	2,004.5	1,865.5	7.5%
Processed Beef	19.2	19.5	-1.6%	14.4	33.4%	69.2	70.7	-2.1%
Others	18.3	18.4	-0.3%	16.1	14.0%	73.7	119.2	-38.1%
TOTAL	**2,508.2**	**2,220.4**	**13.0%**	**2,182.4**	**14.9%**	**9,124.0**	**8,697.9**	**4.9%**

*Not including poultry.
**Not including PPC.

CONSOLIDATED RESULTS

Net Revenue

JBS posted consolidated net revenue of R$75,696.7 million, an increase of R$13,899.9 million compared to 2011, or 22.5%. This expansion was caused primarily by increase of beef volume sold and the initiation of the poultry business, both in Brazil, besides the price increase of beef and poultry products in the US.

In 2012, approximately 75% of global sales were generated domestically in the markets that the Company is present and 25% came from exports.

In 4Q12 JBS posted revenue of R$21,850.7 million, 29.0% and 12.8% above the same period in 2011 and 3Q12, respectively.

Adjusted EBITDA

2012 full year EBITDA was R$4,410.3 million, 40.0% above the previous year. This performance was due to improved results from Pilgrim's Pride (JBS USA Chicken) and from Mercosul operations.

In the last quarter of 2012, EBITDA came in at R$1,170.9 billion, down 15.1% compared to 3Q12 and up 24.5% on a year-over-year analysis. 4Q12 EBITDA margin was 5.4%.

	Company		Consolidated	
EBITDA (in thousands of Reais)	2012	2011	2012	2011
Net income before taxes	**1,256,588**	(160,407)	**1,382,286**	(230,108)
Financial income (expense), net	**1,082,690**	1,468,238	**1,338,243**	2,010,728
Depreciation and amortization	**435,920**	436,501	**1,613,710**	1,291,411
Equity in subsidiaries	**(385,040)**	(113,264)	**(836)**	-
Restructuring, reorganization and donation	**-**	-	**66,033**	68,592
Indemnity	**-**	-	**10,895**	10,382
AMOUNT EBTDA	**2,390,158**	**1,631,068**	**4,410,331**	**3,151,005**

Net Income

JBS posted adjusted net income for the year of R$1,259.0 million, excluding deferred income tax liabilities due to goodwill at the parent Company. The reported net income in 2012 was R$718.9 million, R$0.25 per share.

4Q12 adjusted net income was R$310.4 million. The reported net income for the quarter was R$66.4 million.

Dividend

The Company has declared dividends of R$170.7 million to be submitted to the General Meeting of Shareholders for approval.

Cash Generation

JBS generated R$1,472.3 million of net cash from operating activities in 2012.

4Q12 net cash from operating activities came in at R$795.9 million, and free cash flow after capex was R$305.4 million.

Capital Expenditure

In 2012, total capital expenditure (CAPEX) of JBS in property, plant, and equipment was R$1,619.4 million. 4Q12 capex amounted to R$473.8 million. The main focus of investments were improvements in productivity, expansion of activities in Mercosul and increase in storage capacity and distribution over all regions.

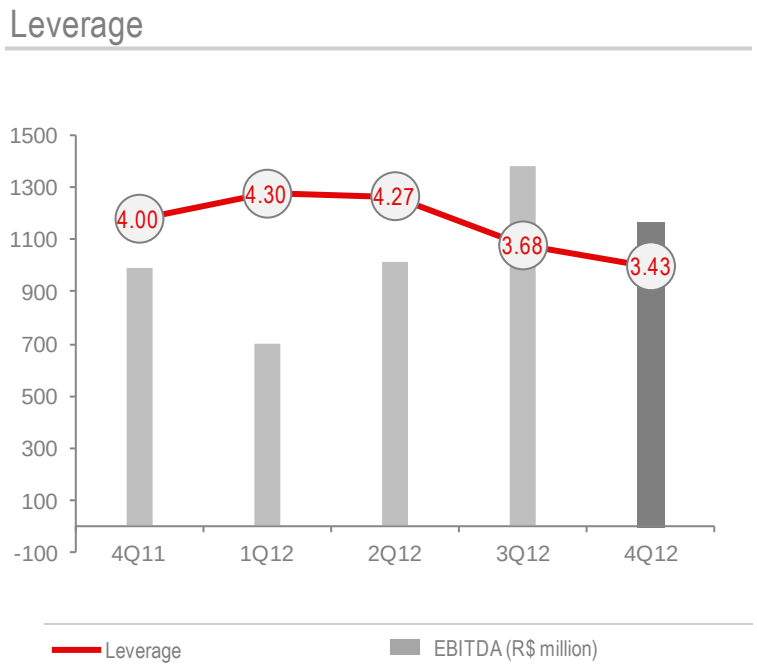
Indebtedness

JBS' leverage (net debt / EBITDA) decreased to 3.4x at the end of 2012, from 4.3x at 2T12 and 3.7x at 3T12. This reduction is a result of the free cash flow of R$305.4 million in the quarter and of the improved EBITDA LTM.

The improvement in leverage reflects the commitment of the Administration to manage working capital, reduce the cost of debt and increase operational efficiencies.

R$ million	12/31/12	9/30/12	Var.%
Gross debt	**20,488.9**	**20,284.5**	**1.0%**
(+) Short Term Debt	6,098.9	5,512.4	10.6%
(+) Long Term Debt	14,390.0	14,772.1	-2.6%
(-) Cash and Equivalents	5,383.1	5,040.7	6.8%
Net debt ( )	**15,105.9**	**15,243.9**	**-0.9%**
Net debt/EBITDA [1]	**3.43x**	**3.68x**	

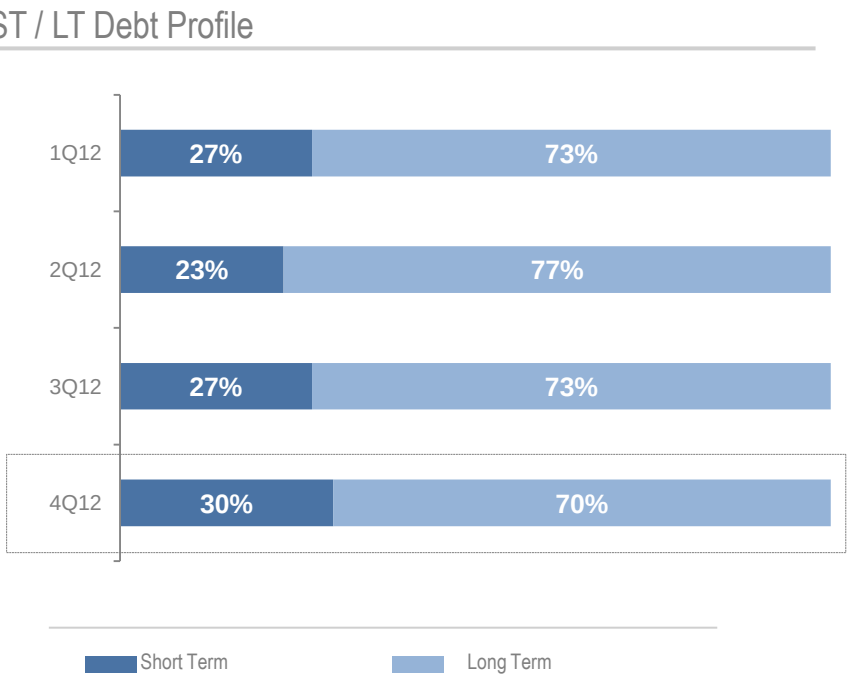
(1) EBITDA LTM. U.S. dollar exchange rate of the last day of the period.



Cash Position

The Company ended the quarter with R$5,383.1 million in cash or cash equivalent, corresponding to 90% of short-term debt. In addition to the Company's cash position, JBS USA has available committed lines of U$1.2 billion, all of which demonstrates a comfortable liquidity.

The percentage of short-term debt (ST) relative to total debt rose from 27% in 3Q12 to 30% in 4Q12. In January 2013, the Company completed the issuance of a U$500.0 million (approximately R$1,0 billion) in bonds maturing in 2023, with an yield of 6.5% per annum which will reduce the cost of consolidated debt and improve debt amortization schedule.



ANALYSIS OF RESULTS BY BUSINESS UNIT

JBS USA Beef (including Australia and Canada), 46% of JBS S.A. Net Revenue

Net revenue for this business unit in the quarter was US$4,856.0 million, outperforming 4Q11 by 8.1%. Compared to 3Q12 net revenues increased 13.6%. 4Q12 EBITDA at this business unit was US$103.3 million, down 53.8% on yoy basis. EBITDA margin for 4Q12 was 2.1%.

For the full year of 2012, revenues from this business unit totaled US$17,477.6 million, 6.2% above 2011. EBITDA for the year was US$223.9 million, with an EBITDA margin of 1.3%.

Despite adverse market conditions, the Company improved its operating metrics through better management of working capital and efficiency gains. The reduction of restrictions imposed by Japan on imports of U.S. beef should promote U.S. exports and contribute to increase profitability per animal processed during 2013 coupled with a more favorable demand and supply scenario.

The Company's management is committed to continuous operating focused on the profitability of this business unit having expanded into Canada recently.

Highlights (US GAAP)

US$ million	4Q12	3Q12	Δ%	3Q11	Δ%	2012	2011	Δ%
Heads slaughtered (thousand)	2,284.6	2,023.8	12.9%	2,108.7	8.3%	8,399.4	8,334.7	0.8%
Net Revenue	4,856.0	4,275.9	13.6%	4,491.6	8.1%	17,477.6	16,459.6	6.2%
EBITDA	103.3	175.1	-41.0%	223.6	-53.8%	223.9	739.1	-69.7%
EBITDA margin %	2.1%	4.1%	-	5.0%	-	1.3%	4.5%	-

Breakdown of Net Revenues

Domestic Market	4Q12	3Q12	Δ%	4Q11	Δ%	2012	2011	Δ%
Net Revenue (US$ million)	3,562.7	3,139.3	13.5%	3,261.8	9.2%	12,946.2	11,850.2	9.2%
Volume (tons)	983.3	848.1	15.9%	872.9	12.6%	3,546.4	3,401.1	4.3%
Average Price (US$/Kg)	3.62	3.70	-2.1%	3.74	-3.0%	3.65	3.48	4.8%

Exports	4Q12	3Q12	Δ%	4Q11	Δ%	2012	2011	Δ%
Net Revenue (US$ million)	1,293.4	1,136.6	13.8%	1,229.9	5.2%	4,531.4	4,609.4	-1.7%
Volume (tons)	293.5	250.0	17.4%	304.7	-3.6%	1,079.6	1,190.0	-9.3%
Average Price (US$/Kg)	4.41	4.55	-3.1%	4.04	9.1%	4.20	3.87	8.5%

ANALYSIS OF RESULTS BY BUSINESS UNIT

JBS USA Pork, 9% of JBS S.A. Net Revenue

Net revenue in the pork business for the quarter totaled US$955.5 million, an increase of 3.5% year on year. Compared to 3Q12, growth was 12.9%.

EBITDA totaled US$42.7 million in 4Q12, a decrease of 44.5% compared to 4Q11 and an increase of 5.6% compared to 3Q12. EBITDA margin was 4.5% for the period.

Full year 2012 revenue reached US$3,501.1 million, an increase of 0.8% over 2011. EBITDA totaled US$188.1 million, 44.4% lower than 2011, which was US$338.2 million. Full year EBITDA margin was 5.4%.

4Q12 results reflect an increase in the number of animals slaughtered and better inventory management. The 2012 result was impacted by increased sales volumes and lower sales prices. Exports were the highlight of this operation, which increased by 5.1% in 2012 compared to 2011.

Highlights (US GAAP)

US$ million	4Q12	3Q12	Δ%	3Q11	Δ%	2012	2011	Δ%
Animals slaughtered (thousand)	3,926.3	3,302.5	18.9%	3,651.9	7.5%	13,683.2	13,132.2	4.2%
Net Revenue	955.5	846.1	12.9%	923.1	3.5%	3,501.1	3,472.6	0.8%
EBITDA	42.7	40.4	5.6%	77.0	-44.5%	188.1	338.2	-44.4%
EBITDA margin %	4.5%	4.8%	-	8.3%	-	5.4%	9.7%	-

Breakdown of Net Revenues

Domestic Market	4Q12	3Q12	Δ%	4Q11	Δ%	2012	2011	Δ%
Net Revenue (US$ million)	774.7	718.2	7.9%	763.9	1.4%	2,878.1	2,879.8	-0.1%
Volume (thousand tons)	338.1	291.7	15.9%	310.5	8.9%	1,209.7	1,175.0	3.0%
Average Price (US$/Kg)	2.29	2.46	-6.9%	2.46	-6.9%	2.38	2.45	-2.9%

Exports	4Q12	3Q12	Δ%	4Q11	Δ%	2012	2011	Δ%
Net Revenue (US$ million)	180.8	127.9	41.4%	159.2	13.6%	622.9	592.8	5.1%
Volume (thousand tons)	77.6	54.5	42.3%	65.8	17.8%	268.2	247.0	8.6%
Average Price (US$/Kg)	2.33	2.35	-0.7%	2.42	-3.6%	2.32	2.40	-3.2%

ANALYSIS OF RESULTS BY BUSINESS UNIT

JBS USA Chicken (Pilgrim's Pride Corporation, a US listed Company controlled by JBS USA), 21% of JBS S.A. Net Revenue

Net revenue in the quarter for this business unit was US$2,189.7 million, 19.7% higher than the same period in 2011. Compared to 3Q12, revenue increased by 5.9%. Adjusted EBITDA in 4Q12 was US$67.4 million, 198.2% above 4Q11.

Revenues in 2012 totaled US$8,121.4 million, up 7.8% over 2011, while adjusted EBITDA was US$402.6 million in 2012, reversing a net loss of US$147.0 million in the previous year.

The results achieved in 2012 point to a determined and disciplined execution of the strategy implemented over the last 2 years.

While increased chicken pricing have helped offset the volatile increase in feed costs, changes in sales mix, yield improvements and driving costs out of PPC's plants and SG&A have made a pivotal impact.

The Company continues to focus on creating value for key customers, relentless pursuit of operational excellence as well as growing value added exports in order to maintain the trajectory of improvement into 2013 and beyond.

Highlights (US GAAP)

US$ million	4Q12	3Q12	Δ%	3Q11	Δ%	2012	2011	Δ%
Net Revenue	2,189.7	2,068.5	5.9%	1,829.3	19.7%	8,121.4	7,535.7	7.8%
Adjusted EBITDA	67.4	105.6	-36.2%	22.6	198.2%	402.6	(147.0)	-
EBITDA margin %	3.1%	5.1%	-	1.2%	-	5.0%	-2.0%	-

ANALYSIS OF RESULTS BY BUSINESS UNIT

JBS Mercosul, 24% of JBS S.A. Net Revenue

Net revenue at JBS Mercosul was R$5,270.2 million in the quarter, 38.7% higher than 4Q11. In comparison to 3Q12, there was an increase of 14.6%. EBITDA for this business unit totaled R$664.8 million in 4Q12, an increase of 63.1% over the same quarter last year and stable in relation to the previous quarter. EBITDA margin was 12.6% in 4Q12.

For the full year, net revenue totaled R$18,013.1 million, 20.7% higher than 2011, while EBITDA rose from R$1,597.6 million in 2011 to R$2,469.2 million in 2012, a 54.6% increase.

The beef operation in Brazil increased volumes in the domestic market and maintained stable pricing during the 4Q12 compared to the same period in 2011. Exports were the highlight for the period and had double-digit increase in volume and prices in the quarter. The poultry business in Brazil demonstrated strong pricing power both domestically and internationally as volumes remained stable due to having reached full capacity utilization at JBS Frangosul.

The Positive results of this business unit in 2012 reflect the operational improvements and efficiencies implemented by the management and reinforces the strategic view adopted.

Highlights

R$ million	4Q12	3Q12	Δ%	3Q11	Δ%	2012	2011	Δ%
Heads slaughtered* (thousand)	2,112.5	2,033.3	3.9%	1,517.0	39.3%	7,959.9	6,754.2	17.9%
Net Revenue	5,270.2	4,597.8	14.6%	3,800.5	38.7%	18,013.1	14,926.6	20.7%
EBITDA	664.8	665.6	-0.1%	407.7	63.1%	2,469.2	1,597.6	54.6%
EBITDA margin %	12.6%	14.5%	-	10.7%	-	13.7%	10.7%	-

*Cattle only

Breakdown of Net Revenues

Domestic Market	4Q12	3Q12	Δ%	4T11	Δ%	2012	2011	Δ%
Net Revenue (million R$)								
Fresh and Chilled Products	2,314.6	1,924.9	20.2%	1,748.9	32.3%	8,033.8	6,875.5	16.8%
Processed Products	293.8	256.4	14.6%	195.9	50.0%	938.5	731.5	28.3%
Others	425.4	362.1	17.5%	553.3	-23.1%	1,932.4	1,987.8	-2.8%
TOTAL	**3,033.7**	**2,543.5**	**19.3%**	**2,498.0**	**21.4%**	**10,904.8**	**9,594.8**	**13.7%**
Volume (thousand tons)								
Fresh and Chilled Products	345.1	306.7	12.5%	239.7	44.0%	1,253.8	1,011.9	23.9%
Processed Products	51.0	53.5	-4.7%	35.9	42.0%	175.0	139.2	25.7%
Others	165.6	163.6	1.2%	220.4	-24.9%	791.6	915.4	-13.5%
TOTAL	**561.6**	**523.8**	**7.2%**	**496.0**	**13.2%**	**2,220.4**	**2,066.5**	**7.4%**
Average Price (R$/Kg)								
Fresh and Chilled Product	6.71	6.28	6.8%	7.30	-8.1%	6.41	6.79	-5.7%
Processed Items	5.76	4.79	20.3%	5.46	5.5%	5.36	5.25	2.1%
Others	2.57	2.21	16.3%	2.51	2.4%	2.44	2.17	12.4%

ANALYSIS OF RESULTS BY BUSINESS UNIT

JBS Mercosul, 24% of JBS S.A. Net Revenues.

Breakdown of Net Revenues

Exports	4Q12	3Q12	Δ%	4T11	Δ%	2012	2011	Δ%
Net Revenue (million R$)								
Fresh and Chilled Products	1,679.0	1,498.3	12.1%	892.4	88.1%	5,020.9	3,471.7	44.6%
Processed Products	216.3	204.6	5.7%	159.5	35.6%	785.1	717.0	9.5%
Others	341.1	351.4	-2.9%	250.5	36.1%	1,302.3	1,143.1	13.9%
TOTAL	**2,236.5**	**2,054.3**	**8.9%**	**1,302.4**	**71.7%**	**7,108.3**	**5,331.8**	**33.3%**
Volume (thousand tons)								
Fresh and Chilled Products	216.5	214.4	1.0%	101.9	112.4%	656.7	428.5	53.3%
Processed Products	19.2	19.5	-1.6%	14.4	33.4%	69.2	70.7	-2.1%
Others	18.3	18.4	-0.3%	16.1	14.0%	73.7	119.2	-38.1%
TOTAL	**254.1**	**252.3**	**0.7%**	**132.4**	**91.9%**	**799.7**	**618.4**	**29.3%**
Average Price (R$/Kg)								
Fresh and Chilled Beef	7.75	6.99	10.9%	8.75	-11.4%	7.65	8.10	-5.6%
Processed Beef	11.26	10.47	7.5%	11.07	1.7%	11.34	10.14	11.9%
Others	18.63	19.13	-2.7%	15.59	19.5%	17.66	9.59	84.2%

TABLES AND CHARTS

Graph I - JBS Consolidated Exports Breakdown

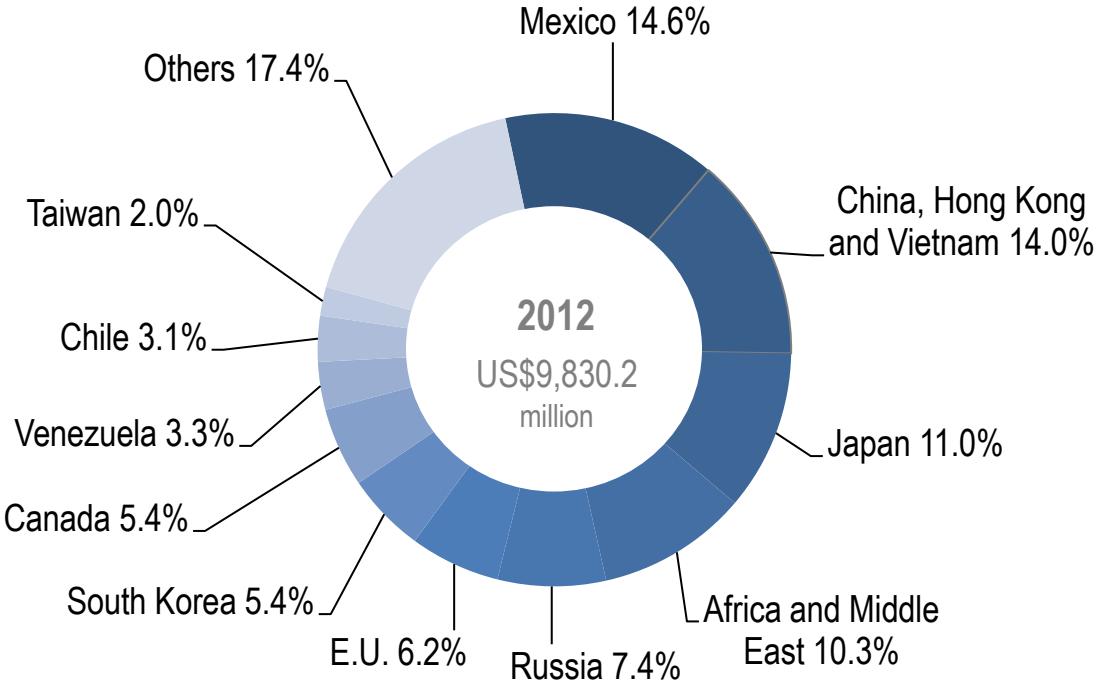


Table I - Breakdown of Production Costs by Business Unit (%)

4Q12 (%)	Consolidated	JBS Mercosul	USA Beef	USA Pork	USA Chicken
Raw material (livestock)	81.0%	86.2%	87.4%	82.7%	60.7%
Processing (including ingredients and packaging)	10.0%	7.8%	5.4%	7.5%	23.9%
Labor Cost	9.0%	6.0%	7.2%	9.8%	15.5%

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CONSOLIDATED FINANCIAL STATEMENTS – JBS S.A.

JBS S.A.

Balance sheets
(In thousands of Reais)

	Company		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	**3,564,984**	3,612,867	**5,383,087**	5,288,194
Trade accounts receivable, net	**2,753,737**	1,883,093	**5,688,648**	4,679,846
Inventories	**1,940,192**	1,544,261	**5,182,187**	5,405,705
Biological assets	**-**	-	**849,624**	209,543
Recoverable taxes	**1,309,995**	1,330,609	**1,676,267**	1,690,311
Prepaid expenses	**9,648**	8,148	**142,961**	131,033
Other current assets	**273,332**	256,225	**460,625**	526,649
TOTAL CURRENT ASSETS	**9,851,888**	**8,635,203**	**19,383,399**	**17,931,281**
NON-CURRENT ASSETS				
Long-term assets				
Credits with related parties	**808,062**	88,505	**548,909**	552,197
Biological assets	**-**	-	**304,309**	-
Recoverable taxes	**641,957**	562,027	**673,346**	626,126
Other non-current assets	**206,137**	104,207	**671,758**	389,947
Total long-term assets	**1,656,156**	**754,739**	**2,198,322**	**1,568,270**
Investments in subsidiaries and in associates	**6,118,876**	7,561,574	**258,620**	-
Property, plant and equipment, net	**8,767,637**	7,803,582	**16,207,640**	15,378,714
Intangible assets, net	**9,531,964**	9,531,506	**11,708,212**	12,532,619
TOTAL NON-CURRENT ASSETS	**26,074,633**	**25,651,401**	**30,372,794**	**29,479,603**
TOTAL ASSETS	**35,926,521**	**34,286,604**	**49,756,193**	**47,410,884**

The accompanying notes are an integral part of the financial statements

CONSOLIDATED FINANCIAL STATEMENTS – JBS S.A.

JBS S.A.

Balance sheets
(In thousands of Reais)

	Company		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
LIABILITIES				
CURRENT LIABILITIES				
Trade accounts payable	**1,000,273**	666,375	**3,564,270**	3,323,886
Loans and financings	**5,355,774**	4,574,702	**6,098,898**	5,339,433
Income taxes	**-**	-	**8,886**	211,528
Payroll, social charges and tax obligation	**361,741**	347,863	**1,276,009**	1,167,163
Declared dividends	**170,749**	-	**170,749**	-
Payables related to facilities acquisitions	**112,712**	10,589	**112,712**	10,589
Other current liabilities	**280,649**	466,402	**306,049**	343,100
TOTAL CURRENT LIABILITIES	**7,281,898**	**6,065,931**	**11,537,573**	**10,395,699**
NON-CURRENT LIABILITIES				
Loans and financings	**6,795,885**	7,095,193	**14,390,046**	13,532,761
Payroll, social charges and tax obligation	**137,847**	-	**524,230**	683,812
Payables related to facilities acquisitions	**95,142**	2,048	**95,142**	2,048
Deferred income taxes	**825,781**	289,798	**1,276,756**	678,372
Provision for lawsuits risk	**155,156**	140,975	**203,361**	251,560
Other non-current liabilities	**24,265**	28,837	**295,779**	267,444
TOTAL NON-CURRENT LIABILITIES	**8,034,076**	**7,556,851**	**16,785,314**	**15,415,997**
EQUITY				
Capital stock	**21,506,247**	21,506,247	**21,506,247**	21,506,247
Capital transaction	**77,374**	(10,212)	**77,374**	(10,212)
Capital reserve	**211,879**	985,944	**211,879**	985,944
Revaluation reserve	**96,847**	101,556	**96,847**	101,556
Profit reserves	**1,993,697**	1,440,799	**1,993,697**	1,440,799
Treasury shares	**(776,526)**	(610,550)	**(776,526)**	(610,550)
Valuation adjustments to equity in subsidiaries	**92,999**	127,071	**92,999**	127,071
Accumulated translation adjustments in subsidiaries	**(2,591,970)**	(2,877,033)	**(2,591,970)**	(2,877,033)
Attributable to controlling interest	**20,610,547**	**20,663,822**	**20,610,547**	**20,663,822**
Attributable to noncontrolling interest	**-**	**-**	**822,759**	**935,366**
TOTAL EQUITY	**20,610,547**	**20,663,822**	**21,433,306**	**21,599,188**
TOTAL LIABILITIES AND EQUITY	**35,926,521**	**34,286,604**	**49,756,193**	**47,410,884**

The accompanying notes are an integral part of the financial statements

CONSOLIDATED FINANCIAL STATEMENTS – JBS S.A.

JBS S.A.

Statements of income for the years ended December 31, 2012 and 2011
(In thousands of Reais)

	Company		Consolidated	
	2012	2011	2012	2011
NET REVENUE	**16,405,822**	**13,060,853**	**75,696,710**	**61,796,761**
Cost of goods sold	**(12,093,878)**	(10,023,868)	**(67,006,886)**	(55,100,207)
GROSS INCOME	**4,311,944**	**3,036,985**	**8,689,824**	**6,696,554**
OPERATING INCOME (EXPENSE)				
General and administrative expenses	**(816,779)**	(595,453)	**(2,057,415)**	(1,739,198)
Selling expenses	**(1,564,217)**	(1,274,996)	**(3,877,714)**	(3,144,069)
Financial expense, net	**(1,082,690)**	(1,468,238)	**(1,338,243)**	(2,010,728)
Equity in earnings of subsidiaries	**385,040**	113,264	**836**	-
Other income (expenses), net	**23,290**	28,031	**(35,002)**	(32,667)
	(3,055,356)	**(3,197,392)**	**(7,307,538)**	**(6,926,662)**
NET INCOME (LOSS) BEFORE TAXES	**1,256,588**	**(160,407)**	**1,382,286**	**(230,108)**
Current income taxes	**2,424**	2,710	**(176,742)**	(520,711)
Deferred income taxes	**(540,074)**	81,992	**(442,654)**	427,934
	(537,650)	**84,702**	**(619,396)**	**(92,777)**
NET INCOME (LOSS) OF THE YEAR	**718,938**	**(75,705)**	**762,890**	**(322,885)**
ATTRIBUTABLE TO:				
Controlling interest			**718,938**	(75,705)
Noncontrolling interest			**43,952**	(247,180)
			762,890	**(322,885)**
Net income (loss) basic per thousand shares - in reais	**247.84**	**(27.77)**	**247.84**	**(27.77)**
Net income (loss) diluted per thousand shares - in reais	**247.84**	**(27.77)**	**247.84**	**(27.77)**

The accompanying notes are an integral part of the financial statements

CONSOLIDATED FINANCIAL STATEMENTS – JBS S.A.

JBS S.A.

Statements of cash flows for the years ended December 31, 2012 and 2011
(In thousands of Reais)

	Company		Consolidated	
	2012	2011	2012	2011
Cash flow from operating activities				
Net income (loss) of the year attributable to controlling interest	718,938	(75,705)	718,938	(75,705)
Adjustments to reconcile loss to cash provided on operating activities				
. Depreciation and amortization	435,920	436,501	1,613,710	1,291,411
. Allowance for doubtful accounts	(6,431)	10,021	(4,657)	15,577
. Equity in earnings of subsidiaries	(385,040)	(113,264)	(836)	-
. Loss (gain) on assets sales	(14,852)	(24,998)	26,131	(8,132)
. Deferred income taxes	540,074	(81,992)	409,062	(427,934)
. Current and non-current financial charges	495,970	1,544,673	490,681	1,611,274
. Provision for lawsuits risk	10,027	5,562	5,106	9,865
. Impairment	-	-	10,282	63,193
	1,794,606	1,700,798	3,268,417	2,479,549
Decrease (increase) in operating assets				
Trade accounts receivable	(828,058)	(149,369)	(892,675)	(278,778)
Inventories	(329,123)	(433,292)	(395,360)	(627,902)
Recoverable taxes	106,863	(195,802)	(163,553)	(295,794)
Other current and non-current assets	(58,723)	(104,145)	89,214	(43,156)
Related party receivable	(463,806)	(360,521)	11,612	(171,501)
Biological assets	-	-	(440,813)	247,255
Increase (decrease) operating liabilities				
Trade accounts payable	303,692	77,789	206,669	(28,742)
Other current and non-current liabilities	28,412	(100,210)	(270,741)	(75,275)
Noncontrolling interest	-	-	44,541	(247,180)
Valuation adjustments to equity in subsidiaries	-	-	14,945	(351,964)
Changes in operating assets and liabilities	(1,240,743)	(1,265,550)	(1,796,161)	(1,873,037)
Net cash provided by operating activities	553,863	435,248	1,472,256	606,512
Cash flow from investing activities				
Additions to property, plant and equipment and intangible assets	(1,083,314)	(569,741)	(1,619,393)	(1,173,780)
Net effect of Vigor deconsolidation	-	-	(211,856)	-
Increase in investments in subsidiaries	-	(963,638)	-	-
Decrease in investments in subsidiaries	(109,306)	2,491,708	2,067	-
Received dividends from JBS USA	875,503	-	-	-
Proceeds received from termination agreement of Inalca JBS	-	504,002	-	504,002
Net effect of working capital of acquired / merged company	7,356	718	(21,355)	(34,584)
Net effect of full consolidation Beef Snacks International B.V.	-	-	(19,757)	-
Net cash provided by (used in) investing activities	(309,761)	1,463,049	(1,870,294)	(704,362)
Cash flow from financing activities				
Proceeds from loans and financings	5,579,875	6,181,618	14,145,935	17,532,838
Payments of loans and financings	(5,869,508)	(7,341,304)	(13,773,332)	(16,224,978)
Payments of debentures	-	(749)	-	(749)
Capital transactions	-	(263)	(8,760)	(263)
Shares acquisition of own emission	(2,352)	(125,381)	(2,352)	(125,381)
Net cash provided by (used in) financing activities	(291,985)	(1,286,079)	361,491	1,181,467
Effect of exchange variation on cash and cash equivalents	-	-	131,440	130,003
Variance in cash and cash equivalents	(47,883)	612,218	94,893	1,213,620
Cash and cash equivalents at the beginning of the year	3,612,867	3,000,649	5,288,194	4,074,574
Cash and cash equivalents at the end of the year	3,564,984	3,612,867	5,383,087	5,288,194

The accompanying notes are an integral part of the financial statements

CONSOLIDATED FINANCIAL STATEMENTS – JBS S.A.

JBS S.A.

Statements of cash flows for the three months period ended on December 31, 2012 and 2011
(In thousands of Reais)

	Company		Consolidated	
	2012	2011	2012	2011
Cash flow from operating activities				
Net income (loss) of the year attributable to controlling interest	**66.376**	25.586	**66.376**	25.586
Adjustments to reconcile loss to cash provided on operating activities				
. Depreciation and amortization	**114.489**	114.729	**449.753**	352.880
. Allowance for doubtful accounts	**(3.799)**	4.177	**(1.747)**	2.427
. Equity in earnings of subsidiaries	**(15.107)**	(49.692)	**(205)**	-
. Loss (gain) on assets sales	**(5.274)**	(8.811)	**17.454**	(2.975)
. Deferred income taxes	**244.023**	-	**102.754**	(130.143)
. Current and non-current financial charges	**157.405**	412.721	**200.241**	344.166
. Provision for lawsuits risk	**3.108**	1.100	**(2.905)**	(408)
. Impairment	**-**	-	**2.170**	63.193
	561.221	**499.810**	**833.891**	**654.726**
Decrease (increase) in operating assets				
Trade accounts receivable	**(289.138)**	(152.289)	**(404.912)**	(204.440)
Inventories	**75.470**	(55.928)	**327.685**	32.709
Recoverable taxes	**85.391**	(37.521)	**(35.899)**	(114.984)
Other current and non-current assets	**(9.478)**	111.655	**182.312**	198.550
Related party receivable	**95.808**	(99.726)	**10.954**	(97.339)
Biological assets	**-**	-	**(74.519)**	157.151
Increase (decrease) operating liabilities				
Trade accounts payable	**202.344**	25.500	**258.476**	238.041
Other current and non-current liabilities	**(275.741)**	(168.947)	**(340.806)**	(93.641)
Related party payable	**-**	-	**-**	(504.002)
Noncontrolling interest	**-**	-	**(3.587)**	(48.723)
Valuation adjustments to equity in subsidiaries	**-**	-	**42.289**	(126.679)
Changes in operating assets and liabilities	**(115.344)**	**(377.256)**	**(38.007)**	**(563.357)**
Net cash provided by operating activities	**445.877**	**122.554**	**795.884**	**91.369**
Cash flow from investing activities				
Additions to property, plant and equipment and intangible assets	**(240.942)**	(145.929)	**(473.779)**	(226.629)
Increase in investments in subsidiaries	**-**	(963.638)	**-**	-
Decrease in investments in subsidiaries	**(122.705)**	1.698.035	**-**	-
Proceeds received from termination agreement of Inalca JBS	**-**	-	**-**	504.002
Net effect of working capital of acquired / merged company	**7.356**	-	**3.053**	-
Net effect of full consolidation Beef Snacks International B.V.	**-**	-	**(19.757)**	-
Net cash provided by (used in) investing activities	**(356.291)**	**588.468**	**(490.483)**	**277.373**
Cash flow from financing activities				
Proceeds from loans and financings	**1.362.281**	484.274	**1.012.862**	2.584.987
Payments of loans and financings	**(1.441.489)**	(1.007.105)	**(1.003.260)**	(3.243.604)
Capital transactions	**-**	(251)	**(1.912)**	(251)
Shares acquisition of own emission	**-**	(14.953)	**-**	(14.953)
Net cash provided by (used in) financing activities	**(79.208)**	**(538.035)**	**7.690**	**(673.821)**
Effect of exchange variation on cash and cash equivalents	**-**	-	**29.337**	12.259
Variance in cash and cash equivalents	**10.378**	172.987	**342.428**	(292.820)
Cash and cash equivalents at the beginning of the year	**3.554.606**	3.439.880	**5.040.659**	5.581.014
Cash and cash equivalents at the end of the year	**3.564.984**	**3.612.867**	**5.383.087**	**5.288.194**

The accompanying notes are an integral part of the financial statements

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..