JBS S.A

Financial Statements and Independent auditors´ review report

ITR - Quarterly Information

As of June 30, 2009 and 2008

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders of JBS S.A.:

1. We have performed a special review of the accompanying quarterly information (Company and Consolidated) of JBS S.A. (the "Company") and controlled companies as of June 30, 2009, consisting of the balance sheet and the related statements of operations, changes in shareholders' equity, and cash flows, the notes to the financial statements and management report for the quarter and semester (or half-year) then ended, all expressed in Brazilian reais, and prepared under the responsibility of the Company's management. The financial statements of directly-controlled company Inalca JBS S.p.A. were reviewed by other independent auditors. Our review on the carrying values of JBS S.A.'s investment in this company and the equity in its earnings (loss) is based on the work of those auditors.

2. Our review was performed in accordance with specific standards established by IBRACON (Brazilian Institute of Independent Auditors) together with the Federal Association of Accountants, which consisted principally of: a) inquiry of and discussion with the managers responsible for the accounting, financial and operating areas as to the main criteria adopted in preparing the Quarterly Information and b) review of the information and subsequent events that have or may have material effects on the financial situation and operations of the Company and its controlled companies.

3. Based on our special review and the review report prepared by other independent auditors, we are not aware of any material modifications that should be made to the Quarterly Information referred to in paragraph 1 for it to be in conformity with Brazilian accounting practices and standards established by the Brazilian Securities and Exchange Commission (CVM), specifically applicable to the preparation of Quarterly Information, including CVM 469/2008 instruction.

4. As mentioned in note 2, Brazilian accounting practices were changed during 2008, and the effects of their initial adoption were only accounted for by the Company and its controlled companies in the fourth quarter of 2008, and disclosed in the financial statements as of December 31, 2008. The statements of operations, cash flows and changes in shareholders' equity for the quarter and semester ended June 30, 2008, presented along with the current quarterly information, were not adjusted for comparative purposes, as allowed by CVM/SNC/SEP Circular Letter No. 02/2009.

5 The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, August 12th, 2009

BDO Trevisan
BDO Trevisan Auditores Independentes
CRC 2SP013439/O-5

José Luiz Sanches
Sócio-contador
CRC 1SP124579/O-0

JBS S.A.

Balance sheets
(In thousands of Reais)

	Company		Consolidated	
	June, 2009	March, 2009	June, 2009	March, 2009
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Note 4)	**1.916.361**	1.326.913	**2.298.658**	1.797.951
Trade accounts receivable, net (Note 5)	**513.786**	520.692	**1.888.639**	2.001.484
Inventories (Note 6)	**285.585**	396.727	**1.941.171**	2.335.146
Recoverable taxes (Note 7)	**434.201**	458.254	**539.535**	632.981
Prepaid expenses	**3.213**	3.023	**65.352**	77.954
Other current assets	**53.589**	92.962	**307.948**	401.767
TOTAL CURRENT ASSETS	**3.206.735**	**2.798.571**	**7.041.303**	**7.247.283**
NON-CURRENT ASSETS				
Long-term assets				
Credits with related parties (Note 8)	**-**	161.433	**338.041**	455.987
Judicial deposits and others	**17.284**	16.930	**98.662**	100.876
Deferred income taxes (Note 17)	**29.292**	24.275	**437.791**	506.534
Recoverable taxes (Note 7)	**109.257**	39.147	**185.272**	65.675
Total long-term assets	**155.833**	**241.785**	**1.059.766**	**1.129.072**
Permanent assets				
Investments in subsidiaries (Note 9)	**4.798.622**	5.372.969	**-**	-
Other investments	**10**	10	**4.520**	5.749
Property, plant and equipment, net (Note 10)	**2.021.209**	1.866.269	**4.852.604**	5.019.454
Intangible assets, net (Note 11)	**912.299**	944.174	**1.873.031**	2.165.229
Deferred charges	**-**	-	**1.551**	1.597
Total Permanent assets	**7.732.140**	**8.183.422**	**6.731.706**	**7.192.029**
TOTAL NON-CURRENT ASSETS	**7.887.973**	**8.425.207**	**7.791.472**	**8.321.101**
TOTAL ASSETS	**11.094.708**	**11.223.778**	**14.832.775**	**15.568.384**

	Company		Consolidated	
	June, 2009	March, 2009	June, 2009	March, 2009
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Trade accounts payable (Note 12)	**260.591**	242.318	**1.377.565**	1.567.868
Loans and financings (Note 13)	**1.900.295**	2.080.299	**2.411.857**	2.780.018
Payroll, social charges and tax obligation (Note 14)	**102.441**	69.780	**379.199**	312.635
Declared dividends (Note 15)	**-**	12.321	**-**	12.321
Other current liabilities	**96.416**	122.390	**281.136**	272.766
TOTAL CURRENT LIABILITIES	**2.359.743**	**2.527.108**	**4.449.757**	**4.945.608**
NON-CURRENT LIABILITIES				
Loans and financings (Note 13)	**2.327.507**	2.570.489	**3.814.513**	3.191.779
Deferred income taxes (Note 17)	**86.145**	74.825	**732.332**	907.925
Provision for contingencies (Note 15)	**49.891**	48.333	**61.298**	57.596
Debits with related parties (Note 8)	**874.607**	-	**-**	-
Debit with third parties for investment (Note 16)	**178.090**	200.089	**178.090**	200.089
Other non-current liabilities	**49.125**	38.026	**430.811**	504.085
TOTAL NON-CURRENT LIABILITIES	**3.565.365**	**2.931.762**	**5.217.044**	**4.861.474**
MINORITY INTEREST	**-**	**-**	**(3.626)**	**(3.606)**
SHAREHOLDERS' EQUITY (Note 18)				
Capital stock	**4.495.581**	4.495.581	**4.495.581**	4.495.581
Capital reserve	**777.844**	777.844	**777.844**	777.844
Revaluation reserve	**115.340**	116.695	**115.340**	116.695
Profit reserves	**18.696**	18.696	**18.696**	18.696
Valuation adjustments to shareholders´ equity	**(619)**	(676)	**(619)**	(676)
Accumulated translation adjustments	**(90.139)**	677.969	**(90.139)**	677.969
Accumulated losses	**(147.103)**	(321.201)	**(147.103)**	(321.201)
TOTAL SHAREHOLDERS' EQUITY	**5.169.600**	**5.764.908**	**5.169.600**	**5.764.908**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**11.094.708**	**11.223.778**	**14.832.775**	**15.568.384**

The accompanying notes are an integral part of the financial statements

JBS S.A.

Statements of income for the six months period ended June 30, 2009 and 2008
(In thousands of Reais)

	Company		Consolidated	
	2009	2008	2009	2008
GROSS OPERATING REVENUE				
Sales of products:				
Domestic Sales	**1.854.240**	1.204.629	**14.458.886**	8.566.214
Foreign Sales	**966.961**	1.165.275	**4.540.637**	4.733.329
	2.821.201	**2.369.904**	**18.999.523**	**13.299.543**
SALES DEDUCTIONS				
Returns and discounts	**(121.791)**	(76.197)	**(224.223)**	(150.739)
Sales taxes	**(204.370)**	(135.766)	**(252.339)**	(160.203)
	(326.161)	**(211.963)**	**(476.562)**	**(310.942)**
NET SALE REVENUE	**2.495.040**	**2.157.941**	**18.522.961**	**12.988.601**
Cost of goods sold	**(2.032.231)**	(1.724.598)	**(16.907.304)**	(11.784.579)
GROSS INCOME	**462.809**	**433.343**	**1.615.657**	**1.204.022**
OPERATING INCOME (EXPENSE)				
General and administrative expenses	**(89.506)**	(46.014)	**(393.209)**	(176.202)
Selling expenses	**(237.904)**	(216.626)	**(809.384)**	(669.022)
Financial income (expense), net (Note 19)	**(443.368)**	(396.967)	**(480.172)**	(585.598)
Equity in subsidiaries (Note 9)	**153.035**	(61.087)	**-**	-
Goodwill amortization (Note 11)	**-**	(89.444)	**-**	(89.444)
Other (expense) income, net	**1.019**	2.764	**11.282**	3.652
	(616.724)	**(807.374)**	**(1.671.483)**	**(1.516.614)**
LOSS BEFORE TAXES	**(153.915)**	**(374.031)**	**(55.826)**	**(312.592)**
Current income taxes	**1.462**	1.551	**(58.663)**	(33.864)
Deferred income taxes	**2.512**	1.415	**(36.521)**	(25.179)
	3.974	**2.966**	**(95.184)**	**(59.043)**
RESULT BEFORE MINORITY INTEREST	**(149.941)**	**(371.065)**	**(151.010)**	**(371.635)**
Minority interest (expense) income	**-**	-	**1.069**	570
LOSS OF THE PERIOD	**(149.941)**	**(371.065)**	**(149.941)**	**(371.065)**
LOSS PER THOUSAND SHARES	**(107,03)**	**(261,60)**		

Statement of EBITDA (Earnings before income taxes, interest, depreciation and amortization)

	Company 2009	Company 2008	Consolidated 2009	Consolidated 2008
Income (loss) before taxes	**(153.915)**	(374.031)	**(55.826)**	(312.592)
Financial income (expense), net (Note 19)	**443.368**	396.967	**480.172**	585.598
Depreciation and amortization	**43.469**	31.611	**171.217**	108.257
Equity in subsidiaries (Note 9)	**(153.035)**	61.087	**-**	-
Goodwill amortization (Note 11)	**-**	89.444	**-**	89.444
AMOUNT OF EBITDA	**179.887**	**205.078**	**595.563**	**470.707**

The accompanying notes are an integral part of the financial statements

Statements of income for the three months period ended June 30, 2009 and 2008
(In thousands of Reais)

	Company		Consolidated	
	2009	2008	2009	2008
GROSS OPERATING REVENUE				
Sales of products:				
Domestic Sales	**982.769**	681.089	**7.060.483**	4.617.110
Foreign Sales	**549.242**	584.144	**2.434.467**	2.676.912
	1.532.011	**1.265.233**	**9.494.950**	**7.294.022**
SALES DEDUCTIONS				
Returns and discounts	**(53.612)**	(42.747)	**(106.521)**	(78.639)
Sales taxes	**(107.762)**	(73.582)	**(133.395)**	(85.847)
	(161.374)	**(116.329)**	**(239.916)**	**(164.486)**
NET SALE REVENUE	**1.370.637**	**1.148.904**	**9.255.034**	**7.129.536**
Cost of goods sold	**(1.121.032)**	(960.262)	**(8.397.499)**	(6.435.740)
GROSS INCOME	**249.605**	**188.642**	**857.535**	**693.796**
OPERATING INCOME (EXPENSE)				
General and administrative expenses	**(48.855)**	(25.412)	**(177.934)**	(96.380)
Selling expenses	**(123.549)**	(116.467)	**(394.921)**	(363.876)
Financial income (expense), net (Note 19)	**(35.762)**	(392.367)	**(33.590)**	(508.796)
Equity in subsidiaries (Note 9)	**137.020**	17.131	**-**	-
Goodwill amortization (Note 11)	**-**	(45.131)	**-**	(45.131)
Other (expense) income, net	**587**	2.326	**11.900**	4.176
	(70.559)	**(559.920)**	**(594.545)**	**(1.010.007)**
LOSS BEFORE TAXES	**179.046**	**(371.278)**	**262.990**	**(316.211)**
Current income taxes	**698**	5.692	**(55.534)**	(18.274)
Deferred income taxes	**(7.001)**	1.137	**(34.847)**	(30.128)
	(6.303)	**6.829**	**(90.381)**	**(48.402)**
RESULT BEFORE MINORITY INTEREST	**172.743**	**(364.449)**	**172.609**	**(364.613)**
Minority interest (expense) income	**-**	-	**134**	164
NET INCOME (LOSS) OF THE PERIOD	**172.743**	**(364.449)**	**172.743**	**(364.449)**
NET INCOME (LOSS) PER THOUSAND SHARES	**123,31**	**(256,94)**		

Statement of EBITDA (Earnings before income taxes, interest, depreciation and amortization)

	Company 2009	Company 2008	Consolidated 2009	Consolidated 2008
Income (loss) before taxes	**179.046**	(371.278)	**262.990**	(316.211)
Financial income (expense), net (Note 19)	**35.762**	392.367	**33.590**	508.796
Depreciation and amortization	**21.598**	16.220	**87.441**	57.250
Equity in subsidiaries (Note 9)	**(137.020)**	(17.131)	**-**	-
Goodwill amortization (Note 11)	**-**	45.131	**-**	45.131
AMOUNT OF EBITDA	**99.386**	**65.309**	**384.021**	**294.966**

The accompanying notes are an integral part of the financial statements

JBS S.A.

Statement of changes in shareholders´ equity for the six months period ended June 30, 2009
(In thousands of Reais)

	Capital stock	Capital reserve goodwill	Revaluation reserve	Profit Reserves Legal	Profit Reserves For expansion	Valuation adjustments to shareholders´ equity	Accumulated translation adjustments	Accumulated losses	Total
BALANCE AS OF DECEMBER 31, 2008	**4.495.581**	**769.463**	**118.178**	**1.297**	**-**	**(2.920)**	**752.812**	**-**	**6.134.411**
Adjustment of net income destination from previous year	-	21.407	-	-	17.399	-	-	-	**38.806**
Realization of revaluation reserve	-	-	(2.838)	-	-	-	-	2.838	**-**
Shares acquisition	-	(13.026)	-	-	-	-	-	-	**(13.026)**
Valuation adjustments in subsidiaries shareholders´ equity	-	-	-	-	-	2.301	-	-	**2.301**
Accumulated translation adjustments in subsidiaries shareholders´ equity	-	-	-	-	-	-	(162.463)	-	**(162.463)**
Foreign investments exchange rate variations	-	-	-	-	-	-	(680.488)	-	**(680.488)**
Result of the period	-	-	-	-	-	-	-	(149.941)	**(149.941)**
BALANCE AS OF JUNE 30, 2009	**4.495.581**	**777.844**	**115.340**	**1.297**	**17.399**	**(619)**	**(90.139)**	**(147.103)**	**5.169.600**

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JBS S.A.

Statement of changes in shareholders´ equity for the three months period ended June 30, 2009
(In thousands of Reais)

	Capital stock	Capital reserve goodwill	Revaluation reserve	Profit Reserves Legal	Profit Reserves For expansion	Valuation adjustments to shareholders´ equity	Accumulated translation adjustments	Accumulated losses	Total
BALANCE AS OF MARCH 31, 2009	**4.495.581**	**777.844**	**116.695**	**1.297**	**17.399**	**(676)**	**677.969**	**(321.201)**	**5.764.908**
Realization of revaluation reserve	-	-	(1.355)	-	-	-	-	1.355	**-**
Valuation adjustments in subsidiaries shareholders´ equity	-	-	-	-	-	57	-	-	**57**
Accumulated translation adjustments in subsidiaries shareholders´ equity	-	-	-	-	-	-	(123.061)	-	**(123.061)**
Foreign investments exchange rate variations	-	-	-	-	-	-	(645.047)	-	**(645.047)**
Result of the period	-	-	-	-	-	-	-	172.743	**172.743**
BALANCE AS OF JUNE 30, 2009	**4.495.581**	**777.844**	**115.340**	**1.297**	**17.399**	**(619)**	**(90.139)**	**(147.103)**	**5.169.600**

The accompanying notes are an integral part of the financial statements

JBS S.A.

Statements of cash flows for the six months period ended June 30, 2009 and 2008
(In thousands of Reais)

	Company		Consolidated	
	2009	2008	2009	2008
Cash flow from operating activities				
. Loss of the period	**(149.941)**	(371.065)	**(149.941)**	(371.065)
Adjustments to reconcile net income (loss) to cash provided				
. Depreciation and amortization	**43.469**	31.611	**171.217**	108.257
. Allowance for doubtful accounts	**3.293**	1.025	**8.498**	1.931
. Goodwill amortization	**-**	89.444	**-**	89.444
. Minority interest	**-**	-	**(1.069)**	(570)
. Equity in subsidiaries	**(153.035)**	61.087	**-**	-
. Write-off of fixed assets	**1.032**	825	**2.620**	826
. Deferred income taxes	**(2.512)**	(1.415)	**36.521**	25.179
. Current and non-current financial charges	**(261.194)**	226.387	**(134.651)**	55.713
. Net effect of acquired Company	**-**	-	**-**	(147.353)
. Provision for contingencies	**1.647**	-	**1.018**	(3.287)
. Adjustment of assets and liabilities to present value	**(917)**	-	**(917)**	-
	(518.158)	**37.899**	**(66.704)**	**(240.925)**
Variation in operating assets and liabilities				
. Decrease (increase) in trade accounts receivable	**(50.096)**	(206.604)	**(23.658)**	(546.880)
. Decrease (increase) in inventories	**253.925**	(224.467)	**273.109**	(481.046)
. Decrease (increase) in recoverable taxes	**(58.086)**	(57.173)	**(60.282)**	(72.703)
. Decrease (increase) in other current and non-current assets	**110.321**	18.666	**75.027**	(384.621)
. Decrease (increase) in credits with related parties	**(34.680)**	(285.554)	**(64.329)**	(7.470)
. Increase (decrease) in trade accounts payable	**(126.509)**	(97.926)	**(457.971)**	26.183
. Increase (decrease) in other current and non-current liabilities	**53.231**	160.951	**122.017**	619.780
. Increase (decrease) in debits with related parties	**1.118.635**	-	**-**	-
. Valuation adjustments to shareholders´ equity	**-**	**-**	**(205.994)**	**-**
Net cash provided by (used in) operating activities	**748.583**	**(654.208)**	**(408.785)**	**(1.087.682)**
Cash flows used in investing activities				
. Additions to property, plant and equipment and intangible assets	**(295.877)**	(161.458)	**(546.395)**	(483.327)
. Increase in deferred charges	**-**	(1.250)	**-**	(1.509)
. Increase in investments	**(69.609)**	(1.689.689)	**(309)**	(324.843)
Net cash used in investing activities	**(365.486)**	**(1.852.397)**	**(546.704)**	**(809.679)**
Cash flows from financing activities				
. Loans and financings	**1.394.489**	2.256.082	**3.198.110**	2.363.229
. Payments of loans and financings	**(1.371.172)**	(913.047)	**(2.138.004)**	(1.800.224)
. Increase in capital stock	**-**	2.550.279	**-**	2.550.279
. Shares acquisition of own emission	**(13.026)**	**(127.739)**	**(13.026)**	**(127.739)**
Net cash provided by financing activities	**10.291**	**3.765.575**	**1.047.080**	**2.985.545**
Effect of exchange variation on cash and cash equivalents	**-**	**-**	**(84.550)**	**-**
Net increase (decrease) in cash and cash equivalents	**393.388**	1.258.970	**7.041**	1.088.184
Cash and cash equivalents at the beginning of the period	**1.522.973**	869.784	**2.291.617**	1.381.703
Cash and cash equivalents at the end of the period	**1.916.361**	**2.128.754**	**2.298.658**	**2.469.887**

The accompanying notes are an integral part of the financial statements

JBS S.A.

Statements of cash flows for the three months period ended June 30, 2009 and 2008
(In thousands of Reais)

	Company		Consolidated	
	2009	2008	2009	2008
Cash flow from operating activities				
. Net income (Loss) of the period	**172.743**	(364.449)	**172.743**	(364.449)
Adjustments to reconcile net income (loss) to cash provided				
. Depreciation and amortization	**21.598**	16.220	**87.441**	57.250
. Allowance for doubtful accounts	**2.542**	207	**4.802**	699
. Goodwill amortization	**-**	45.131	**-**	45.131
. Minority interest	**-**	-	**(134)**	(164)
. Equity in subsidiaries	**(137.020)**	(17.131)	**-**	-
. Write-off of fixed assets	**534**	320	**1.560**	321
. Deferred income taxes	**7.001**	(1.137)	**34.847**	30.128
. Current and non-current financial charges	**(401.559)**	202.145	**(511.548)**	(33.398)
. Provision for contingencies	**1.558**	-	**815**	(3.287)
. Adjustment of assets and liabilities to present value	**(1.227)**	-	**(1.227)**	-
	(333.830)	**(118.694)**	**(210.701)**	**(267.769)**
Variation in operating assets and liabilities				
. Decrease (increase) in trade accounts receivable	**(60.714)**	(69.946)	**(194.256)**	(464.900)
. Decrease (increase) in inventories	**111.142**	(175.788)	**104.100**	(227.242)
. Decrease (increase) in recoverable taxes	**(45.954)**	(46.573)	**(43.563)**	(55.996)
. Decrease (increase) in other current and non-current assets	**38.829**	2.017	**38.993**	(384.744)
. Decrease (increase) in credits with related parties	**-**	(328.812)	**353.295**	(7.404)
. Increase (decrease) in trade accounts payable	**18.453**	41.197	**21.920**	308.826
. Increase (decrease) in other current and non-current liabilities	**2.447**	(53.249)	**40.969**	413.535
. Increase (decrease) in debits with related parties	**1.118.635**	-	**-**	-
. Valuation adjustments to shareholders´ equity	**-**	**-**	**(123.004)**	**-**
Net cash provided by (used in) operating activities	**849.008**	**(749.848)**	**(12.247)**	**(685.694)**
Cash flows used in investing activities				
. Additions to property, plant and equipment and intangible assets	**(177.072)**	(45.892)	**(285.605)**	(268.067)
. Increase in deferred charges	**-**	(1.250)	**-**	(1.509)
. Increase in investments	**(44.488)**	(266.531)	**-**	(28.581)
Net cash used in investing activities	**(221.560)**	**(313.673)**	**(285.605)**	**(298.157)**
Cash flows from financing activities				
. Loans and financings	**413.376**	658.410	**1.877.768**	746.525
. Payments of loans and financings	**(451.376)**	(668.242)	**(1.007.268)**	(771.252)
. Increase in capital stock	**-**	819.728	**-**	819.728
. Shares acquisition of own emission	**-**	(25.485)	**-**	(25.485)
Net cash provided by financing activities	**(38.000)**	**784.411**	**870.500**	**769.516**
Effect of exchange variation on cash and cash equivalents	**-**	**-**	**(71.941)**	**-**
Net increase (decrease) in cash and cash equivalents	**589.448**	(279.110)	**500.707**	(214.335)
Cash and cash equivalents at the beginning of the period	**1.326.913**	2.407.864	**1.797.951**	2.684.222
Cash and cash equivalents at the end of the period	**1.916.361**	**2.128.754**	**2.298.658**	**2.469.887**

The accompanying notes are an integral part of the financial statements

1 Operating activities

JBS S.A (the Company) is a listed company in the Novo Mercado segment, which requires the highest level of corporate governance in the Brazilian market and its shares are traded on the BM&F Bovespa S.A - Stock Exchange, Commodity and Forward.

The operations of the Company and its subsidiaries consists of:

a) Activities in Brazil

The Company owns and operates slaughterhouses, cold storage and meat processing operations for the production of beef, canned goods, fat, animal rations and beef by-products, which are produced in the plants located in the States of São Paulo, Goiás, Mato Grosso, Mato Grosso do Sul, Rondônia, Minas Gerais, Acre and Rio de Janeiro. The Company distributes its products through distribution centers located in the State of São Paulo, and a container terminal for export in the city of Santos.

In order to minimize transportation costs, the Company transports cattle to its slaughterhouses and the transportation of its export products.

Mouran Alimentos Ltda.. (Mouran) is a subsidiary which conducts slaughterhouse and cold storage business operations for the production of beef, canned goods, fat, animal rations and beef by-products in its facilities located in the State of São Paulo.

JBS Embalagens Metálicas Ltda. (JBS Embalagens) produces metallic cans in its plant located in the State of São Paulo, which are purchased by the Company.

The subsidiary JBS Confinamento Ltda. (JBS Confinamento) is located in Castilho, State of São Paulo, renders fattening service of bovine for slaughter.

Beef Snacks do Brasil Indústria e Comércio de Alimentos Ltda (Beef Snacks), an indirect subsidiary of the Company is located in Santo Antônio da Posse, State of São Paulo, in operation since August 2007 produces Beef Jerky. Beef Snacks purchases fresh meat in the domestic market and exports to the United States of America.

b) Activities abroad

The Company has indirect subsidiaries located in England and Egypt, which are responsible for the sales and distribution of the Company's products in Europe, Asia, and Africa.

JBS Argentina S.A. (JBS Argentina), an indirect wholly-owned subsidiary of the Company, operates slaughterhouses and cold storage facilities for the production of beef, canned goods, fat, animal food and beef by-products, in plants located in the provinces of Buenos Aires, Entre Rios, Santa Fé and Córdoba.

JBS Argentina has three subsidiaries: One meat-packing slaughterhouse in Berezategui (Consignaciones Rurales), other can factory located in Zavate (Argenvases), both located in the province of Buenos Aires, and one meat-packing slaughterhouse in Cordoba (Col-car).

JBS Trading USA, Inc. (JBS Trading USA) and its subsidiaries, Tupman Thurlow Co., Inc. (Tupman) and Astro Sales International, Inc. (Astro) located in the United States of America sale processed beef products in the North-American market.

Jerky Snacks Brands, Inc (Jerky Snacks), an indirect wholly-owned subsidiary of the Company, located in the United States of America, produces and sells meat snacks (Beef Jerky, Smoked Meat Sticks, Kippered Beef Steak, Meat&Cheese, Turkey Jerky and Hunter Sausage). Jerky Snacks purchases meat from Brazil and in the local market and its sales are mainly in the United States of America.

Global Beef Trading Sociedade Unipessoal Lda (Global Beef Trading), an indirect wholly-owned subsidiary of the Company, located in Ilha da Madeira, Portugal, sells bovine meat, birds and porks products. Global Beef Trading imports the products from Latin America and exports to several countries, in Europe, Africa and Asia.

JBS USA Holdings Inc. (JBS USA) has feedlots and processes, packaging and delivery of fresh, further processed and value-added beef and pork "in natura" products for sale to customers in the United States and international markets. The fresh meat products prepared by JBS USA include refrigerated beef and pork processed to standard industry specifications.

In the United States, JBS USA owns eight beef processing facilities, three pork processing facilities, one lamb slaughter facility, one value-added facility for pork and eleven feedlot. In Australia, JBS USA owns ten beef and small animals processing facilities and JBS USA in Australia operates five feedlots that provide grain-fed cattle for its processing operations.

JBS USA completed in October of 2008 the acquisition of the cattle meat unit of Smithfield group and also the fattening feedlot operations known as Five Rivers.

Smithfield, currently known as JBS Packerland, owns four cattle units and one feedlot cattle unit, and Five Rivers, known as JBS Five Rivers, own ten cattle feedlot units.

(Expressed in thousands of reais)

JBS USA divides its business into two segments: Beef, through which it conducts its beef processing business; and pork, through which it conducts its pork processing business.

The Company owns 50% of Inalca JBS S.p.A, (Inalca JBS), that is Italy´s leading beef company and one of the main operators in the European processing beef sector. It produces and markets a complete range of fresh and frozen meat, packed under vacuum or portioned in a protective atmosphere, canned meat, ready-to-eat meals, fresh and frozen hamburger, minced meats and, pre-cooked products. Inalca JBS owns six facilities in Italy, specialized by production line, and nine foreign facilities in Europe and Africa.

The integral subsidiary Montana Alimentari S.p.A. (Montana) is one of the leading Italian companies in the production, marketing and distribution of cured meats, snacks and ready-to-eat meals with over 230 products. Montana owns the well-known brands “Montana” and “IBIS”, and Montana owns four facilities, specialized by product line and located in the area distinguished by the Protected Denomination of Origin (P.D.O.) and Protected Geographic Indication (P.G.I.) brands. Montana is also one of the main operators in the Italian canned meat market and pre-sliced products.

2 Elaboration and Presentation of financial information

The individual and consolidated financial statements for the three and six months period ended June 30, 2009 have been prepared in accordance with the generally accepted accounting principles in Brazil, that embraces the corporate Brazilian legislation, the Pronouncements, Guidance and Interpretations issued by the Brazilian Accounting Pronouncements Committee - CPC and approved by the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários – CVM).

The accounting practices in Brazil were changed during 2008, according to the Law n° 11.638 approved on December 28, 2007, with the respective modifications introduced by the Executive Act n° 449, of December 3, 2008, and the effects of the initial adoption were only recognized by the Company and its subsidiaries during the fourth quarter of 2008, and published in the financial statements of December 31, 2008.

The statements of income and cash flows to the three and six months period ended June 30, 2008, presented together with the statements of the current quarter, were not adjusted for comparison purposes, according to the option allowed by CVM/SNC/SEP n° 02/2009.

Below are presented the relevant effects in the income statements and shareholder´s equity of the three and six months period ended on June 30, 2008, that would be obtained if were adjusted by the accounting principles in place in the current quarter.

Effects at the profit & loss of the six months period and in the shareholders´ equity as of June 30, 2008

	Result of the year		Shareholders´ equity	
	Company	**Consolidated**	**Company**	**Consolidated**
Loss of the period	**(371.065)**	**(371.065)**	**5.106.063**	**5.106.063**
Exchange variation on foreign investments, net	154.786	180.416	-	-
Equity in subsidiaries	25.630	-	-	-
Investments goodwill amortization	89.444	89.444	89.444	89.444
Net income (loss) as per accounting principles in 2009	**(101.205)**	**(101.205)**	**5.195.507**	**5.195.507**

Effects at the profit & loss of the three months period and in the shareholders´ equity as of June 30, 2008

	Result of the year		Shareholders´ equity	
	Company	**Consolidated**	**Company**	**Consolidated**
Loss of the period	**(364.449)**	**(364.449)**	**5.106.063**	**5.106.063**
Exchange variation on foreign investments, net	200.972	219.419	-	-
Equity in subsidiaries	18.447	-	-	-
Investments goodwill amortization	45.131	45.131	45.131	45.131
Net income (loss) as per accounting principles in 2009	**(99.899)**	**(99.899)**	**5.151.194**	**5.151.194**

3 Significant accounting practices

a) Profit and loss calculation

The operations results is in conformity with the accounting regime of competence.

b) Accounting estimates

The preparation of financial statements in accordance with generally accepted accounting practices in Brazil requires the Company’s management to (i) make estimates and assumptions that affect the reported amounts of assets and liabilities and (ii) disclose (a) contingent assets and liabilities as of the date of the financial statements and (b) the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

c) Financial instruments

Financial instruments are recognized in the moment that the Company becomes part of the contractual dispositions of the instrument. When a financial asset or liability is initially recognized, it is registered by the fair value, plus transaction costs that are directly attributable to the acquisition or issuance of the financial asset or liability.

In case of financial assets and liabilities classified in the category of fair value through the result, the transaction costs are directly accounted in the profit and loss of the year.

Subsequent measurement of the financial instruments happens in each date of the financial statements according to the rules established for each classification of financial assets and liabilities in: (i) assets and liabilities measured to the fair value through the result, (ii) maintained until the expiration date, (iii) loans and receivables (iv) available for sale.

d) Allowance for doubtful accounts

Allowance for doubtful accounts is computed based on the probable loss, the profile of the customers, overall economic and financial condition and specific risks relating to the relevant customers. The Company's management believes that the allowance for doubtful accounts is sufficient to cover the exposure to possible losses.

e) Inventories

Inventories are stated at aquisition or production cost, not in excess of the market or realizable value. The cost of those inventories are recognized in the income statements when it is sold.

f) Investments

Investments in subsidiaries are accounted according to the equity method.

g) Property, plant and equipment, net

Property, plant and equipment are stated at an amount equivalent to their historical acquisition cost plus the amount resulting from the increase in the value of these assets as determined by revaluations performed by independent appraisal firms until December 31, 2007.

Depreciation is computed using the straight-line method, using rates described in Note 10, which take into account the useful and economic lives of the assets.

h) Intangible assets

The intangible assets are stated at the acquisition or formation cost, less the amortization. The intangible assets with indefinite useful lives are not amortized.

The goodwill based on future profitability expectation is not been amortized starting from 2009 according to orientation OCPC 02 endorsed by CVM through the publication CVM/SNC/SEP 01/2009.

i) Reduction to recovery amount (Impairment)

The items of property, plant and equipment, intangible assets and deferred charges are tested for impairment, at least annually, if indications of potential Impairment exist. The goodwill and the intangible assets with indefinite useful lives are tested for impairment on an annual basis, regardless of whether there is any indication of impairment.

j) Other current and Non-current assets

Current and non-current assets are accounted for at realizable value including, if applicable, the related income, charges and monetary variations.

k) Current and non-current liabilities

Current and non-current liabilities are accounted for at their known or estimated amounts, including, if applicable, the related income, charges and monetary variations.

l) Contingent assets and liabilities

Contingent assets are recognized only when there are final judments or favorable judicial decisions rendered. Contingent assets with probable gain are only disclosed in accompanying notes.

Contingent liabilities are accrued when losses are probable and the involved amounts are measurable with enough certainty. Contingent liabilities appraised as possible losses are only published in accompanying notes and the contingent liabilities appraised as remote losses are neither acrrued nor discloded.

m) Income Tax and Social Contribution

Current taxes

Provisions for income tax and social contribution are based on rates and laws and regulations in force.

Deferred taxes

The Company records deferred income tax assets and liabilities based on temporary differences between the carrying amounts on the Company's financial statements and the tax basis of assets and liabilities.

n) Result by share

The result by share is calculated based on the outstanding shares on the date of the financial statements.

o) Consolidation

All assets and liabilities of JBS S.A. and its subsidiaries and revenues and expenses from transactions between JBS S.A. and its subsidiaries were eliminated. No inter-company profits were recorded on the consolidated balance sheet of the Company. Accordingly, the shareholders' equity of JBS S.A. individually is equal to its consolidated shareholders' equity.

The financial statements of the foreign subsidiaries of JBS S.A. were originally prepared using the local currency of the country in which they are located. Subsequently, these amounts were converted into Reais using the applicable commercial exchange rates reported by the Central Bank of Brazil on the date of the consolidated balance sheet for assets and liabilities, and the average exchange rate of the period to revenues and expenses. The gains and losses due to the conversion are recognized directly in the shareholders´ equity in the account of accumulated exchange conversion adjustments.

With respect to the Company's investment in JBS Argentina and its subsidiaries and Inalca JBS and its subsidiaries, we have compared the generally accepted accounting principles in Argentina and Italy with the corresponding principles in Brazil applied by the Company, and we have noted that there were no material differences.

The accounting practices adopted by Tupman and Astro, both subsidiaries of JBS Trading USA, Inc. and by Jerky Snack, located in the United States of America, do not differ significantly from those adopted in Brazil.

The accounting practices adopted in the United States of America by JBS USA (US GAAP) are adjusted to Brazilian GAAP, according to the following differences:

- Finished goods inventories: valued using market price, and are adjusted to production average cost method;
- Permanent assets: includes R$ 584,444 related to intangible assets and fixed assets goodwill, calculated according to applicable purchasing accounting, and it was adjusted reducing the shareholder´s equity.

The subsidiaries companies included in the consolidation are mentioned in the Note 9.

p) Adjustments of assets and liabilities to present value.

The financial long term assets and liabilities are adjusted by its present value, and the short term, when the effect is considered relevant in the financial statements. The adjustment to present value is calculated considerating the contractual cash flows and the market interest rate.

q) Complemental information

In order to provide a better understanding of its financial statements the Company has presented, as complemental information, its consolidated statements Economic Value Added (EVA) report for the three and six months period ended June 30, 2009. The objective of this report is to demonstrate the wealth generated by the Company, and the distribution of this wealth among the elements that contributed to its generation, such as employees, lenders, shareholders, government and others, as well as the wealth portion not distributed.

(Expressed in thousands of reais)

4 Cash and cash equivalents

Cash, bank accounts and short-term investments are the items of the balance sheet presented in the statements of the cash flows as cash and cash equivalents and are described as below:

	Company		Consolidated	
	June, 2009	March, 2009	June, 2009	March, 2009
Cash and bank accounts	**187.827**	264.520	**519.595**	693.606
Certificates of bank deposits - CDB-DI	**1.594.628**	952.632	**1.642.646**	988.930
Investment funds	**133.906**	109.761	**136.417**	115.415
	1.916.361	**1.326.913**	**2.298.658**	**1.797.951**

Certificates of bank deposits-CDB-DI, with first-line banks, are fixed income securities that provide yields of approximately 100% of the Brazilian interbank rate. The Investment Funds are supported by investments in Multi-Market funds, to the qualified public.

5 Trade accounts receivable, net

	Company		Consolidated	
	June, 2009	March, 2009	June, 2009	March, 2009
Receivables not yet due	**464.924**	**476.607**	**1.387.707**	**1.520.379**
Overdue receivables:				
From 1 to 30 days	**36.955**	35.018	**408.738**	373.971
From 31 to 60 days	**9.809**	7.175	**56.181**	56.395
From 61 to 90 days	**4.811**	4.323	**25.447**	19.749
Above 90 days	**9.703**	7.622	**42.266**	65.037
Adjustment to present value	**(852)**	(1.031)	**(852)**	(958)
Allowance for doubtful accounts	**(11.564)**	(9.022)	**(30.848)**	(33.089)
	48.862	**44.085**	**500.932**	**481.105**
	513.786	**520.692**	**1.888.639**	**2.001.484**

6 Inventories

	Company		Consolidated	
	June, 2009	March, 2009	June, 2009	March, 2009
Finished products	**244.270**	354.270	**1.254.884**	1.606.491
Work-in-process	**590**	616	**127.483**	136.110
Raw-materials	**323**	323	**46.058**	60.147
Livestock	**-**	-	**282.880**	275.520
Warehouse spare parts	**40.402**	41.518	**229.866**	256.878
	285.585	**396.727**	**1.941.171**	**2.335.146**

(Expressed in thousands of reais)

7 Recoverable taxes

	Company		Consolidated	
	June, 2009	March, 2009	June, 2009	March, 2009
Value-added tax on sales and services (ICMS / IVA / VAT)	**436.433**	399.885	**515.627**	495.915
Excise tax - IPI	**51.665**	51.659	**112.187**	111.731
Social contribution and taxation on billings - PIS and Cofins	**8.172**	4.143	**21.470**	17.327
Income tax withheld at source - IRRF	**38.017**	32.655	**42.041**	36.745
Others	**9.956**	9.947	**34.267**	37.826
Adjustment to present value	**(785)**	(888)	**(785)**	(888)
	543.458	**497.401**	**724.807**	**698.656**
Current and Long-term:				
Current	**434.201**	458.254	**539.535**	632.981
Non-current	**109.257**	39.147	**185.272**	65.675
	543.458	**497.401**	**724.807**	**698.656**

Value-added tax on sales and services (ICMS / IVA / VAT)

Brazilian law authorizes manufacturers of goods to set off the ICMS tax paid upon the purchase of raw materials against the taxes charged upon the sale of the finished goods manufactured with such raw materials. Recoverable ICMS derives from tax credits received by the Company in connection with ICMS taxes paid upon its purchase of raw-materials, packaging materials and other goods, which are offset against ICMS taxes resulting from the sale of the Company's products. As export sales are exempt from ICMS and a relevant portion of the Company's sales are export sales, a tax credit is generated.

The Tax Authority of the State of São Paulo (*Secretaria da Fazenda do Estado de São Paulo*) filed administrative proceedings against the Company challenging the amount of the Company's ICMS tax credits arising from the purchase of cattle by the Company in other Brazilian states. The Tax Authority of the State of São Paulo claims that the tax incentives granted by such other states were not based upon an agreement with the State of São Paulo, and accordingly, the Tax Authority of the State of São Paulo only recognizes the Company's ICMS tax credits up to the amount of the ICMS tax paid in such other states.The Company's management believes that its accounting of the ICMS tax credit is in accordance with Brazilian law, and expects to be reimbursed of such credits.

PIS and COFINS (social contribution on net income)

PIS and COFINS tax credits are generated as a result of PIS/COFINS taxes paid by the Company upon its purchase of raw-materials, packaging and other materials used in the manufacturing of its products against the PIS/COFINS taxes paid by Company upon the sale of its finished products. Similarly to ICMS and IPI, as exports of the Company's products are exempt from such taxes, a tax credit is created.

IRRF (withholding income tax)

IRFF corresponds to withholding income tax levied upon the redemption of marketable securities by the Company. The Company expects to set off such withholding income taxes against income taxes on net income paid for the applicable period.

General comments

Based upon final administrative decisions by the *Câmara Superior do Conselho de Contribuintes* and on the opinion of its legal counsels, the Company and JBS Embalagens has performed a monetary adjustment of its tax credits of PIS, COFINS and IPI based on the SELIC rate (which is the reference rate published by the Central Bank of Brazil). After such monetary adjustments, the total PIS, COFINS and IPI tax credits totaled R$ 135,535. From the total amount the Company received an amount of R$ 17,045, and will receive and additional amount of R$ 118,490.

(Expressed in thousands of reais)

8 Related parties transactions

Main transactions between related parties in the balance sheet and income statement are the following:

	June 30, 2009			March 31, 2009		
	Trade accounts receivable	Trade accounts payable	Credits (Debits)	Trade accounts receivable	Trade accounts payable	Credits (Debits)
Direct subsidiaries						
Mouran Alimentos Ltda.	**-**	**-**	**9.990**	-	-	8.343
JBS Confinamento Ltda.	**337**	**870**	**63.935**	112	23	27.545
JBS Embalagens Metálicas Ltda.	**-**	**1.580**	**60.064**	-	1.454	58.331
JBS Global A/S (Denmark)	**-**	**-**	**(426)**	-	-	(500)
JBS USA, Inc	**366**	**-**	**-**	-	-	-
Inalca JBS S.p.A	**5.785**	**4**	**-**	2.315	4	-
JBS Holding Internacional S.A.	**-**	**-**	**64.198**	-	-	32.656
JBS Slovakia Holdings s.r.o.	**-**	**-**	**(1.020.092)**	-	-	-
Indirect subsidiaries						
JBS Global Beef Company Lda.	**48**	**-**	**(45.863)**	48	-	(54.407)
JBS Global (UK) Limited	**19.132**	**-**	**-**	16.734	-	-
JBS Argentina S.A	**-**	**1.059**	**-**	-	638	-
The Tupman Thurlow Co.	**28.364**	**-**	**15.227**	43.281	447	17.829
Global Beef Trading SU Lda.	**3.060**	**-**	**-**	11.399	-	-
Beef Snacks Brasil Ind.Com. Ltda	**-**	**1**	**69.716**	64	2	67.089
Beef Snacks International BV	**-**	**-**	**3.863**	-	-	4.501
JBS HU Ltd	**-**	**-**	**(95.219)**	-	-	-
Marr Russia L.L.C	**5.687**	**4**	**-**	8.914	-	46
Other related parties						
JBS Agropecuária Ltda.	**12**	**874**	**-**	15	9	-
Flora Produtos de Hig. Limp. S.A.	**6.420**	**451**	**-**	5.693	231	-
	69.211	**4.843**	**(874.607)**	**88.575**	**2.808**	**161.433**

	Six months period ended June 30, 2009		Six months period ended June 30, 2008	
	Purchases	Sales of products	Purchases	Sales of products
Direct subsidiaries				
JBS Confinamento Ltda.	**1.341**	**824**	-	-
JBS Embalagens Metálicas Ltda.	**19.572**	**-**	9.881	-
JBS USA, Inc	**-**	**2.029**	-	-
Inalca JBS S.p.A	**-**	**23.056**	-	6.178
Indirect subsidiaries				
JBS Global (UK) Limited	**-**	**34.127**	-	106.402
JBS Argentina S.A	**6.726**	**-**	2.523	-
The Tupman Thurlow Co.	**-**	**30.875**	-	16.953
Global Beef Trading SU Lda.	**-**	**28.937**	-	8.781
Beef Snacks Brasil Ind.Com. Ltda	**-**	**-**	7	3.953
Marr Russia L.L.C	**-**	**70.354**	-	-
Other related parties				
JBS Agropecuária Ltda.	**8.088**	**86**	2.238	-
Flora Produtos de Hig. Limp. S.A.	**1.108**	**39.091**	-	25.851
	36.835	**229.379**	**14.649**	**168.118**

The Company and its subsidiaries conduct commercial transactions between them, mainly sales operations, realized wtith normal price and market conditions, when existing.

The credits and debits are presented by mutual contracts which are calculated interests and exchange rate variation.

The parent company J&F Participações S.A guarantees Eurobonds operation of the Company in the amount of US$ 275 million that become due in 2011.

The Company guarantees US Bonds operation of the subsidiary JBS USA in the amount of US$ 700 million that become due in 2014.

For the six months period ended June 30, 2009 and 2008, the aggregate compensation paid by the Company to the Company's management was R$ 1,500.

(Expressed in thousands of reais)

The consolidated balance of credits with related parties as of June 30, 2009 is composed by:

a) Not consolidated Companies

R$ 292.469 (R$ 396.723 on March 31, 2009) regarding part of the line of credit of US$ 200 million, with market interests, between the indirect subsidiary JBS Five Rivers and J&F Oklahoma, subsidiary of J&F Participações S.A., not consolidated, where J&F Oklahoma uses this credit for cattle acquisition for fattening that are placed in the fattening of JBS Five Rivers to be prepared for the slaughter.

J&F Oklahoma is still part in 2 commercia agreements with subsidiaries of the Company:

i) Cattle supply and feeding agreement with JBS Five Rivers, where it takes the responsibility for the cattle from J&F Oklahoma and collects the medicinal and fattening costs, besides a daily fee of rent in line with market terms;
ii) Sales and purchase cattle agreement with JBS USA of at least 500.000 animals/year, starting from 2009 up to 2011 with market prices.

JBS Five Rivers also guarantee in third degree, after warranty of the assets from J&F Oklahoma and its parent company, of until US$ 250 million in a line of credit of J&F Oklahoma.

b) Partially consolidates Companies

R$ 45.572 (R$ 59.264 on March 31, 2009) regarding credits of partially consolidated subsidiaries.

9 Investments in subsidiaries

a) Relevant information about subsidiaries in the three months period ended on June 30, 2009:

June 30, 2009	Number of shares (Thousand)	Participation	Capital stock	Shareholders' equity	Net income (loss)
JBS Embalagens Metálicas Ltda.	10.002	99,00%	2	35.084	(1.119)
JBS Global Investments S.A.	93.000	100,00%	181.499	77.505	(22.164)
JBS Holding Internacional. S. A.	679.153	100,00%	679.153	388.723	(21.827)
JBS Global A/S	2.252	100,00%	149.659	165.867	(6.223)
Mouran Alimentos Ltda.	120	70,00%	120	(25.419)	(3.314)
JBS USA, Inc.	0,1	100,00%	1.847.999	2.210.973	172.394
JBS Trading USA, Inc.	20	100,00%	20	2.075	(1.159)
JBS Confinamento Ltda.	65.001	100,00%	65.001	59.570	(2.894)
Inalca JBS S.p.A	280.000	50,00%	767.158	995.503	(4.168)
JBS Slovakia Holdings, S.R.O	0,001	100,00%	1.414.195	1.361.426	24.405

b) Investments movement

				Equity in subsidiaries		
	March 31, 2009	Addition (disposal)	Exchange rate variation	Shareholders' Equity	Income Statements	June 30, 2009
JBS Embalagens Metálicas Ltda.	**35.840**	-	-	-	(1.108)	**34.732**
JBS Global Investments S.A.	**114.988**	-	(17.024)	1.705	(22.164)	**77.505**
JBS Holding Internacional. S. A.	**506.942**	-	-	(96.392)	(21.827)	**388.723**
JBS Global A/S	**146.007**	44.488	(21.944)	3.539	(6.223)	**165.867**
Mouran Alimentos Ltda.	**(15.473)**	-	-	-	(2.320)	**(17.793)**
JBS USA, Inc.	**2.337.687**	-	(358.137)	59.029	172.394	**2.210.973**
JBS Trading USA, Inc.	**3.760**	-	(649)	123	(1.159)	**2.075**
JBS Confinamento Ltda.	**62.464**	-	-	-	(2.894)	**59.570**
Inalca JBS S.p.A	**562.802**	-	(62.728)	(239)	(2.084)	**497.751**
JBS Slovakia Holdings, S.R.O	**1.602.479**	-	(174.689)	(90.769)	24.405	**1.361.426**
Transfer to Other current liabilities (Negative equity Mouran)	**15.473**					**17.793**
Total	**5.372.969**	**44.488**	**(635.171)**	**(123.004)**	**137.020**	**4.798.622**

(Expressed in thousands of reais)

10 Property, plant and equipment, net

Company

	Annual depreciation rates	Cost	Revaluation	Accumulated depreciation	Net amount June, 2009	Net amount March, 2009
Buildings	4%	332.088	205.230	(45.641)	**491.677**	488.398
Land	-	93.477	23.344	-	**116.821**	116.821
Machinery & equipment	10%	506.636	51.642	(87.845)	**470.433**	372.885
Facilities	10%	84.309	31.290	(26.569)	**89.030**	90.932
Computer equipment	20%	15.247	734	(8.834)	**7.147**	7.521
Vehicles	20%	87.785	304	(50.009)	**38.080**	37.485
Construction in progress	-	793.086	-	-	**793.086**	737.808
Others	10 to 20%	24.742	987	(10.794)	**14.935**	14.419
		1.937.370	**313.531**	**(229.692)**	**2.021.209**	**1.866.269**

Consolidated

	Annual depreciation rates	Cost	Revaluation	Accumulated depreciation	Net amount June, 2009	Net amount March, 2009
Buildings	3 to 20%	1.417.536	205.230	(181.728)	**1.441.038**	1.577.424
Land	-	569.225	23.344	(17.545)	**575.024**	645.244
Machinery & equipment	8 to 10%	2.042.831	51.642	(656.931)	**1.437.542**	1.423.501
Facilities	10%	89.619	31.290	(27.577)	**93.332**	95.684
Computer equipment	20 to 100%	68.696	734	(37.197)	**32.233**	35.359
Vehicles	14 to 50%	138.346	304	(65.411)	**73.239**	77.263
Construction in progress	-	1.143.455	-	-	**1.143.455**	1.053.968
Others	10 to 100%	99.078	987	(43.324)	**56.741**	111.011
		5.568.786	**313.531**	**(1.029.713)**	**4.852.604**	**5.019.454**

The amounts of Construction in progress represents the investments in amplification, modernization and adaptation of the cold storage industrial units, seeking the maintenance and obtaining of new certifications demanded by the market.

Until December 2007, supported by appraisal reports from SETAPE- Serviços Técnicos de Avaliações do Patrimônio e Engenharia S/C Ltda., the Company made an appraisal of its facilities, resulting in an increase in the value of these assets, and the creation of the revaluation reserve and the related deferred income tax and social contribution provisions.

As of June 30 2009, the balance of the Company's revaluation of fixed assets account was R$ 313,531, the balance of the Company revaluation reserve account was R$ 115,340, and the balance of the Company income tax and social contribution account was R$ 54,844. The Company recorded accrued depreciation of R$ 143,347 with respect to the Company's revaluation of fixed assets as of June 30, 2009.

(Expressed in thousands of reais)

11 Intangible assets, net

	Company		Consolidated	
	June, 2009	March, 2009	June, 2009	March, 2009
Goodwill	**902.684**	934.559	**1.218.662**	1.310.156
Other intangible assets	**9.615**	9.615	**654.369**	855.073
	912.299	**944.174**	**1.873.031**	**2.165.229**

a) Goodwill

In the Company

In July 2007 the Company acquired 100% of the capital stock of Swift Foods Company, currently known as JBS USA Holdings, Inc., and paid a goodwill of R$ 877,609, based on the expectation of future profitability. The goodwill was been amortized as long as such profits are earned, during a period of five years. The accumulated goodwill amortization until December 31, 2008 is R$ 248,656.

In January 2007 the Company acquired 100% of the capital stock of JBS Trading USA, Inc., and paid a goodwill of R$ 21,725 based on the expectation of future profitability of the subsidiary. The goodwill was been amortized as long as such profits are earned, during a period not exceeding ten years. The accumulated goodwill amortization until December 31, 2008 is R$ 6,035.

In March of 2008 the Company acquired 50% of the capital stock of Inalca S.p.A., currently known as Inalca JBS, and paid a goodwill of EUR 94,181, which correspond as of June 30, 2009 to R$ 258,041, based on the expectation of future profitability.

In subsidiary

In 2007, JBS Holding International S.A., through its subsidiaries JBS Argentina S.A. and JBS Mendoza S.A., acquired 100% of the capital stock of Consignaciones Rurales S.A. and Argenvases S.A.I.C. and in 2008, through the same subsidiaries, acquired 100% of the capital stock of Colcar S.A., with a total goodwill in these acquisition of $53,341 thousand Argentinean pesos, that corresponds as of June 30, 2009 to R$ 27,424. These goodwill are based on the expectation of future profitability.

JBS USA has a goodwill in the amount of US$ 147,855 thousand, corresponding as of June 30, 2009 to R$ 288,554 represented, mainly, by the acquisition in 2008 of Smithfield, Tasman and Five Rivers, preliminary calculated and subject to adjustments. The goodwill is represented by the excess of the aggregate purchase price over the fair value of the net identifiable assets acquired in the purchase business combination.

b) Other intangible assets

Represented, mainly, by customers' list, trademarks and patents, commercialization rights, and others, of the subsidiary JBS USA.

12 Trade accounts payable

	Company		Consolidated	
	June, 2009	March, 2009	June, 2009	March, 2009
Commodities	**172.842**	168.450	**680.630**	740.142
Materials and services	**86.790**	72.808	**672.373**	674.673
Finished products	**3.087**	2.243	**26.690**	154.236
Adjustment to present value	**(2.128)**	(1.183)	**(2.128)**	(1.183)
	260.591	**242.318**	**1.377.565**	**1.567.868**

(Expressed in thousands of reais)

13 Loans and financings

a) Company

Modality	Annual average rate of interest and commissions	June, 2009	March, 2009
Financing for purchase of fixed assets			
FINAME / FINEM - Enterprise financing	TJLP-UMBNDES index rate and interest rate of 3.0%	**205.515**	221.896
		205.515	**221.896**
Loans for working capital purposes			
ACC - Exchange advance contracts	Exchange rate variation and interest rate LIBOR + 2.00%	**975.872**	1.297.469
EXIM - BNDES export credit facility	TJLP and interest rate of 3.0%	**112.325**	112.194
Fixed Rate Notes with final maturity in February 2011 (Eurobonds)	Exchange rate variation and interest rate of 9.375%	**544.237**	645.468
Working Capital	CDI and interest rate of 6.0%	**16.613**	-
Export prepayment	Exchange rate variation and interest rate of Libor + 1.0%	**285.308**	353.275
Fixed Rate Notes with final maturity in February 2016 (144-A)	Exchange rate variation and Interest rate of 10.5%	**610.753**	706.107
NCE / COMPROR	CDI and interest rate of 2.0%	**1.477.179**	1.314.379
		4.022.287	**4.428.892**
Total Loans and Financings		**4.227.802**	**4.650.788**
Current and Non-Current			
Current		**1.900.295**	2.080.299
Non-current		**2.327.507**	2.570.489
		4.227.802	**4.650.788**
Long-term installments have the following maturities:			
2010		**167.218**	230.125
2011		**1.056.600**	1.116.091
2012		**286.509**	297.496
2013		**229.317**	232.217
2014		**2.383**	-
2016		**585.480**	694.560
		2.327.507	**2.570.489**

(Expressed in thousands of reais)

b) Consolidated

Modality	Annual average rate of interest and commissions	June, 2009	March, 2009
Financing for purchase of fixed assets			
FINAME / FINEM - Enterprise financing	TJLP-UMBNDES index rate and interest rate of 3.0%	**205.750**	221.896
Notes Payable	Interest rate Libor + 1.75% and interests of 3.0% to 7.25%	**19.826**	25.006
		225.576	**246.902**
Loans for working capital purposes			
ACC - Exchange advance contracts	Exchange rate variation and interest rate LIBOR + 2.00%	**1.104.303**	1.450.319
EXIM - BNDES export credit facility	TJLP and interest rate of 3.0%	**112.325**	112.194
Fixed Rate Notes with final maturity in February 2011 (Eurobonds)	Exchange rate variation and interest rate of 9.375%	**544.237**	645.468
Senior Unsecured Notes due in 2014 (US bonds)	Interest rate of 11.625%	**1.302.242**	-
Working Capital - American Dollars	Libor + Interest rate of 1.1% to 3.2%	**161.774**	561.044
Working Capital - Australian Dollars	BBSY + 0,975% to 1,60%	**16.360**	168.042
Working Capital - Euros	Euribor + Interests 0.15% - 1.75%	**344.868**	390.917
Working Capital - Reais	CDI and interest rate of 6.0%	**16.613**	-
Export prepayment	Exchange rate variation and interest rate of Libor + 1.0%	**285.308**	353.275
Fixed Rate Notes with final maturity February 2016 (144-A)	Exchange rate variation and Interest rate of 10.5%	**610.753**	706.107
NCE / COMPROR	CDI and interest rate of 2.0%	**1.502.011**	1.337.529
		6.000.794	**5.724.895**
Total		**6.226.370**	**5.971.797**
Current and Non-Current			
Current		**2.411.857**	2.780.018
Non-current		**3.814.513**	3.191.779
		6.226.370	**5.971.797**
Long-term installments have the following maturities:			
2010		**180.394**	257.638
2011		**1.182.729**	1.627.532
2012		**307.242**	320.838
2013		**242.281**	247.527
2014		**1.276.850**	-
2016		**625.017**	738.244
		3.814.513	**3.191.779**

Exchange Contract Advances (ACCs) are credits funded by financial institutions to JBS S.A. and subsidiary, amounting to US$ 565,845 thousands on June 30, 2009 (US$ 626,434 thousands on March 31, 2009) and are used to finance the export sales.

Outstanding amounts of export pre-payment loans were US$ 146,192 thousands on June 30, 2009 (US$ 152,589 thousands on March 31, 2009). Such loans were funded by financial institutions.

NCE (*Notas de Crédito à Exportação)* /COMPROR are an export finance credit facility linked to COMPROR used to finance the purchase of raw materials used in the Company's export products.

EUROBONDS - JBS S.A. issued 9.375% fixed rate notes due in 2011 in total aggregate amounts of US$200 million on February 6, 2006 and US$75 million on February 14, 2006. These notes are guaranteed by JBS S.A. and J&F Participações S.A.

(Expressed in thousands of reais)

144-A - JBS S.A. also issued the 10.5% fixed rate notes due on 2016 in the total aggregate amount of US$300 million on July 28, 2006. These notes are also guaranteed by the Company.

US BONDS - On April 27, 2009, the subsidiary JBS USA issued 11.625% USD BONDS in the amount of US$ 700 million due in 2014. These notes are guaranteed by the Company and JBS USA and it's subsidiaries. The original issue discount of approximately $48.7 million will be accreted over the life of the notes.

14 Payroll, social charges and tax obligation

	Company		Consolidated	
	June, 2009	**March, 2009**	**June, 2009**	**March, 2009**
Payroll and related social charges	**27.728**	22.094	**92.424**	86.595
Accrual for labor liabilities	**46.735**	34.732	**174.247**	165.783
Income tax	**9**	-	**60.616**	15.855
ICMS / VAT tax payable	**6.633**	5.811	**6.801**	5.929
PIS / COFINS tax payable	**14.583**	-	**14.583**	-
Others	**6.753**	7.143	**30.528**	38.473
	102.441	**69.780**	**379.199**	**312.635**

15 Provision for contingencies

The Company and its subsidiaries are parties in several legal and administrative proceedings arising from the ordinary course of their respective businesses, including labor proceedings, civil proceedings and tax proceedings based on the estimate of its legal advisors. The Company has established provisions in its financial statements for the contingencies arising from these proceedings based on the estimates provided by its legal advisors. The table below sets forth the main information about the legal and administrative proceedings as of June 30, 2009:

Company			**Consolidated**
Type of Proceedings	Number of lawsuits / administrative proceedings	Provision	Provision
Labor	1.695	21.014	23.790
Civil	166	2.390	10.596
Tax	161	26.487	26.912
Total	**2.022**	**49.891**	**61.298**

Tax Proceedings

a) ICMS - Value Added Tax (Imposto sobre Operações Relativas à Circulação de Mercadorias e sobre a Prestação de Serviços de Transporte Interestadual e Intermunicipal e de Comunicação)

The Tax Authority of the State of São Paulo (*Secretaria da Fazenda do Estado de São Paulo*) filed several administrative proceedings against the Company, under which the Tax Authority challenges the amount of the Company's ICMS tax credits arising from the purchase of cattle and meat transfer by the Company in other Brazilian states. The Tax Authority of the State of São Paulo claims that the tax incentives should be approved by Confaz , and are known as a "Tax War". The Tax Authority of the State of São Paulo do not recognizes the Company's ICMS tax credits up to the amount of the ICMS tax granteed in such other states. The Company estimates that the claims under these administrative proceedings amount to R$ 118,000 in the aggregate. In addition to presenting its defense in such administrative proceedings, the Company has filed legal proceedings seeking the payment of damages from such other states if the Tax Authority of the State of São Paulo prevails in these administrative proceedings. The legal proceedings filed by the Company suspended the requirements of the State of São Paulo.

Based on the opinion of the Company's legal counsels, the Company's management established a provision for losses arising from such administrative and legal proceedings in the amount of R$ 826.

The Tax Authority of the State of Goiás filed other administrative proceedings against the Company, due to interpretation divergences of the Law concerning the export VAT credits. Based on the opinion of the Company's external legal counsel, the management of the Company believes the Company will prevail in most of these proceedings. The Company's management has recorded a provision for losses arising from such administrative proceedings in the amount of R$ 4,185.

b) PIS (Programa de Integração Social) and COFINS (Contribuição para Financiamento da Seguridade Social)

The Company has filed administrative proceedings challenging the calculation method used in the assessment of PIS and COFINS by the Federal Tax Authority (Secretaria da Receita Federal). The Company's management estimates that the contingencies arising from these legal proceedings amount to R$6,969 in the aggregate. Based on the opinion of the Company's legal counsels and recent decisions granted by the Brazilian Federal Supreme Court (Supremo Tribunal Federal), the Company's management has recorded a provision for losses arising from such legal proceedings in the amount of R$3,793.

c) Social contributions — Rural Workers' Assistance Fund (FUNRURAL)

In September 2002, the INSS filed two administrative proceedings (autos de infração) against the Company, seeking to collect certain social security contributions (which are referred to as contributions to the Rural Workers' Assistance Fund (NOVO FUNRURAL) referring the period from January 1999 to December 2003, in the amount of R$ 69,200, and from 2003 until 2006, in the amount of R$ 198,800, with the aggregate amount of R$ 268,000 million, that the Company should have allegedly withheld in connection with purchases of cattle from individual ranchers. As a result of a decision by a lower court in a proceeding to adjudicate a writ of mandamus action filed by the Company in order to challenge the constitutionality of such social security contributions, the administrative proceedings have been stayed and the INSS has been enjoined from collecting these social security contributions from the Company.

The INSS has not timely appealed from this decision and, accordingly, the proceeding has been submitted to the review of the Regional Federal Court of the 3rd Region as a matter of law. Currently, the proceedings await a ruling by such appellate court. Based on the opinion of the Company´s legal counsel supported by precedents of the Federal Supreme Court in a similar case, the Company's management believes that the Company will prevail in these proceedings. Accordingly, the Company has not established any provision for contingencies arising from these proceedings.

In order to preserve its claims under the administrative proceeding and to avoid the lapse of the applicable statute of limitations period relating to these claims, the INSS sent the Company tax default notices (*notificações fiscais de lançamento de débito*) with respect to the contributions allegedly owed by the Company for the period from January 2009 to December 2003, in the amount of R$ 69,200, and from 2003 until 2006, in the amount of R$ 198,800, with the aggregate amount of R$ 268,000. In its defense to these default notices, the Company argued that it did not pay the contributions with respect to the period described in such notices in light of the favorable decision issued by the trial court reviewing the writ of mandamus action, which ordered the stay of the administrative proceedings and enjoined the INSS from collecting the contributions from the Company until a final decision is reached under such action.

An ongoing legal proceeding arguing as to the unconstitutionality of the contribution to the Rural Workers' Assistance Fund, with issues and factual circumstances similar to the writ of mandamus action is currently under review by the Brazilian Federal Supreme Court (*Supremo Tribunal Federal*). Up to the present moment, five of the ten judges opining on this proceeding have voted to declare this contribution unconstitutional and no judge has issued a dissenting opinion on this matter.

Based on this and other precedents and on the opinions of its external legal counsel, the Company's management believes the Company will prevail in these proceedings. Accordingly, the Company's management has not established any provision for contingencies arising from these proceedings. Currently, the Company is not forced to apply any discount, or pay the amount. In case any discount is made, due to commercial negotiation, the Company apply the discount and deposits it in Judgement, accomplishing the judicial decision.

The Company actually cannot assure that the INSS will not file other legal proceedings or issue default notices as a result of its failure to pay these social contributions for other fiscal years not covered by the administrative proceedings and default notices filed against the Company. In addition, the Company is granted an unfavorable decision under these administrative and legal proceedings, and INSS will not just be able to demand the withdrawal from the values of the debit notifications, estimate effect of R$ 38,000, as well as the values that have not been discounted, estimate effect of R$ 43,600, that will result in a total estimate exposure of R$ 81,600.

d) Other Tax Proceedings

The Company is also party to 100 other tax lawsuits and administrative proceedings. Contingencies arising from these proceedings are not material to the Company if considered on an individual basis. We highlight the proceedings with probable risk of loss, which have been provisioned for in the aggregate amount of R$ 17,683.

Labor Proceedings

As of June 30, 2009 the Company was party to 1,695 labor and accident proceedings, involving total value of R$ 106,606. Based on the opinion of the Company's external legal counsel, the Company's management recorded a provision in the amount of R$21,014 for losses arising from such proceedings.

Most of these lawsuits were filed by former employees of the Company seeking overtime payments and payments relating to their exposure to health hazards.

In the three months period ended on March 31, 2009 the Company reviewed its criterion for contingencies allocation according to the legal natures, impacting in a considerable increase in the labor contingencies, in the involved and accrued amount, referring the new allocation of the proceedings of disease and labor accidents, that previously were allocated as civil nature contingencies, being now considered as labor contingencies.

Civil Proceedings

a) Slaughterhouse at Araputanga

In 2001, the Company (formerly known as Friboi Ltda.), entered into a purchase agreement for the acquisition of one slaughterhouse located in the City of Araputanga, State of Mato Grosso, from Frigorífico Araputanga S.A. ("Frigorífico Araputanga"). As a result of the payment of the purchase price by the Company and the acknowledgement by Frigorífico Araputanga of compliance by the Company with its obligations under the purchase agreement, a public deed reflecting the transfer of title of the slaughterhouse from Frigorífico Araputanga to the Company was registered with the applicable real estate notary.

As (i) Frigorífico Araputanga was a beneficiary of certain tax benefits granted by the Federal Government through an agency responsible for fostering the development of the northern region of Brazil (*Superintendência de Desenvolvimento da Amazônia* – SUDAM*)* and (ii) the slaughterhouse sold to the Company was granted by Frigorífico Araputanga to SUDAM as collateral for these tax benefits the consent of SUDAM was required for the registration of the public deed with the applicable real estate notary. In June 2004, Frigorífico Araputanga S.A. filed a lawsuit against the Company in a state court located in the City of Araputanga, State of Mato Grosso, alleging that the Company breached the purchase agreement and seeking an injunction to prevent the Company from finalizing the transfer of the slaughterhouse and a declaratory judgment that the purchase agreement and the public deed registered with the real estate notary were null and void.

In the lawsuit, Frigorífico Araputanga claimed that the sale of the slaughterhouse should be nullified as the Company did not obtain the consent of SUDAM in order to register the public deed with the applicable real estate notary. In January 2005, the court of appeals (*Tribunal de Justiça do Mato Grosso*) held that the Company had complied with all material terms of the purchase agreement. The lawsuit was subsequently submitted to the review of the Federal Court of Cáceres, under No. 2005.36.01.001618-8, in light of the inclusion of the Federal Government as a party to the lawsuit. The Company obtained the consent of *Unidade de Gerenciamento dos Fundos de Investimento* - UGFIN, the successor of SUDAM, according to the Federal Regional Court of the 1^{st} Region (*Tribunal Federal da 1ª Região*) decision, under Proceedings No. 2006.01.00.024584-7.

The parties are waiting for ruling following a judicial expert appraisal favorable to the company, that after evaluating the payments made by Agropecuária Friboi, the appraisal concluded that the debit was already paid. The judicial appeal number 2006.01.00.024584-7 was judged favorably to the Company, when the "TRF" Regional Federal Court declared valid the purchase title deeds of the property, object of discussion. Based on the Company´s legal advisers' opinion and based on Brazilian jurisprudence management of the Company believes that their arguments will prevail and no provision was registered.

b) Trademark Infringement

In July 2005, Frigorífico Araputanga filed a lawsuit against the Company seeking damages in the amount of R$26,938 and punitive damages in the amount of R$100,000 for the use by the Company of the trademark "Frigoara" without Frigorífico Araputanga's consent. The amounts of the claim were based upon a report presented by Frigorífico Araputanga to the trial court, which appraised the value of the trademark "Frigoara" at R$315,000.

The Company presented its defense against this lawsuit alleging that (i) the lawsuit should be analyzed and reviewed together with the lawsuit relating to the purchase of the slaughterhouse from Frigorífico Araputanga by the Company, (ii) the trademark "Frigoara" was used by the Company for a limited period of time, with the written consent and upon the request of Frigorífico Araputanga (the use of the trademark by the Company was a requirement of SUDAM to consent to the registration of the public deed contemplating the transfer of the slaughterhouse from Frigorífico Araputanga to the Company) and (iii) the amount of any damages under the lawsuit should be limited to a percentage of products sold by the Company under the trademark "Frigoara," pursuant to article 208 of the Intellectual Property Law. Almost all of the products manufactured by the Company were marketed under the trademark "Friboi." The only product marketed by the Company under the trademark "Frigoara" was minced meat, in limited amounts.

In light of the foregoing, the Company's management established a provision for losses arising from this lawsuit in the amount of R$600. Following a determination of the judge of the trial court, the lawsuit was submitted to the review of the Federal Court of Cáceres on January 17, 2007. The judge of the Federal Court of Cárceres determined that this lawsuit be joined with the lawsuit relating to the purchase of the slaughterhouse by the Company from Frigorífico Araputanga. The Federal Government will be notified to issue an opinion on the matter under discussion in this lawsuit.

Based on the Company's legal counsel opinion supported by precedents of the Federal Brazilian Supreme Court (*Supremo Tribunal Federal*) and the Brazilian Superior Court of Justice (*Superior Tribunal de Justiça*), the Company's management believes that the Company will prevail in these proceedings.

(Expressed in thousands of reais)

c) Others

The Company is also party in other civil proceedings that in the evaluation of the Administration and its legal advisers, the loss expectation on June 30, 2009 is of R$ 1,790.

16 Debit with third parties for investment

Refers to the amount of 65 million Euros that will be increased in Inalca´s purchase price in case the Company achieves at least one of the following economic targets: EBITDA average over business year 2008, 2009 and 2010 equal or greater than Euro 75 million, or alternatively, EBITDA over business year 2010 equal or greater than Euro 90 million. In case none of these financial metrics is reached, the debit will be reverted against the goodwill of the acquisition.

17 Income taxes

Income tax and social contribution are computed based on taxable income at the tax rates established by the applicable legislation. Deferred income tax and social contribution are computed based on the temporary differences between the carrying amounts on the Company’s financial statements and the tax basis of assets and liabilities, as well as on the tax loss carry forward credits.

a) Reconciliation of income tax and social contribution of the Company

	Six month period ended on June 30.	
	2009	**2008**
Income (loss) before income tax and social contribution	**(153.915)**	(374.031)
Addition (exclusion), NET:		
Permanent differences (substantially equity in subsidiaries)	**(149.276)**	225.961
Temporary differences	**7.387**	4.160
Calculation basis for income tax and social contribution	**(295.804)**	**(143.910)**
Income tax and CSLL	**-**	-
Reversal of income tax and CSLL of revaluation	**1.462**	**1.551**
	1.462	**1.551**
Temporary differences	**(7.387)**	(4.160)
Deferred income tax and social contribution	**2.512**	**1.415**

b) Deferred income tax and social contribution

	Company		Consolidated	
	June, 2009	**March, 2009**	**June, 2009**	**March, 2009**
Assets:				
. On tax losses and temporary differences	**29.292**	24.275	**437.791**	506.534
	29.292	**24.275**	**437.791**	**506.534**
Liabilities:				
. On revaluation reserve and temporary differences	**86.145**	74.825	**732.332**	907.925
	86.145	**74.825**	**732.332**	**907.925**

The Company and its subsidiaries have a history of future taxable net income. The Company expects to recover the tax credits arising there from within eight years due to the termination of the causes of their contingencies.

18 Shareholders’ equity

a) Capital Stock

The Capital Stock on June 30, 2009 and March 31, 2009 is represented by 1,438,078,926 ordinary shares, without nominal value. From the total shares, as described in letter e) below, 37,140,300 shares are maintained in treasury.

The Company is authorized to increase its capital by an additional 22,600,000 ordinary nominative shares.

b) Profit reserves

Legal reserve

Computed based on 5% of the net income of the year.

(Expressed in thousands of reais)

Reserve for expansion

Consists of the remaining balance of the net income after the computation of legal reserve and dividend distribution. The purpose of this reserve is to provide funds to investment in assets.

c) Revaluation reserve

Revaluation reserve reflects the appraisal effected by the Company, net of tax effects that are progressively offset against retained earnings to the same extent that the increase in value of the revalued property is realized through depreciation, disposal or retirement.

d) Dividends

Mandatory dividends corresponds to not less than 25% of the adjusted net income of the year, according to article 202 of Law 6.404/76.

e) Treasury shares

The Board of Directors of the Company, based on the amendment of it by-laws and according to the normative instructions of CVM numbers 10/80, 268/97 and 390/03, authorized the acquisition of not more than 41,113,898 shares for maintenance in treasury and subsequent cancel or alienation without reduction of the social capital.

On June 30, 2009, the Company maintained 37,140,300 treasury shares, with an average unit cost of R$ 5.60, and the minimum and maximum acquisition prices were R$ 2.68 and R$ 8.54, respectively.

The market value of the shares according to the BOVESPA as of June 30, 2009 was R$ 7.03.

19 Financial income (expense), net

	Company		Consolidated	
	Three month period ended on June 30,		Three month period ended on June 30,	
	2009	2008	2009	2008
Exchange variation	**475.460**	(97.059)	**554.466**	(110.669)
Results on derivatives	**(470.011)**	(258.139)	**(491.022)**	(339.461)
Interest - Loss	**(92.789)**	(90.329)	**(177.127)**	(111.677)
Interest - Gain	**57.544**	62.939	**95.667**	65.574
Taxes, contribution, tariff and others	**(5.966)**	(9.779)	**(15.574)**	(12.563)
	(35.762)	**(392.367)**	**(33.590)**	**(508.796)**

The financial income for the three month period ended June 30, 2008 is negatively affected, by a significant amount, by exchange variation rate of the permanent investments in foreign currency and by losses with derivative financial instruments for exchange rate variation protection of the amount to be invested in Smithfield Beef and National Beef, companies that were in acquisition process at that date. The impact of the referred exchange variation rate in the consolidated financial income is R$ 219.419 and the impact of the consolidated losses with derivative financial instruments for exchange rate variation protection is R$ 260.627, both did not affected the EBITDA.

20 Insurance coverage

The Company adopts the policy of maintaining insurance coverage for property, plant and equipment and inventories that are subject to risks, in the amounts considered sufficient to cover any loss arising from such risks. Due to the multi-location aspect of its business, the Company contracts insurance covering the maximum possible loss per operational unit. The insurance covers the following events: fire, flood and landslide.

As of June 30, 2009 the maximum individual coverage was R$ 99,000, considering all types of risks.

The insurance coverage related to the controlled company JBS Argentina has the same characteristics as explained above, and the maximum coverage as of June 30, 2009 was US$ 32 million (equivalent to R$ 62,451).

The insurance coverage related to the controlled Company JBS USA, Inc. has the same characteristics as explained above, and the maximum coverage as of June 30, 2009 was US$200 million (equivalent to R$ 390,320).

The insurance coverage related to the controlled Company Inalca JBS has the same characteristics as explained above, and the maximum coverage as of June 30, 2009 was Euros 141 million (equivalent to R$ 386,319).

(Expressed in thousands of reais)

21 Risk management and financial instruments

The Company's operations are exposed to market risks primarily related to changes in exchange rates, the credit worthiness of its customers, interest rates and cattle prices and uses derivatives financial instruments to reduce the exposure to those risks.The Company has a formal risk administration policy, controlled by the administration treasury department, that uses control instruments through appropriate systems and qualified professionals in risk measurement, analysis and administration, that make possible the reduction of the daily risk exposure. Additionally, operations with speculative financial instruments character are not allowed. This policy is permanently monitored by the financial committee and for Directors of the Company, that have the responsibility of the strategy definition to the risk administration, determining the position limits and exhibition.

a) Foreing exchange and interest rate risk

The exchange rate and interest rate risks related to financings and loans, and accounts receivable from clients denominated in foreign currencies, inventories, are hedged on a transaction by transaction basis, through derivative instruments, such as swap contracts (dollar to CDI or LIBOR to fixed interest rates or vice-versa), futures contracts traded on the *Bolsa de Mercadorias e Futuros* - BM&F and forward contracts.

The notional value of the contracts is not registered in the financial statements.

The results of over-the-counter trades in the futures market and daily adjustments of currency future contracts are made realized and liquidated; on the BM&F, and are recognized as financial income or expense, in the profit and loss accounts. The interest rate risk exposure of the Company as of June 30 and March 31, 2009 is detailed below:

	June, 2009	March, 2009
FINAME / FINEM	205.515	221.896
EXIM	112.325	112.194
Giro	16.613	-
NCE / Compror	1.477.179	1.314.379
CDB-DI	(1.594.628)	(952.632)
Investments funds	(133.906)	(109.761)
	83.098	586.076

The foreign exchange risk os the Company as of June 30 and March 31, 2009 is detailed in item.

b) Credit risks

The Company is exposed to credit risks in respect of accounts receivable, which are partially mitigated through the diversification of the credit profile of the Company's portfolio. The Company does not have a custumer that represents more than 10% of its combined net sales revenue, and its customers have good financial and operating indicators.

c) Purchase price of cattle

The Company is exposed to volatility with respect to the price of cattle, caused by climate factors, supply, transportation cost and agricultural policies. According to its inventory policy, the Company maintains individual physical control of its livestock, which includes anticipated purchases combined with operations on the future markets.

d) Fair value estimate

The financial assets and liabilities of the Company are accounted for on the balance sheet based on their respective acquisition cost, and the related classification of revenue and expenses in the income statement is accounted for based on its expected realization or liquidation value.

The fair value of the financial instruments that are not derivatives and derivatives contracts was estimated based on the available market information.

(Expressed in thousands of reais)

e) Financial instruments information

Below are presented the assets and liabilities exposed to exchange risks, which are subject to derivative instruments, as well as the effects of those accounts in the income statements of the three months period ended on June 30, 2009:

			Income Statements effects	
EXPOSURE	**June, 2009**	**March, 2009**	**Exchange variation**	**Derivatives**
OPERATING				
Accounts receivable - US$ / € / £	255.244	299.933	(65.257)	61.617
Investments - US$ / €	5.040.191	5.546.681	-	-
Inventories destined to export - cattle	34.763	47.314	-	(44)
Order of sales - US$ / € / £	275.437	269.451	(20.022)	49.244
Subtotal	**5.605.635**	**6.163.379**	**(85.279)**	**110.817**
FINANCIAL				
Credits with subsidiaries - US$ / €	(977.575)	34.559	83.129	
Loans and financings - US$	(2.416.170)	(3.183.058)	478.374	(580.828)
Imports payable - US$	(4.017)	(3.011)	(765)	
Amounts receivable (payable) of forward contracts, NET	24.508	29.978	-	
Subtotal	**(3.373.254)**	**(3.121.532)**	**560.738**	**(580.828)**
TOTAL	**2.232.381**	**3.041.847**	**475.459**	**(470.011)**

Investments - Was deliberated, in the Council of Administration meeting, that the Hedge of the investments in overseas companies should not be done.

Order of sales - The notional amount is not registered in financial statements. Starting in 2008, in accordance with the pronouncement CPC 14, the Company started to account the sales orders exchange variation to oppose the effects of the hedge of these same orders.

The changes in foreign rates can impact in losses to the Company, due to possible assets decrease or increase in the liabilities. The mainly exposure that the Company is subjected, related to exchange variation, refers to US Dollars, Euro and Libra Esterlina variations related to the Brazilian reais.

The purpose of the risck policy of the Company is seeking the protection of the excessive exposure to the exchange rate variation matching its assets not denominated in Reais against its obligations not denominated in Reais, protecting the balance sheet of the Company. For having this protection, the Company operates into the BM&F Bovespa, and over-the-counter market (Swap).

Below is presented the foreign currency exposure covered by derivative financial instruments:

	June, 2009	March, 2009
Trade accounts receivable - US$ / € / £	255.244	299.933
Order of sales - US$ / € / £	275.437	269.451
Loans and financings - US$	(2.416.169)	(3.183.058)
Imports payable - US$	(4.017)	(3.011)
	(1.889.505)	(2.616.685)
Forwards (BM&F) - Parent Company	(1.507.611)	(3.284.111)
- CETIP) -	(195.160)	(231.520)
	(1.702.771)	(3.515.631)
Foreign currency exposure in R$	(1.889.505)	(2.616.685)
Protection notional	(1.702.771)	(3.515.631)
Relation	**90%**	**134%**

Through the subsidiary JBS Global Investments, the Company administrate the treasury positions in foreign currency, with the objective of protecting exposures represented by financial assets and liabilities denominated in foreign currency. In case the positions were considered derivative for protection purposes, contracted by the subsidiary Global JBS Investments, the relation between the exposure and notional protection of the Company, as of June 30 and March 31, 2009, it would be, respectively, 116% and 154%.

(Expressed in thousands of reais)

Details of the financial instruments derivatives for balances protection

Derivative	Maturity	Receivable	Payable	Counterpart of the Principal	Reference value (notional US$)	Market value R$	Impact in the income of the quarter
Swap (over-the-counter market-CETIP)	August 2009	US$ (exchange variation) + 6%a.a.	R$/CD I(Weighted average of 120% of CDI)	Credit Suisse Investment fund multimarket	100.000	195.160	(38.616)
Forwards contracts (BM&F)	August 2009	US$ (exchange variation)	R$	BM&F	772.500	1.507.611	(433.377)

f) Margin in warranty

The Company has governments securities given in warranty for derivative operations into BM&F, amounting R$ 253.372 on June 30, 2009 (R$ 246.996 on March 31, 2009). The warranty is higher than the needs for those operations.

g) Fair value of financial instruments

The fair value of the financial instruments is determined based on market prices, and in the absence of those, based on the present value of expected cash flows.

The fair value of Cash and cash equivalents; Trade accounts receivable; Trade accounts payable; and Loans and financings is equivalent to its accounting value. The fair value of long term assets and liabilities does not diverge significantly of the accounting amounts.

h) Sensitivity analysis

The following sensibility analysis was performed to the fair value of the foreign currency derivatives. The Scenery probable is the fair value as of June 30, 2009, the scenery possible and remote considered the risk deterioration from 25% to 50%, respectively, in relation to the same date.

Operation	Risk	Scenery Probable (I)	Scenery (II) deterioration of 25%)	Scenery (II) deterioration of 50%)
Forward (BM&F)	Appreciation of R$	-	376.903	753.806
SWAP	Appreciation of R$	-	48.790	97.580
Exposure indexed in foreign currency	Depreciation of R$	-	(472.376)	(944.753)
		-	**(46.683)**	**(93.367)**
Assumption	Exchange	1,95	2,44	2,93

22 Subsequent events

Initial Public Offering - JBS USA

JBS USA filed with the Securities and Exchange Commission (“SEC”) a registration statement for the public offering of its common shares. The common shares are expected to be listed on The New York Stock Exchange - NYSE in the United States of America (“NYSE”).

JBS USA also filed with the CVM an application for the registration of its Brazilian Depositary Receipts Level III - BDRs, each BDR representing a certain number of shares of the common stock of JBS USA.

The Global Offering described above is subject to the authorization of the SEC, CVM and BM&F Bovespa, as well as other authorities and is subject to market conditions at the time of the Global Offering.

The registration statement filed by JBS USA with the SEC has not yet become effective, and no securities described in that registration statement may be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective.

Leased units

On July 6, 2009 the Company leased five slaughter and deboning units. These units will increase the Company’s slaughter capacity by 5,150 heads/day, increasing the capacity up to 26,000 heads/day.

The integration of these units, which are approved for exports to the main global markets, strengthens the Company’s position in Brazil. One of the units also produces a variety of quality, value added processed products, such as canned meats and a selection of frozen pre-cooked meats which are exported to the main markets of the world. Two of the leased units also produces biodiesel from tallow, and this marks the Company’s entrance into this growing sector.

(Expressed in thousands of reais)

23 Complemental information - Economic value added for the six months period ended June 30, 2009

	Company	Consolidated
Revenue		
Sales of goods and services	2.699.071	18.780.593
Other income	1.029	2.768
Own assets building income	(3.293)	(7.918)
	2.696.807	**18.775.443**
Goods		
Cost of services and goods sold	(1.752.300)	(13.419.094)
Materials, eletric power, outside services and others	(392.288)	(2.582.230)
Losses/Recovery of assets	-	(197.984)
Other costs	918	918
	(2.143.670)	**(16.198.390)**
Gross added value	**553.137**	**2.577.053**
Depreciation and amortization	(43.469)	(171.217)
Net added value generated by the Company	**509.668**	**2.405.836**
Net added value by transfer		
Equity in subsidiaries	153.035	-
Financial income	370.416	606.406
Others	1.550	10.863
Net added value to distribution	**1.034.669**	**3.023.105**
Distribution of added value		
Labor		
Salaries	211.765	1.452.057
Benefits	19.599	335.785
FGTS (Brazilian Social Charge)	11.384	11.497
	242.748	**1.799.339**
Taxes and contribution		
Federal	77.592	208.837
State	47.782	61.930
Municipal	102	793
	125.476	**271.560**
Capital Remuneration from third parties		
Interests	806.131	1.062.929
Rents	7.052	16.215
Others	3.203	24.072
	816.386	**1.103.216**
Owned capital remuneration		
Loss of the period	(149.941)	(149.941)
Minorit interests participation on retained income	-	(1.069)
	(149.941)	**(151.010)**
Added value distributed	**1.034.669**	**3.023.105**

(Expressed in thousands of reais)

24 Complemental information - Economic value added for the three months period ended June 30, 2009

	Company	Consolidated
Revenue		
Sales of goods and services	1.478.219	9.391.896
Other income	593	2.280
Own assets building income	(2.542)	(5.813)
	1.476.270	**9.388.363**
Goods		
Cost of services and goods sold	(976.503)	(6.728.948)
Materials, eletric power, outside services and others	(211.788)	(1.232.483)
Losses/Recovery of assets	-	(53.157)
Other costs	1.228	1.228
	(1.187.063)	**(8.013.360)**
Gross added value	**289.207**	**1.375.003**
Depreciation and amortization	(21.598)	(87.876)
Net added value generated by the Company	**267.609**	**1.287.127**
Net added value by transfer		
Equity in subsidiaries	137.020	-
Financial income	272.806	444.743
Others	769	9.728
Net added value to distribution	**678.204**	**1.741.598**

	Company	Consolidated
Distribution of added value		
Labor		
Salaries	102.675	712.356
Benefits	10.673	174.607
FGTS (Brazilian Social Charge)	6.205	6.263
	119.553	**893.226**
Taxes and contribution		
Federal	51.689	151.297
State	26.475	35.402
Municipal	46	419
	78.210	**187.118**
Capital Remuneration from third parties		
Interests	302.607	463.698
Rents	3.441	7.838
Others	1.650	17.109
	307.698	**488.645**
Owned capital remuneration		
Loss of the period	172.743	172.743
Minorit interests participation on retained income	-	(134)
	172.743	**172.609**
Added value distributed	**678.204**	**1.741.598**

* * * * *

2nd Quarter 2009 Results

JBS S.A.

August 13th, 2009

Investor Relations Contact
Jeremiah O'Callaghan: IR Director

E-mail: ir@jbs.com.br
Phone: +55 (11) 3144-4055
Website: www.jbs.com.br

2Q09 Conference Call
Date: Thursday, May 13th, 2009

Portuguese: 10h00 (Brazil time)
09h00 (New York time)
Phone: +55 (11) 4688 - 8128
No code required

English: 12h00 (Brazil time)
11h00 (New York time)
Phone: +1 (877) 554- 2421
Password: 23360442

"In God We Trust"

2nd Quarter 2009 Results

"In God we

São Paulo, August 13th, 2009 – JBS S.A. ("JBS") (Bovespa: JBSS3), the world's largest producer and exporter of beef and beef products announces today its second quarter results for 2009 (2Q09). For purposes of analysis, this report considers the results for the quarter ended March 31, 2009 (1Q09) and June 30, 2008 (2Q08).

The consolidated results of JBS are presented in Brazilian reais (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 are an integral part of the subsidiary JBS USA and both results refer to the period of 13 weeks ended June 28, 2009 (2Q09).

HIGHLIGHTS

- ✓ Net Profit of R$172.7 million in the quarter.
- ✓ Net revenue increased 29.8% from R$7,129.5 million in 2Q08 to R$9,255.0 million in 2Q09.
- ✓ Consolidated EBITDA increased 30.2% in 2Q09 when compared with the same period last year, from R$295.0 to R$384.0 million. When compared with the 1Q09, EBITDA increased 81.5%.
- ✓ "Market share" gain in JBS Brazil, from 14.9% in 1Q09 to 17.6% in 2Q09.
- ✓ Initiated the strategy to build a sustainable, direct and efficient global distribution platform of meat and meat products both chilled and frozen.
- ✓ Positive operating cash flow generation of R$311.7 million in the quarter.
- ✓ Efficiency in managing working capital necessity.
- ✓ Expansion of harvesting capacity in Brazil with the inclusion of the 5 new facilities.
- ✓ Application for JBS USA IPO (Initial Public Offering) registration and BDR (Brazilian Depositary Receipts) program.

R$ million	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Net Revenue	**9,255.0**	**9,267.9**	**-0.1%**	**7,129.5**	**29.8%**	**18,523.0**	**12,988.6**	**42.6%**
Cost of Goods Sold	-8,397.5	-8,509.8	-1.3%	-6,435.7	**30.5%**	-16,907.3	-11,784.6	**43.5%**
EBITDA							0.0	**0.0%**
JBS USA Beef (US$)	104.6	59.7	75.3%	132.9	**-21.3%**	164.3	119.4	**37.6%**
JBS USA Pork (US$)	24.7	7.5	230.3%	19.9	**24.1%**	32.2	35.5	**-9.4%**
INALCA JBS (Euro)	6.6	5.6	18.7%	6.7	**-1.2%**	12.2	14.0	**-12.9%**
JBS Brasil (R$)	99.4	80.5	23.5%	63.0	**57.8%**	179.9	205.1	**-12.3%**
JBS Argentina ($ Pesos)	-29.2	-32.7	10.7%	-11.7	**-149.8%**	-61.9	-25.1	**-146.8%**
Consolidated EBITDA	**384.0**	**211.5**	**81.5%**	**295.0**	**30.2%**	**595.6**	**470.7**	**26.5%**
EBITDA margin	4.1%	2.3%	-	4.1%	**-**	3.2%	3.6%	**-**
Net financial income (expense)	-33.6	-446.6	-92.5%	-508.8	**-93.4%**	-480.2	-585.6	**-18.0%**
Net Income (Loss)	**172.7**	**-322.7**	**-**	**-364.4**	**-**	**-149.9**	**-371.1**	**-59.6%**
Net Debt/ EBITDA	**2.6x**	**2.5x**	**-**	**2.8x**	**-**	**2.6x**	**2.8x**	**-**
Earnings per Share	0.12	-0.23	-	-0.26	**-**	-0.11	-0.26	**-58.8%**

MESSAGE FROM THE PRESIDENT

As we enter the second semester of 2009, we see that the world is gradually climbing out of the crisis initiated in 2008. There is more credit available and more importantly, the cost of new credit facilities are declining. International trade is picking up and protein consumption is returning to normalized levels. Our international production platform built over the last number of years is now ready to capitalize on this movement of recovery. During the crisis we concentrated on our balance sheet and reduced our leverage and now as things recover we are well positioned to grow in a sustainable manner increasing market share where we operate and fulfilling our promises to reach the levels of market participation promised during our IPO in 2007.

When I see our Company generating positive operational cash flow of more than R$300 million in the last quarter I am convinced that we made that we did our homework when we should have. We made the right decisions during the crisis period and prepared the Company to lead the positive movements generated as we now arise from the crisis with markets recovering. Our Company is well positioned to enter the new decade in a strong and balanced position, prepared to provide a satisfactory return for our many investors and a better future for all our collaborators.

Regardless of the negative aspects of the US economy at the moment, our EBITDA grew more than 90% in that market when compared with the previous quarter. We are seeing a recovery of the drop credit and we continue to implement the cost cutting measures associated with the purchase of Smithfield Beef. That market that we visited for the first time in 2007 has a different gloss on it today while we continue to believe in improved margins as we go forward.

In Brazil, our market share jumped while we were able to maintain margins. With the new production units recently announced, we plant to continue increasing our market share in this market, reducing our average fixed costs and thus, operating more efficiently all of which helps us support our community of suppliers and our many customers. Italy demonstrated it's ability to recover quickly by returning to a normalized margin range while in Argentina, we took the necessary steps to return to profitability during the second semester.

As we announced at the end of the last quarter, we are building the broadest and most versatile distribution platform for chilled and frozen meat and meat products not only in the countries where we process but also in the many countries where our wide range of products are appreciated. This distribution network will bring us closer to our customers and help prepare more customized items to comply with the ever changing consumer needs.

We continue to take good care of issues related to sustainability as we always remember that our produce comes from the land and the better we look after the environment the greater the guarantee of the continuity of our business. We signed agreements with major outlets guaranteeing best practices and we also contracted the Totum Institute to help us implement the best controls and guarantee the foundations of solid sustainability.

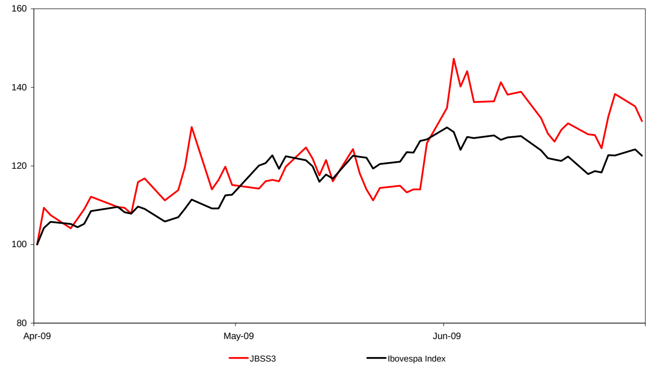
We are taking the first steps towards reaching out to a new community of investors as we initiate the filing process of an IPO request for our US subsidiary on the New York Stock Exchange. In the same manner that we did not deceive those that believed in us when we did our Brazilian IPO, we are totally committed towards providing a satisfactory return for those that will be with us during this new phase.

I would like to take this opportunity to thank all those involved with our Company, all our stakeholders including our suppliers, customers, investors but particularly our community of collaborators. Without the effortless dedication of some and the staunch support of others, we would not be where we are today. Thank you all very much and in the same manner that you all can count on me, I count on you all to continue with us on the road to success together.

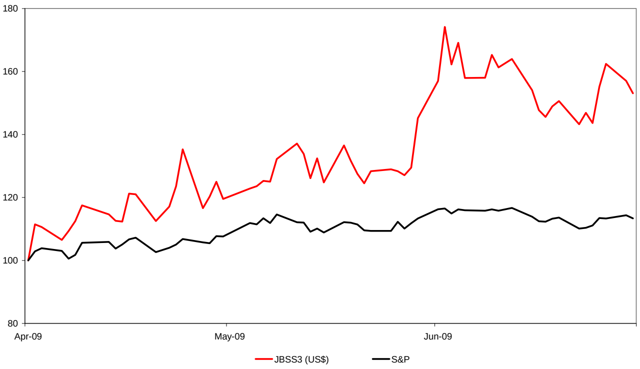
Joesley Mendonça Batista
President

STOCK PERFORMANCE (JBSS3)

Stock Performance of JBSS3 vs. IBovespa



Stock Performance of JBSS3 (US$) vs S&P 500



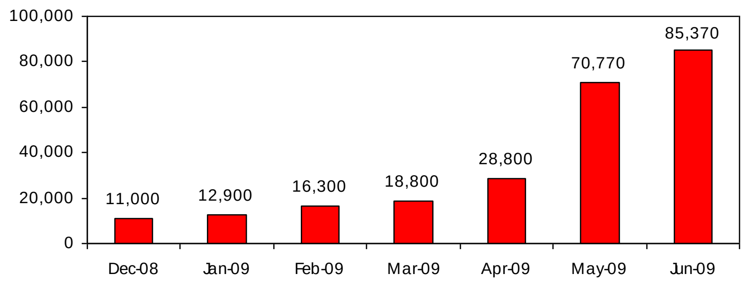
Source: Bloomberg (Scale 100 = 04/01/09)

JBS shares accompanied the Bovespa Index during the period of the 2Q09 following the increase initiated on the previews quarter. The average daily volume traded in the period went from R$ 12.5 million in the 1Q09 to R$ 20.0 million in the 2Q09. JBS share price increased in the period by 31.4% while the Bovespa Index showed a 22.6% increase. When compared with the S&P 500, JBS stock in American Dollars increased in value by 53.1% against an increase in the S&P 500 of 13.3% in the period.

The performance of the share price is a reflection of the confidence of stockholders in the Company strategy to reach all markets through its global production and distribution platform as well as its adequate financial structure.

JBS shares represented by the JBSS3 ticker make up part of a number of the indexes of the BM&FBovespa, such as Ibovespa, IBrX-50, Corporate Governance Index (IGC) as well as The Consumer Index (ICON). Besides, the Company's stock is traded in the US through an OTC ADR (American Depositary Receipt) program under the JBSAY ticker.

ADRs' traded volume (JBSAY)



Source: JBS

On May 2009, JBS became the first Brazilian Company to have its ADRs traded under de OTCQX, a kind of "Novo Mercado" of the North American over-the-counter market. This pioneer step reflected as an increase of 331% in the average daily traded volume of JBS' (JBSAY) stocks in New York.

CORPORATE GOVERNANCE AND SUSTAINABILITY

The Corporate Governance is part of the Company's essence, which adopts the market's good practices and is in accordance with the current legislation as is expected. JBS is listed in the São Paulo Stock Exchange under the "Novo Mercado" segment that has a strick commitment with good corporate governance.

Since its foundation in the 50's in Central Brazil, JBS has been looking after environmental matters carefully. Its raw material depends on the environment and the preservation of this environment is fundamental to JBS. The Company's commitment with nature represents the continuation of its business. This commitment goes beyond the current regulation and reflects voluntary and pioneering actions in the sector.

JBS partners Wal-Mart in signing a sustainability pact

On June 2009, JBS signed a pact with the world's largest retail chain Wal-Mart. On the occasion, both parties committed themselves to an agreement, JBS to harvest beef and Wal-Mart to market the product in a sustainably responsible manner in Brazil.

Specifically in the Amazon Biome, both parties will work together to guarantee that beef will not be sourced from properties that have any irregularities particularly in relation to a blacklist drawn up by the Brazilian Environment Institute (IBAMA) or from ranchers that have in any way exploited child or slave like labor.

The pact also includes a commitment to trace, identify and control the cattle herd within the biome so that no illegal logging or deforestation can be associated with raising cattle in the region.

Totum Institute Partnership

JBS started a partnership with the Totum Institute with the objective of developing actions directed to corporate governance and sustainability practices. The Totum institute provides modern solutions on these matters, as well as integrated management projects – quality, social environment, health and safety – specific certifications; climate change projects, covering from climate change corporate strategic development, corporate positioning and greenhouse gases emission reduction, including Clean Development Mechanism.

ANALYSIS OF THE CONSOLIDATED RESULTS

Consolidated analysis of the principal operational indicators of JBS

R$ million	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Net Revenue	**9,255.0**	**9,267.9**	**-0.1%**	**7,129.5**	**29.8%**	**18,523.0**	**12,988.6**	**42.6%**
Cost of Goods Sold	-8,397.5	-8,509.8	-1.3%	-6,435.7	**30.5%**	-16,907.3	-11,784.6	**43.5%**
Gross Income	**857.5**	**758.1**	**13.1%**	**693.8**	**23.6%**	**1,615.7**	**1,204.0**	**34.2%**
Selling Expenses	-394.9	-414.5	-4.7%	-363.9	**8.5%**	-809.4	-669.0	**21.0%**
General and Adm. Expenses	-177.9	-215.3	-17.3%	-96.4	**84.6%**	-393.2	-176.2	**123.2%**
Net Financial Income (expense)	-33.6	-446.6	-92.5%	-508.8	**-93.4%**	-480.2	-585.6	**-18.0%**
Goodwill Amortization	0.0	0.0	-	-45.1	**-**	0.0	-89.4	**-**
Non-recurring Expenses	11.9	-0.6	-	4.2	**183.3%**	11.3	3.7	**209.4%**
Operating Income	**263.0**	**-318.8**	**-**	**-316.2**	**-**	**-55.8**	**-312.6**	**-82.1%**
Income and social contribution taxes	-90.4	-4.8	1781.8%	-48.4	**86.7%**	-95.2	-59.0	**61.2%**
Minority Interest	0.1	0.9	-85.7%	0.2	**-33.0%**	1.1	0.6	**87.5%**
Net Income (Loss)	**172.7**	**-322.7**	**-**	**-364.4**	**-**	**-149.9**	**-371.1**	**-59.6%**
EBITDA	**384.0**	**211.5**	**81.5%**	**295.0**	**30.2%**	**595.6**	**470.7**	**26.5%**
EBITDA margin	**4.1%**	**2.3%**	**-**	**4.1%**	**-**	**3.2%**	**3.6%**	**-**

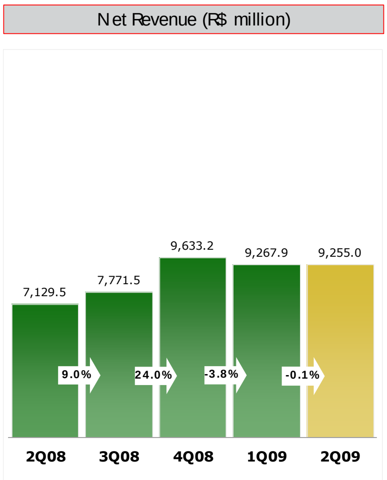
Number of Head Slaughtered and Sales Volume

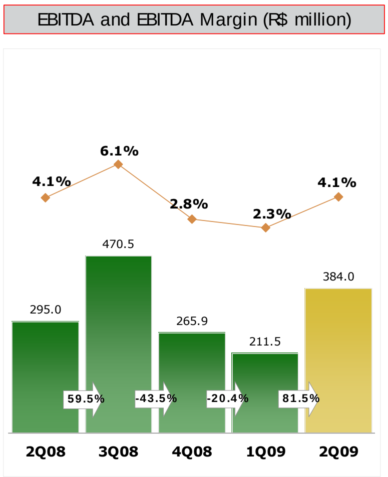
	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Heads slaughtered (thousand)								
Cattle	3,324.3	3,057.1	8.7%	2,885.0	**15.2%**	6,381.4	5,113.3	24.8%
Pork	2,941.9	2,977.0	-1.2%	2,945.9	**-0.1%**	5,918.8	6,114.7	-3.2%
Smalls	683.4	712.7	-4.1%	145.8	**368.6%**	593.9	372.3	59.5%
Volume Sold (thousand tons)								
Domestic Market	**1,374.5**	**1,373.5**	**0.1%**	**1,088.0**	**26.3%**	**2,748.0**	**2,082.8**	**31.9%**
Fresh and Chilled Beef	1,223.8	1,244.9	-1.7%	955.3	**28.1%**	2,468.7	1,840.9	34.1%
Processed Beef	30.6	31.2	-1.7%	33.8	**-9.4%**	61.8	61.6	0.3%
Others	120.1	97.4	23.3%	98.9	**21.4%**	217.5	180.3	20.6%
Exports	**469.0**	**422.4**	**11.0%**	**462.9**	**1.3%**	**891.4**	**841.4**	**5.9%**
Fresh and Chilled Beef	444.2	396.8	11.9%	437.3	**1.6%**	841.0	787.1	6.8%
Processed Beef	23.1	20.9	10.7%	23.6	**-2.1%**	44.0	49.8	-11.7%
Others	1.8	4.8	-62.7%	2.0	**-11.4%**	6.5	4.5	43.8%
TOTAL	**1,843.5**	**1,795.9**	**2.7%**	**1,550.9**	**18.9%**	**3,639.4**	**2,924.3**	**24.5%**

JBS' net revenue grew 29.8% in the 2Q09 against the same period last year, partially as a result of the acquisition of Smithfield Beef during the second semester of 2008 and also due to the organic growth during the period of comparisons. The EBITDA grew 30.2% when comparing the same periods from R$295.0 million in 2Q08 to R$384.0 in 2Q09. the EBITDA margin remained stable at 4.1% again when comparing the same periods.

Regardless of the relative stability of revenue quarter against quarter in 2009, the Company produced improved margins in all its business units. The consolidated EBITDA increased 81.5% from 1Q09 to 2Q09 going from R$211.5 million to R$384.0 million and the EBITDA margin increased by 1.8 pp to 4.1%.

Excluding the exchange variation in relation to the Brazilian real (and maintaining the same rate in the second quarter as the first), the net revenue of the Company would have had an increase of 11.5% in 2Q09.





Source: JBS

EBITDA Margin (%)

The results demonstrated for the period reinforces the sustainability of the margins in the US Beef Business Unit whose EBITDA margin increased 75.3% when compared with the previous quarter. Regarding the Pork Business Unit in the US, a 13.5% raw material price reduction was partially compensated by a 10.3% drop in the sales price all of which represented in an EBITDA margin gain of 3.1 pp from 1.4% in 1Q09 to 4.5% in 2Q09.

In Brazil, the results of the quarter reflect the solid strategy of the Company in increasing capacity utilization in order to increase market share and dilute costs and this was possible due to the closure of a number of facilities by other groups due to their financial difficulties. JBS market share grew from 14.9% in 1Q09 to 17.6% in 2Q09. With the recovery of the Brazilian herd and the continued improvement of the international markets, the Company will continue to grow in this market eventually reaching the levels indicated during the Initial Public Offering in 2007.

Positive Operating Cash Flow

The Company generated positive operating cash flow of R$311.7 million in the quarter.

CASH FLOW	2Q09
EBIT	296.6
taxes (34%)	-100.8
NOPLAT	**195.7**
Depreciation	87.4
Gross Cash Flow	**283.2**
Working Capital Variation	316.5
CAPEX	-288.0
Investiments	**28.5**
OPERATING CASH FLOW	**311.7**

Net Income / Loss

The Company presented a net income of R$172.7 million in the period which is a reflection of a reduction from R$446.6 million in net negative financial results in the 1Q09 to a negative of R$33.6 million in 2Q09. In the previous quarter, JBS opted to liquidate hedge positions due cancelled and returned contracts and delays which impacted currency hedge and cattle future positions related to these contracts.

Besides above, JBS presented a reduction in Sales, General and Administration (S,G&A) of R$57.0 million in relation to 1Q09, thus demonstrating the continuity of the implementation of the cost cutting measures and synergies in the US operations.

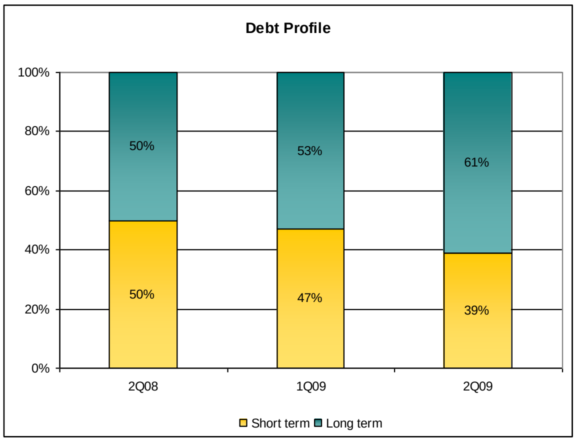
Indebtedness

JBS indebtness is made up primarily of working capital loans and notes (Reg. S and 144A rule) amounting to U$1,275 million, with maturities in 2011, 2014 and 2016, of which U$275 million was issued with coupon of 9.375% payable quarterly, US$700 million was issued with coupon of 11.625% payable semiannually, and U$300 million with coupon of 10.50% payable semiannually.

R$ Million	06/30/09	03/31/09	Var.%
Net indebtedness	**3,927.7**	**4,173.8**	**-5.9%**
Cash and cash equivalents	2,298.7	1,798.0	27.8%
Current	2,411.9	2,780.0	-13.2%
Long term	3,814.5	3,191.8	19.5%
Gross indebtedness	**6,226.4**	**5,971.8**	**4.3%**
Net Debt/EBITDA*	**2.6x**	**2.5x**	

* Last 12 months till 06/2009

JBS improved its debt profile in relation to 1Q09. The percentage of short term debt in relation to total net debt reduced from 47% in 1Q09 to 39% in 2Q09.



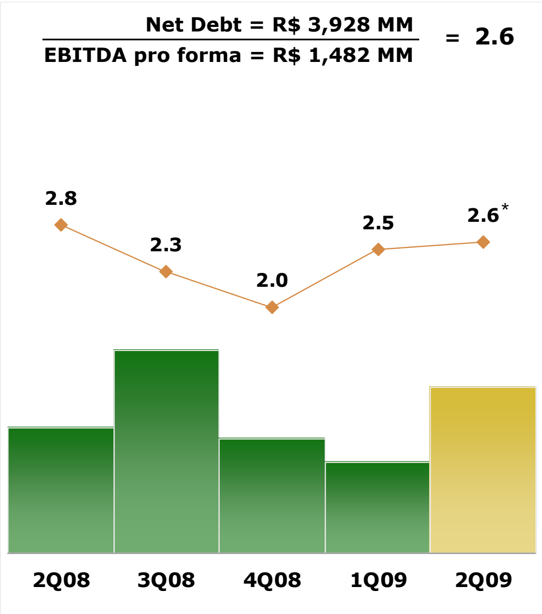
Source: JBS

Besides the availabilities above, the US and Australian subsidiaries carry unused revolving credit facilities of approximately US$400 million and A$200 million respectively which are at the Company's disposal for immediate use as required.

Leverage

Taking into consideration the seasonality with an increase in beef production and consumption associated with the period, the Company maintained its leverage substantially at the same level as the previous quarter.

Net Debt / EBITDA Pro Forma per TRIMESTER



Source: JBS
Net Debt/ EBITDA EBITDA pro-forma
* LTM including Smithfield Beef pro-forma.

Capital Expenditure

The total amount of JBS capital expenditure for property, plant and equipment, not including acquisitions, was R$ 288.0 million in 2Q09.

Below are the relevant investments made by the Company in 1Q09 among which are acquisitions of new equipment and maintenance of manufacturing facilities.

JBS USA – Beef Business Unit

Investments were made in the Grand Island, Dumas and Greeley plants, to improve the processing of by-products, refrigeration structure and equipment to gain efficiency in the deboning activity.

JBS USA – Pork Business Unit

In the USA Pork Business Unit the Company made investments in the Marshalltown and Worthington plants, in pork slaughtering systems that use carbon gas, casing plants, improvements to generate production efficiency gains and equipment for packaging of customized products.

JBS Australia

In Australia investments were made in the Dinmore, Beef City and Rockhampton plants' refrigeration systems, offal processing and maintenance areas.

INALCA JBS

INALCA JBS made investments in the Odinzovo (Moscow, Russia), Ospedaletto, Gazoldo Degli Ippoliti and Busseto Italy units, to improve food service activities and increase the slicing and production capacity for ham, cured meats, hamburgers and sausages.

There were also investments in the distribution centers in Angola (Luanda) and the Democratic Republic of the Congo (Kinshasa) to increase their portioned product and storage capacity.

JBS Brazil

In Brazil investments were made in the plants located in Barra do Garças (MT), Teófilo Otoni (MG), Vilhena (RO), Anápolis and Goiânia (GO), to increase refrigeration, freezing, slaughtering and storage capacity . The Company acquired an area of land adjacent to the Company's head office in Sao Paulo, Brazil, thus improving access to the main routes in the region and consequently increasing the value of the area as a whole.

JBS Argentina

The freezing capacity of the distribution center of Pilar, and the sausage and hamburger production capacity of Rosario and Ponte Vedra plants were expanded.

ANALYSIS OF RESULTS BY BUSINESS UNIT

The Beef Business Unit of JBS USA - 65% of JBS S.A.' net revenue, including JBS Australia

Net revenue from JBS USA beef business increased 10,0% comparing to the same period from last year, from US$ 2,630.0 million in 2Q08 to US$ 2,891.8 million in 2Q09. Such increase reflects a better capacity utilization of our plants and JBS Packerland acquisition in USA during 2008, partially offset by the depreciation of about 20% in the Australian currency in comparison to the American currency.

In relation to 1Q09, net revenue increased 7.9% and EBITDA increased from US$ 59.7 million to US$ 104.6 million, representing a raise of 75.3% in the period. Due to the seasonality in the sector, during second and third quarters there is a higher demand for beef in the north hemisphere, supporting the company's results in the period.

Net revenue in external market increased 30.6% over 1Q09, with high in the medium prices of 18.9% in the same period. Such variation reflects a gradual return of exports in American market, and recovery of the sector that restore the balance between market supply and demand.

Highlights

(Numbers are in BRGAAP until 12/31/08. After 1Q09 they are in USGAAP)

US$ million	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Heads slaughtered (thousand)	2,097.5	1,979.3	6.0%	1,811.9	**15.8%**	4,076.8	3,167.2	**28.7%**
Net Revenue	2,891.8	2,680.2	7.9%	2,630.0	**10.0%**	5,572.0	4,565.1	**22.1%**
EBITDA	104.6	59.7	75.3%	132.9	**-21.3%**	164.3	119.4	**37.6%**
EBITDA margin %	3.6%	2.2%		5.1%		2.9%	2.6%	

Breakdown of Net Revenue

Domestic Market	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Net Revenue (US$ million)	2,199.3	2,150.0	2.3%	1,783.7	**23.3%**	4,349.4	3,185.4	36.5%
Volume (thousand tons)	778.4	816.2	-4.6%	582.5	**33.6%**	1,594.5	1,093.9	45.8%
Average Price (US$/Kg)	2.83	2.63	7.3%	3.06	**-7.7%**	2.73	2.91	-6.3%

Exports	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Net Revenue (US$ million)	692.5	530.2	30.6%	846.3	**-18.2%**	1,222.6	1,379.7	-11.4%
Volume (thousand tons)	311.2	283.3	9.8%	303.3	**2.6%**	594.5	531.3	11.9%
Average Price (US$/Kg)	2.23	1.87	18.9%	2.79	**-20.2%**	2.06	2.60	-20.8%

The Pork Business Unit of JBS USA - 13% of JBS S.A.' net revenue

JBS USA's pork business had net revenues of US$553.8 million in the period, 10.7% lower compared to the same quarter of 2008, that was US$619.9 million. This variation reflects a volume reduction of 1.3% and a average sales price decrease of 9.3%, due to the high production of the sector, specially to the vertical integrated operations. When comparing 1Q09, the net revenues increased 5.2%, going from US$526.3 million to US$553.8 million.

EBITDA went from US$19.9 million in 2Q08 to US$24.7 million in 2Q09, an increase of 24.1%, due to a raw material price reduction of 13.5%. Besides that, the freight costs, extra hour and utilization costs per head reduced due to a decrease on diesel prices, trainings and natural gas prices decrease.

EBITDA margin was 4.5%, which represents an increase of 3.1p.p. against 1Q09. This quarter confirms the good performance of the pork operations in the USA, responsible for 13% of JBS net revenues.

Highlights

(Numbers are in BRGAAP until 12/31/08. After 1Q09 they are in USGAAP)

US$ million	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Animals slaughtered (thousand)	2,941.9	2,977.0	-1.2%	2,945.9	**-0.1%**	5,918.8	6,114.7	**-3.2%**
Net Revenue	553.8	526.3	5.2%	619.9	**-10.7%**	1,080.1	1,155.4	**-6.5%**
EBITDA	24.7	7.5	230.3%	19.9	**24.1%**	32.2	35.5	**-9.4%**
EBITDA margin %	4.5%	1.4%		3.2%		3.0%	3.1%	

Breakdown of Net Revenue

Domestic Market	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Net Revenue (US$ million)	478.2	444.5	7.6%	512.3	**-6.6%**	922.7	962.2	-4.1%
Volume (thousand tons)	274.7	269.7	1.9%	266.8	**3.0%**	544.4	542.2	0.4%
Average Price (US$/Kg)	1.74	1.65	5.6%	1.92	**-9.3%**	1.69	1.77	-4.5%

Exports	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Net Revenue (US$ million)	75.6	81.8	-7.6%	107.6	**-29.8%**	157.4	193.2	-18.6%
Volume (thousand tons)	38.5	46.2	-16.7%	50.4	**-23.5%**	84.8	97.2	-12.8%
Average Price (US$/Kg)	1.96	1.77	10.8%	2.13	**-8.2%**	1.86	1.99	-6.6%

The INALCA JBS Business Unit - 4% of JBS S.A.' net revenue

Inalca JBS net revenue increased of 2.9% compared with 2Q08, from €140.3 million in 2Q08 to €144.4 million in 2Q09. The 2Q09 EBITDA decreased 1.5% from to €6.6 million compared with same period in 2008.

EBITDA increased 17.9% from €5.6 million to €6.6 million when compared with 1Q09, due to good performance of cured meat and foreign companies of Inalca JBS, mainly Russia and Angola that underperformed on 1Q09.

Highlights

€ million	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Heads slaughtered (thousand)	96.5	104.1	-7.3%	111.1	**-13.1%**	200.6	220.9	**-9.2%**
Net Revenue	144.4	144.0	0.3%	140.3	**2.9%**	288.4	272.2	**5.9%**
EBITDA	6.6	5.6	17.9%	6.7	**-1.5%**	12.2	14.0	**-12.9%**
EBITDA margin %	4.6%	3.9%		4.8%		4.2%	5.1%	

Note: The above numbers represent 50% of Inalca JBS owned by JBS S.A.

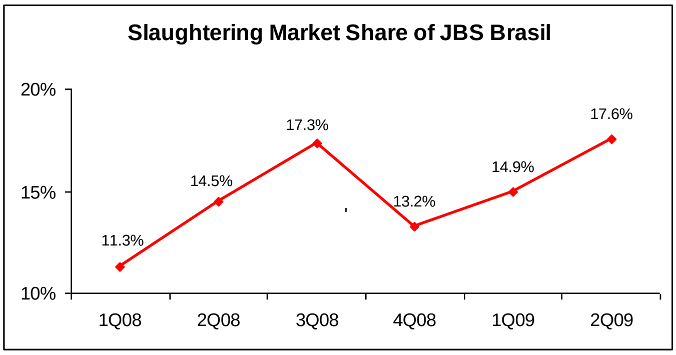
Breakdown of Net Revenue

Domestic Market	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Net Revenue (€ million)	116.0	98.2	18.1%	106.7	**8.7%**	214.2	204.9	4.5%
Volume (thousand tons)	33.2	36.2	-8.3%	26.7	**24.3%**	69.4	54.2	28.0%
Average Price (€/Kg)	3.49	2.71	28.8%	4.00	**-12.6%**	3.09	3.78	-18.4%

Exports	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Net Revenue (€ million)	28.4	45.8	-38.0%	33.6	**-15.5%**	74.2	67.3	10.3%
Volume (thousand tons)	6.0	7.2	-16.7%	10.3	**-41.7%**	13.2	17.0	-22.4%
Average Price (€/Kg)	4.73	6.36	-25.6%	3.26	**45.1%**	5.62	3.96	42.0%

JBS Brazil Business Unit - 16% of JBS S.A.' net revenue

JBS' solid financial and operational structure allowed the Company to engage a larger share of the market due to the patronization of some important competitors of the sector. JBS' market share in Brazil went from 14.9% in 1Q09 to 17.6% in 2Q09.



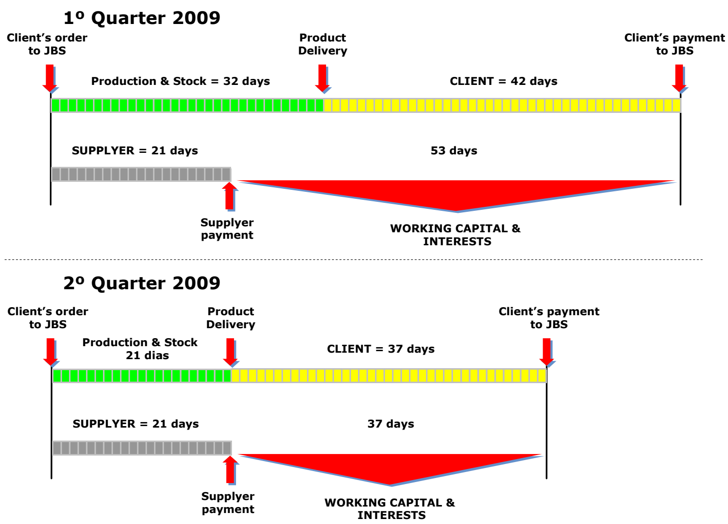
Source: MAPA and JBS

The net revenues increased 21.9% over the previews trimester, going from R$1,124.4 million in 1Q09 to R$1,370.6 million in 2Q09. The improvement on EBITDA was even larger, 23.5% from R$80.5 million in 1Q09 to R$99.4 million in 2T09. This positive variation reflects a sales volume increase combined with higher average prices.

When comparing to 2Q08, there was an increase of 19.,3% in net revenues and 52.2% in EBITDA, reflecting an improvement on the sales volume of 21.1% and a reduction of 31,0% on the finished products stocks during the period.

Working Capital

JBS decreased its working capital necessity form 53 days in 1Q09 to 37 days in 2Q09, that corresponds to the lowest working capital necessity of the sector, considering that the average of the sector is 75 days. This reduction ensures the efficiency of the Company's management in managing its working capital.



JBS Brazil Business Unit - 16% of JBS S.A.' net revenue

Highlights

R$ million	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Heads slaughtered (thousand)	893.5	777.8	14.9%	861.4	**3.7%**	1,671.2	1,511.5	**10.6%**
Net Revenue	1,370.6	1,124.4	21.9%	1,148.9	**19.3%**	2,495.0	2,157.9	**15.6%**
EBITDA	99.4	80.5	23.5%	65.3	**52.2%**	179.9	205.1	**-12.3%**
EBITDA margin %	7.3%	7.2%		5.7%		7.2%	9.5%	

Breakdown of Net Revenue

Domestic Market	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Net Revenue (R$ million)								
Fresh and Chilled Beef	652.0	557.8	16.9%	364.4	**78.9%**	1,209.8	647.0	87.0%
Processed Beef	55.2	54.0	2.2%	61.8	**-10.7%**	109.2	106.7	2.3%
Others	117.6	99.7	18.0%	158.3	**-25.7%**	217.3	276.3	-21.4%
TOTAL	**824.8**	**711.5**	**15.9%**	**584.5**	**41.1%**	**1,536.3**	**1,030.0**	**49.2%**
Volume (thousand tons)								
Fresh and Chilled Beef	128.0	114.3	12.0%	71.6	**78.8%**	242.3	137.5	76.2%
Processed Beef	23.9	23.7	0.8%	25.5	**-6.4%**	47.6	46.8	1.7%
Others	93.4	77.4	20.7%	85.7	**9.0%**	170.8	152.4	12.1%
TOTAL	**245.3**	**215.3**	**13.9%**	**182.8**	**34.2%**	**460.7**	**336.7**	**36.8%**
Average Price (R$/Kg)								
Fresh and Chilled Beef	5.09	4.88	4.3%	5.09	**0.1%**	4.99	4.71	6.1%
Processed Beef	2.31	2.28	1.4%	2.42	**-4.6%**	2.30	2.28	0.6%
Others	1.26	1.29	-2.3%	1.85	**-31.9%**	1.27	1.81	-29.8%

Exports	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Net Revenue (R$ million)								
Fresh and Chilled Beef	439.9	304.5	44.5%	449.9	**-2.2%**	744.4	900.7	-17.4%
Processed Beef	105.9	108.4	-2.3%	114.5	**-7.5%**	214.3	227.2	-5.7%
TOTAL	**545.8**	**412.9**	**32.2%**	**564.4**	**-3.3%**	**958.7**	**1,127.9**	**-15.0%**
Volume (thousand tons)								
Fresh and Chilled Beef	71.1	51.2	39.0%	72.2	**-1.5%**	122.3	136.9	-10.6%
Processed Beef	15.5	14.1	10.1%	19.1	**-18.8%**	29.6	41.1	-28.0%
TOTAL	**86.7**	**65.3**	**32.8%**	**91.3**	**-5.1%**	**151.9**	**178.0**	**-14.6%**
Average Price (R$/Kg)								
Fresh and Chilled Beef	6.18	5.95	3.9%	6.23	**-0.8%**	6.08	6.58	-7.5%
Processed Beef	6.83	7.70	-11.3%	5.99	**13.9%**	7.24	5.53	31.0%

JBS Argentina Business Unit - 2% of JBS S.A.' net revenue

JBS Argentina Business unit improved compared with previous quarter. Net revenue and EBITDA increased 18.6% and 10.7%, respectively. The EBITDA margin was -10.4% in the 1Q09 and -7.8% in 2Q09.

The negative EBITDA in the quarter is caused by higher prices of accumulated stocks in the end of 2008 compared with prices in 2Q09. The net revenue of fresh beef in domestic market increased 11.5% in 2Q09 justified by the 19.7% reduction in prices, partially offset by 10.2% increase in volume.

The net revenue of fresh beef exports increased 72.8% compared with previous quarter, reflecting an improvement of 95.8% in volume, partially offset by 11.7% lower prices.

Highlights

$ Argentinean Pesos million	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Heads slaughtered (thousand)	236.8	195.9	20.9%	100.7	**135.2%**	432.7	213.7	**102.5%**
Net Revenue	373.1	314.6	18.6%	215.7	**73.0%**	687.7	435.8	**57.8%**
EBITDA	-29.2	-32.7	10.7%	-11.7	**-149.8%**	-61.9	-25.1	**-146.8%**
EBITDA margin %	-7.8%	-10.4%		-5.4%		-9.0%	-5.8%	

Breakdown of Net Revenue

Domestic Market	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Net Revenue (million Arg. Pesos)								
Fresh and Chilled Beef	46.5	52.5	-11.5%	53.0	**-12.3%**	99.0	92.6	6.9%
Processed Beef	48.7	51.9	-6.3%	53.3	**-8.6%**	100.7	93.6	7.5%
Others	10.0	5.8	72.0%	21.6	**-53.8%**	15.8	42.0	-62.4%
TOTAL	**105.2**	**110.3**	**-4.6%**	**127.9**	**-17.8%**	**215.4**	**228.2**	**-5.6%**
Volume (thousand tons)								
Fresh and Chilled Beef	9.4	8.6	10.2%	7.7	**22.7%**	18.0	13.1	37.1%
Processed Beef	6.7	7.5	-9.9%	8.3	**-18.9%**	14.2	14.8	-4.0%
Others	26.7	20.1	33.0%	13.2	**102.1%**	46.7	27.9	67.4%
TOTAL	**42.9**	**36.1**	**18.7%**	**29.2**	**46.8%**	**79.0**	**55.9**	**41.3%**
Average Price (Pesos/Kg)								
Fresh and Chilled Beef	4.9	6.1	-19.7%	6.9	**-28.5%**	5.5	7.0	-22.0%
Processed Beef	7.2	7.0	4.0%	6.4	**12.6%**	7.1	6.3	12.1%
Others	0.4	0.3	29.3%	1.6	**-77.1%**	0.3	1.5	-77.5%

Breakdown of Net Revenue (JBS Argentina)

Exports	2Q09	1Q09	Δ%	2Q08	Δ%	6M09	6M08	Δ%
Net Revenue (million Arg. Pesos)								
Fresh and Chilled Beef	173.8	100.5	72.8%	30.8	**464.2%**	274.3	86.8	216.0%
Processed Beef	83.9	81.9	2.5%	48.1	**74.5%**	165.8	99.8	66.1%
Others	10.2	21.9	-53.5%	9.0	**13.4%**	32.2	21.0	53.1%
TOTAL	**267.9**	**204.3**	**31.1%**	**87.9**	**204.8%**	**472.2**	**207.6**	**127.5%**
Volume (thousand tons)								
Fresh and Chilled Beef	17.3	8.8	95.7%	1.1	**1472.0%**	26.1	4.7	457.9%
Processed Beef	7.6	6.8	11.8%	4.5	**68.7%**	14.4	8.7	65.3%
Others	1.8	4.8	-62.7%	2.0	**-11.4%**	6.5	4.5	43.8%
TOTAL	**26.7**	**20.4**	**30.8%**	**7.6**	**250.7%**	**47.0**	**7.6**	**518.8%**
Average Price (Pesos/Kg)								
Fresh and Chilled Beef	10.0	11.4	-11.7%	28.0	**-64.1%**	10.5	18.5	-43.4%
Processed Beef	11.1	12.1	-8.3%	10.7	**3.4%**	11.5	11.5	0.5%
Others	5.8	4.6	24.6%	4.5	**27.9%**	4.9	4.6	6.5%

Recent Events

JBS continues growing in Brazil

On June 29, 2009, JBS JBS announced its expansion in Brazil incorporating five slaughter and deboning units. These units will increase the Company's slaughter capacity by 5,150 heads/day. The Company leased (i) the slaughter and deboning unit in the city of Juara with processing capacity of 800 heads/day, (ii) the slaughter and deboning unit in the city of Alta Floresta with processing capacity of 1,600 heads/day, (iii) the slaughter and deboning unit in the city of Colider with processing capacity of 850 heads/day, (iv) the slaughter and deboning unit in the city of Cuiabá with processing capacity of 800 heads/day and (v) the slaughter and deboning unit in the city of São Jose dos Quatro Marcos with processing capacity of 1,100 heads/day. The two last units belong to the Quatro Marcos Group which is under judicially supervised recovery. These leases have been approved by the relevant authorities.

The integration of these units, which are approved for exports to the main global markets, strengthens the Company's position in Brazil. The facility of São Jose dos Quatro Marcos also produces a variety of quality, value added processed products, such as canned meats and a selection of frozen pre-cooked meats which are exported to the main markets of the world. The plants at Juara and Colider also produce biodiesel from tallow, and this marks the Company's entrance into this growing sector.

This integration of the units increases the Company's slaughter capacity in Brazil to above 26,000 heads/day, thus highlighting JBS as a reference in this industry.

JBS USA´s Request for IPO Registration and BDR Program

On July 22nd 2009, JBS USA Holdings, Inc. ("JBS USA"), subsidiary of JBS S.A. filed with the Securities and Exchange Commission ("SEC") a registration statement on Form S-1 for the public offering of its common shares (the "International Offering"). JBS USA's common shares are expected to be listed on The New York Stock Exchange - NYSE in the United States of America ("NYSE").

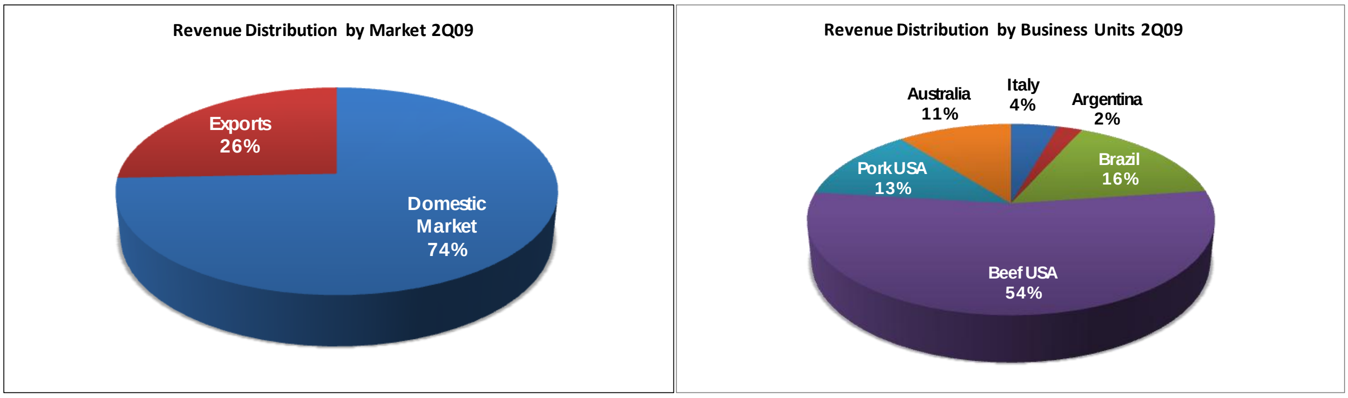
On August 07th, 2009, JBS USA filed with the CVM, an application for listing its Brazilian Depositary Receipts Level III ("BDRs"), each BDR representing a certain number of its common stock. Together with the filing, the Company made an application for a public offering of its BDRs in Brazil, (the "Brazilian Offering"), all related to JBS USA´s process for listing of its common shares with the Securities and Exchange Commission ("SEC" and "International Offering", and, together with the Brazilian Offering, the "Global Offering").

The Global Offering described above is subject to the authorization of the SEC, CVM and BM&FBovespa, as well as other authorities and is subject to market conditions at the time of the Global Offering.

The registration statement filed by JBS USA with the SEC has not yet become effective, and no securities described in that registration statement may be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective.

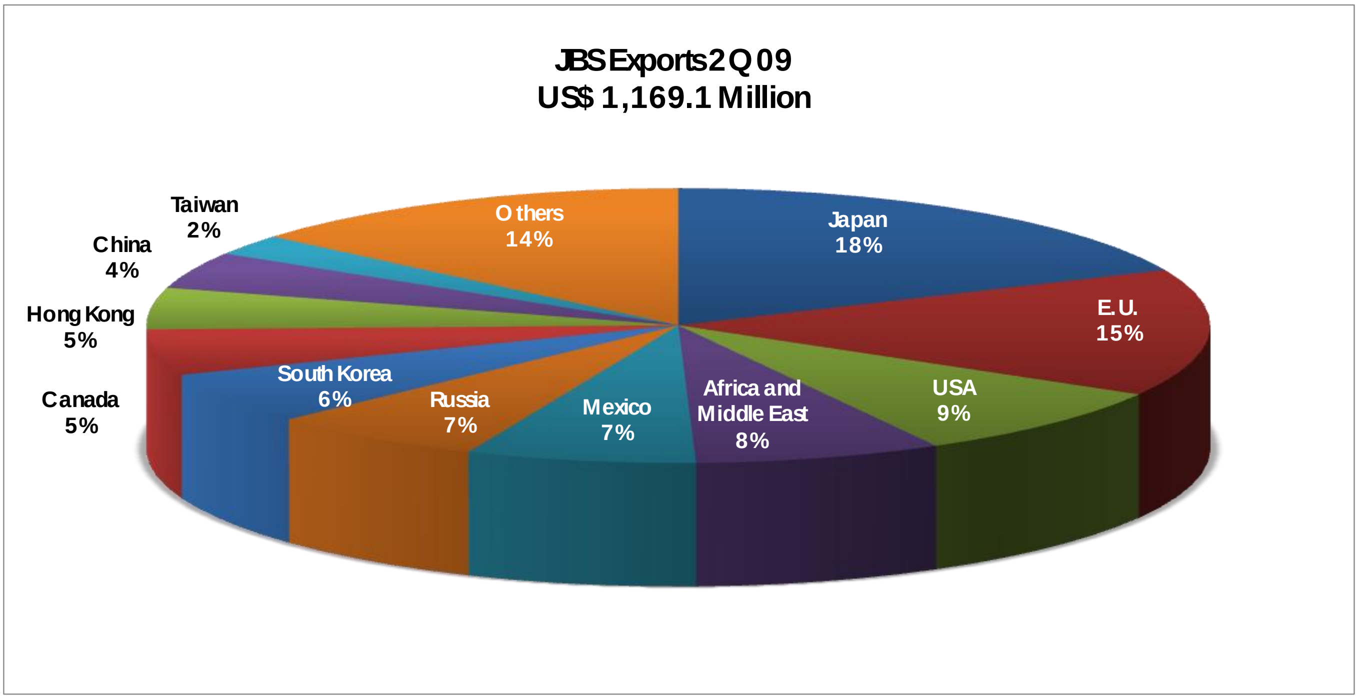
TABLES AND CHARTS

Graph I – JBS Consolidated Net Revenue Distribution 2Q09



Source: JBS

Graph II – JBS Consolidated Exports Distribution 2Q09



Source: JBS

Chart I – Breakdown of Production Costs by Business Units (%)

2Q09 (%)	Consolidated	JBS Brasil	Argentina	USA Beef	USA Pork	Inalca JBS
Raw material (Cattle)	84.9%	86.0%	85.7%	84.8%	79.1%	90.2%
Processing (including ingredients and packaging)	6.1%	8.0%	6.0%	6.0%	7.6%	2.1%
Labor Cost	9.0%	6.0%	8.3%	9.2%	13.3%	7.6%

Source: JBS

Chart II – Exchange rates to Real (R$)

Currencies	2008	1Q09	2Q09	6M09
Argentinean Pesos - ARS	**Average**	**Average**	**Average**	**Average**
Closing	0.5739	0.6522	0.5426	0.5974
Average	0.5783	0.6529	0.5570	0.6050
Euro - EUR	**Average**	**Average**	**Average**	**Average**
Closing	2.6698	3.0229	2.8039	2.9134
Average	2.6734	3.0136	2.8261	2.9198
American Dollar - USD	**Average**	**Average**	**Average**	**Average**
Closing	1.8335	2.3366	2.0343	2.1855
Average	1.8346	2.3113	2.0748	2.1930

Source: Banco Central do Brasil
To obtain the value in local currency, multiply the amount in the currency informed by the respective exchange rate.

Chart III – Stockholders

Shareholders	Number of Shares		%
J & F Participações S.A.	632,781,603		44.0%
ZMF Fundo de Investimentos em Participações	87,903,348		6.1%
Treasury Shares	37,140,300		2.6%
Shares outstanding			
BNDES Participações S.A. - BNDESPAR	186,891,800	*13.0%*	
PROT - FIP	205,365,101	*14.3%*	
Minority shareholders	287,996,774	*20.0%*	
Total shares outstanding	680,253,675		47.3%
TOTAL	**1,438,078,926**		**100.0%**

Position as of 06/30/2009.

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CONSOLIDATED FINANCIAL STATEMENT – JBS S.A.

JBS S.A.

Balance sheets

(In thousands of Reais)

	Company		Consolidated	
	June, 2009	March, 2009	June, 2009	March, 2009
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	**1,916,361**	1,326,913	**2,298,658**	1,797,951
Trade accounts receivable, net	**513,786**	520,692	**1,888,639**	2,001,484
Inventories	**285,585**	396,727	**1,941,171**	2,335,146
Recoverable taxes	**434,201**	458,254	**539,535**	632,981
Prepaid expenses	**3,213**	3,023	**65,352**	77,954
Other current assets	**53,589**	92,962	**307,948**	401,767
TOTAL CURRENT ASSETS	**3,206,735**	2,798,571	**7,041,303**	7,247,283
NON-CURRENT ASSETS				
Long-term assets				
Credits with related parties	**-**	161,433	**338,041**	455,987
Judicial deposits and others	**17,284**	16,930	**98,662**	100,876
Deferred income taxes	**29,292**	24,275	**437,791**	506,534
Recoverable taxes	**109,257**	39,147	**185,272**	65,675
Total long-term assets	**155,833**	241,785	**1,059,766**	1,129,072
Permanent assets				
Investments in subsidiaries	**4,798,622**	5,372,969	**-**	-
Other investments	**10**	10	**4,520**	5,749
Property, plant and equipment, net	**2,021,209**	1,866,269	**4,852,604**	5,019,454
Intangible assets, net	**912,299**	**944,174**	**1,873,031**	**2,165,229**
Deferred charges	**-**	**-**	**1,551**	**1,597**
Total Permanent assets	**7,732,140**	**8,183,422**	**6,731,706**	**7,192,029**
TOTAL NON-CURRENT ASSETS	**7,887,973**	**8,425,207**	**7,791,472**	**8,321,101**
TOTAL ASSETS	**11,094,708**	**11,223,778**	**14,832,775**	**15,568,384**

JBS S.A.

Balance sheets

(In thousands of Reais)

	Company		Consolidated	
	June, 2009	March, 2009	June, 2009	March, 2009
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Trade accounts payable	**260,591**	242,318	**1,377,565**	1,567,868
Loans and financings	**1,900,295**	2,080,299	**2,411,857**	2,780,018
Payroll, social charges and tax obligation	**102,441**	69,780	**379,199**	312,635
Declared dividends	**-**	12,321	**-**	12,321
Other current liabilities	**96,416**	122,390	**281,136**	272,766
TOTAL CURRENT LIABILITIES	**2,359,743**	2,527,108	**4,449,757**	4,945,608
NON-CURRENT LIABILITIES				
Loans and financings	**2,327,507**	2,570,489	**3,814,513**	3,191,779
Deferred income taxes	**86,145**	74,825	**732,332**	907,925
Provision for contingencies	**49,891**	48,333	**61,298**	57,596
Debits with related parties	**874,607**	-	**-**	-
Debit with third parties for investment	**178,090**	200,089	**178,090**	200,089
Other non-current liabilities	**49,125**	38,026	**430,811**	504,085
TOTAL NON-CURRENT LIABILITIES	3,565,365	2,931,762	5,217,044	4,861,474
MINORITY INTEREST	**-**	-	**(3,626)**	(3,606)
SHAREHOLDERS' EQUITY				
Capital stock	**4,495,581**	4,495,581	**4,495,581**	4,495,581
Capital reserve	**777,844**	**777,844**	**777,844**	**777,844**
Revaluation reserve	**115,340**	116,695	**115,340**	116,695
Profit reserves	**18,696**	18,696	**18,696**	18,696
Valuation adjustments to shareholders´ equity	**(619)**	**(676)**	**(619)**	**(676)**
Accumulated translation adjustments	**(90,139)**	**677,969**	**(90,139)**	**677,969**
Accumulated losses	**(147,103)**	**(321,201)**	**(147,103)**	**(321,201)**
TOTAL SHAREHOLDERS' EQUITY	**5,169,600**	**5,764,908**	**5,169,600**	**5,764,908**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**11,094,708**	**11,223,778**	**14,832,775**	**15,568,384**

JBS S.A.

Statements of income for the three months period ended June 30, 2009 and 2008

(In thousands of Reais)

	Company		Consolidated	
	2009	2008	2009	2008
GROSS OPERATING REVENUE				
Sales of products:				
Domestic Sales	**982,769**	681,089	**7,060,483**	4,617,110
Foreign Sales	**549,242**	584,144	**2,434,467**	2,676,912
	1,532,011	**1,265,233**	**9,494,950**	**7,294,022**
SALES DEDUCTIONS				
Returns and discounts	**(53,612)**	(42,747)	**(106,521)**	(78,639)
Sales taxes	**(107,762)**	(73,582)	**(133,395)**	(85,847)
	(161,374)	**(116,329)**	**(239,916)**	**(164,486)**
NET SALE REVENUE	**1,370,637**	**1,148,904**	**9,255,034**	**7,129,536**
Cost of goods sold	**(1,121,032)**	(960,262)	**(8,397,499)**	(6,435,740)
GROSS INCOME	**249,605**	**188,642**	**857,535**	**693,796**
OPERATING INCOME (EXPENSE)				
General and administrative expenses	**(48,855)**	(25,412)	**(177,934)**	(96,380)
Selling expenses	**(123,549)**	(116,467)	**(394,921)**	(363,876)
Financial income (expense), net	**(35,762)**	(392,367)	**(33,590)**	(508,796)
Equity in subsidiaries	**137,020**	17,131	**-**	-
Goodwill amortization	**-**	(45,131)	**-**	(45,131)
Other (expense) income, net	**587**	2,326	**11,900**	4,176
	(70,559)	**(559,920)**	**(594,545)**	**(1,010,007)**
LOSS BEFORE TAXES	**179,046**	**(371,278)**	**262,990**	**(316,211)**
Current income taxes	**698**	5,692	**(55,534)**	(18,274)
Deferred income taxes	**(7,001)**	1,137	**(34,847)**	(30,128)
	(6,303)	6,829	**(90,381)**	(48,402)
RESULT BEFORE MINORITY INTEREST	**172,743**	**(364,449)**	**172,609**	**(364,613)**
Minority interest (expense) income	**-**	-	**134**	164
NET INCOME (LOSS) OF THE PERIOD	**172,743**	(364,449)	**172,743**	(364,449)
NET INCOME (LOSS) PER THOUSAND SHARES	**123**	**(257)**		
Statement of EBITDA (Earnings before income taxes, interest, depreciation and amortization)				
Income (loss) before taxes	**179,046**	(371,278)	**262,990**	(316,211)
Financial income (expense), net	**35,762**	392,367	**33,590**	508,796
Depreciation and amortization	**21,598**	16,220	**87,441**	57,250
Equity in subsidiaries	**(137,020)**	(17,131)	**-**	-
Goodwill amortization	**-**	45,131	**-**	45,131
AMOUNT OF EBITDA	**99,386**	**65,309**	**384,021**	**294,966**

JBS S.A.

Statements of cash flows for the three months period ended June 30, 2009 and 2008

(In thousands of Reais)

	Company		Consolidated	
	2009	2008	2009	2008
Cash flow from operating activities				
. Net income (Loss) of the period	**172,743**	(364,449)	**172,743**	(364,449)
Adjustments to reconcile net income (loss) to cash provided				
. Depreciation and amortization	**21,598**	16,220	**87,441**	57,250
. Allowance for doubtful accounts	**2,542**	207	**4,802**	699
. Goodwill amortization	**-**	45,131	**-**	45,131
. Minority interest	**-**	-	**(134)**	(164)
. Equity in subsidiaries	**(137,020)**	(17,131)	**-**	-
. Write-off of fixed assets	**534**	320	**1,560**	321
. Deferred income taxes	**7,001**	(1,137)	**34,847**	30,128
. Current and non-current financial charges	**(401,559)**	202,145	**(511,548)**	(33,398)
. Provision for contingencies	**1,558**	-	**815**	(3,287)
. Adjustment of assets and liabilities to present value	**(1,227)**	-	**(1,227)**	-
	(333,830)	(118,694)	**(210,701)**	(267,769)
Variation in operating assets and liabilities				
. Decrease (increase) in trade accounts receivable	**(60,714)**	**(69,946)**	**(194,256)**	**(464,900)**
. Decrease (increase) in inventories	**111,142**	(175,788)	**104,100**	(227,242)
. Decrease (increase) in recoverable taxes	**(45,954)**	(46,573)	**(43,563)**	(55,996)
. Decrease (increase) in other current and non-current assets	**38,829**	2,017	**38,993**	(384,744)
. Decrease (increase) in credits with related parties	**-**	(328,812)	**353,295**	(7,404)
. Increase (decrease) in trade accounts payable	**18,453**	41,197	**21,920**	308,826
. Increase (decrease) in other current and non-current liabilities	**2,447**	(53,249)	**40,969**	413,535
. Increase (decrease) in debits with related parties	**1,118,635**	-	**-**	-
. Valuation adjustments to shareholders´ equity	**-**	-	**(123,004)**	-
Net cash provided by (used in) operating activities	**849,008**	**(749,848)**	**(12,247)**	**(685,694)**
Cash flows used in investing activities				
. Additions to property, plant and equipment and intangible asset	**(177,072)**	(45,892)	**(285,605)**	(268,067)
. Increase in deferred charges	**-**	(1,250)	**-**	(1,509)
. Increase in investments	**(44,488)**	(266,531)	**-**	(28,581)
Net cash used in investing activities	**(221,560)**	**(313,673)**	**(285,605)**	**(298,157)**
Cash flows from financing activities				
. Loans and financings	**413,376**	658,410	**1,877,768**	746,525
. Payments of loans and financings	**(451,376)**	(668,242)	**(1,007,268)**	(771,252)
. Increase in capital stock	**-**	819,728	**-**	819,728
. Shares acquisition of own emission	**-**	(25,485)	**-**	(25,485)
Net cash provided by financing activities	**(38,000)**	**784,411**	**870,500**	**769,516**
Effect of exchange variation on cash and cash equivalents	**-**	**-**	**(71,941)**	**-**
Net increase (decrease) in cash and cash equivalents	**589,448.00**	(279,110.00)	**500,707**	(214,335)
Cash and cash equivalents at the beginning of the period	**1,326,913**	2,407,864	**1,797,951**	2,684,222
Cash and cash equivalents at the end of the period	**1,916,361**	**2,128,754**	**2,298,658**	**2,469,887**

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.