JBS DAY New York
4Q13 and 2013 Results Presentation
March 25th, 2014

Disclaimer

This release contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of JBS. These are merely projections and, as such, are based exclusively on the expectations of JBS' management concerning the future of the business and its continued access to capital to fund the Company's business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors and risks disclosed in JBS' filed disclosure documents and are, therefore, subject to change without prior notice.

Management Here Today

- Wesley Batista – CEO of JBS Global
- André Nogueira – CEO of JBS USA
- Denilson Molina – CFO of JBS USA
- Bill Rupp – President and COO of Beef USA
- Bill Lovette – CEO of Pilgrim's Pride
- Martin Dooley – President and COO of Pork USA
- Miguel Gularte – CEO of JBS Mercosul
- Gilberto Tomazoni – CEO of JBS Foods
- Eliseo Fernandez – Chief Control Officer
- Eduardo Maciel – Finance Director of JBS S.A.
- Jerry O'Callaghan – Investor Relations Officer

JBS at a Glance

- Founded in the 1950's in Midwest of Brazil
- IPO in 2007
- Leadership position in the global food industry
- Estimated revenues of around US$50 billion in 2014
- Presence in 5 continents and sales to more than 150 countries
- Production facilities in the low cost geographies
- More than 185,000 employees

Production capacity

Beef	Chicken	Pork	Leather	Lamb
100 thousand heads/day	12 million birds/day	70 thousand hogs/day	100 thousand hides/day	25 thousand lambs/day

Source: Company

JBS 4Q13 Results Highlights

- Net revenue of R$27.2 billion, an increase of R$5.4 billion, or 24.6% higher than 4Q12, of which 54% came from organic growth.

- Consolidated EBITDA was R$1,873.5 million, an increase of 60.0% over the same period of last year. EBITDA margin for the quarter was 6.9%.

- Annualizing 4Q13 EBITDA leverage ended the period at 3.17x.

- JBS ended the year with leverage of 3.70x, considering all debt assumed with Seara acquisition and only one quarter of EBITDA.

JBS 2013 Results Highlights

- JBS net revenue increased 22.7% compared to prior year and reached R$92.9 billion.

- EBITDA totaled R$ 6.1 billion in 2013, 39.0% higher than 2012. EBITDA margin was 6.6%, an increase of 80b.p. over the previous year.

- JBS ended the year with Adjusted Net Income of R$1,194.0 and recorded R$926.9 million of net income, 28.9% higher than 2012 and equivalent to R$323.32 per thousand shares.

- JBS generated net cash from operating activities of R$2,541.0 million, with positive free cash flow of R$635.1 million in 2013.

Market Analysis

World's Food* Surpluses and Deficits

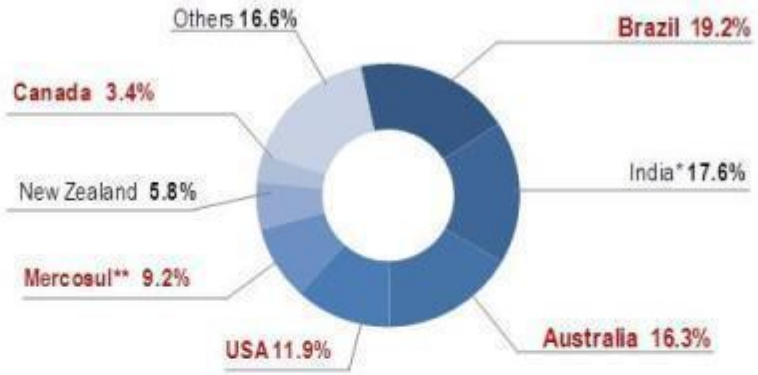
Net intra-regional trade, million tonnes

* Cereals, rice, oilseeds, meals, oils and feed equivalent of meat.
Source: The Economist

Global Protein Trade – Largest Exporters

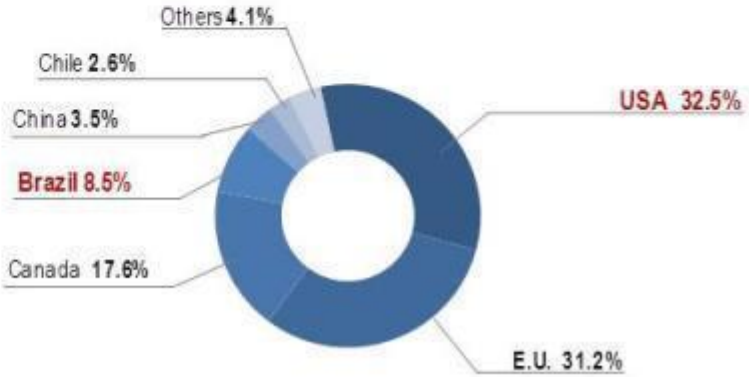
JBS is present in the main exporter markets

Beef Exports



Chicken Exports

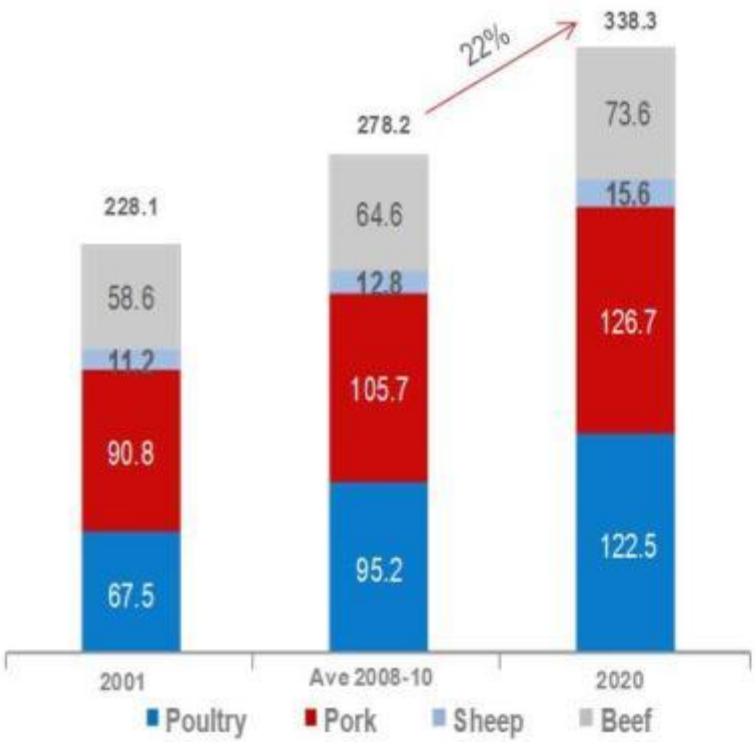
Pork Exports



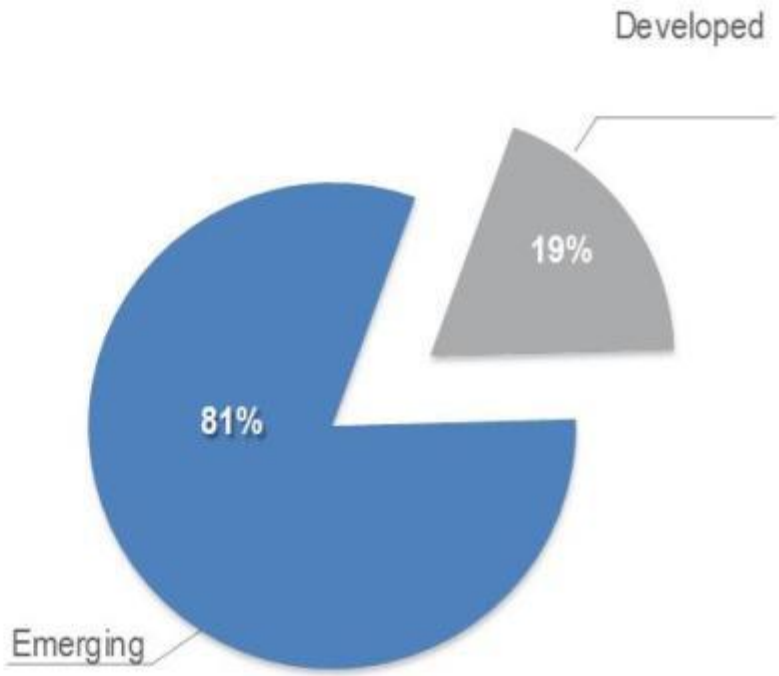
Source: USDA 2013
*Buffaloes/ **Excluding Brazilian exports

Meat Consumption Growth Forecast 2011-2020

Meat Consumption Forecast
(Million tons)

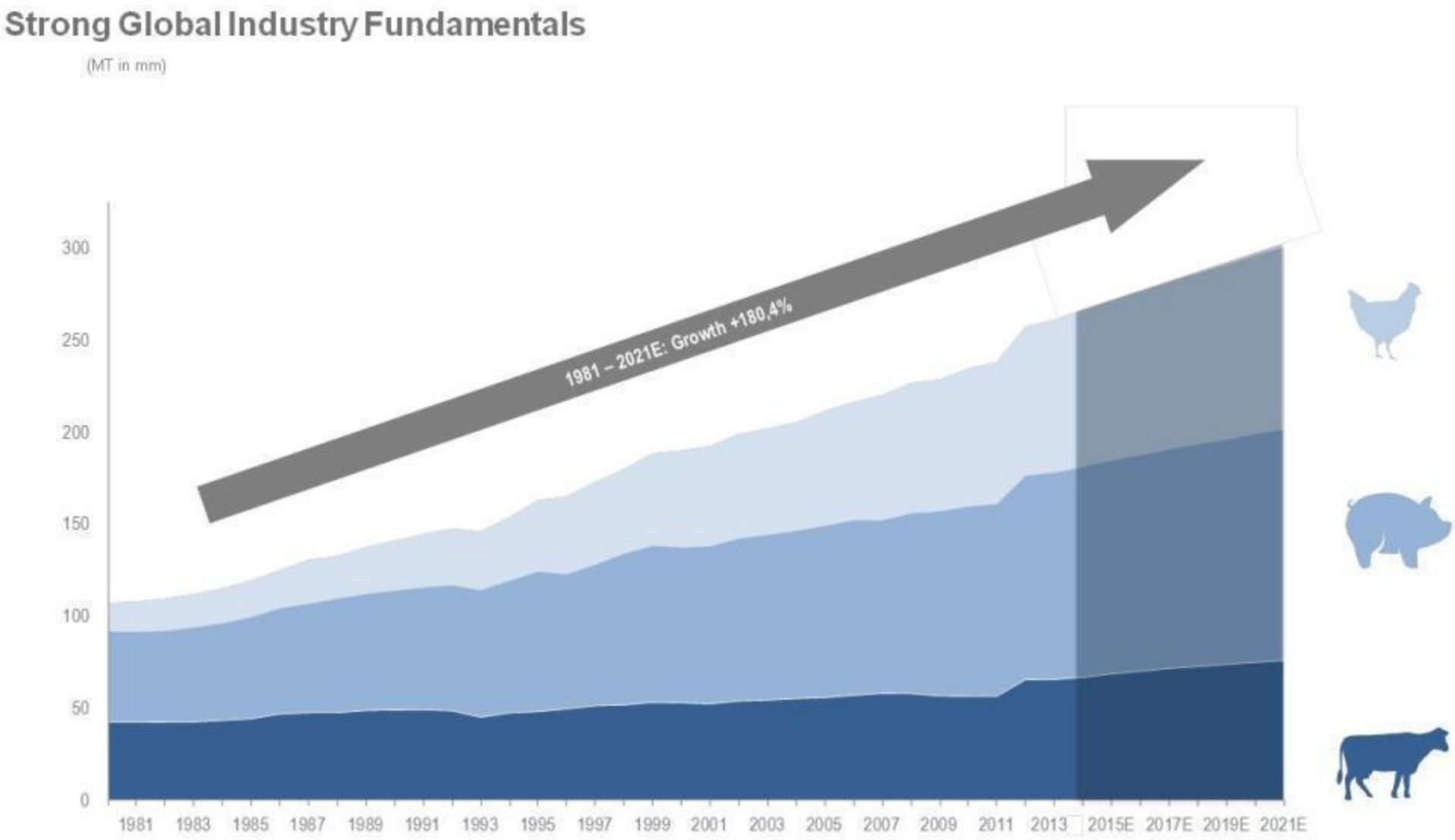


Expected increase in meat demand by country groups between 2010 - 2020



Source: FAO - OECD

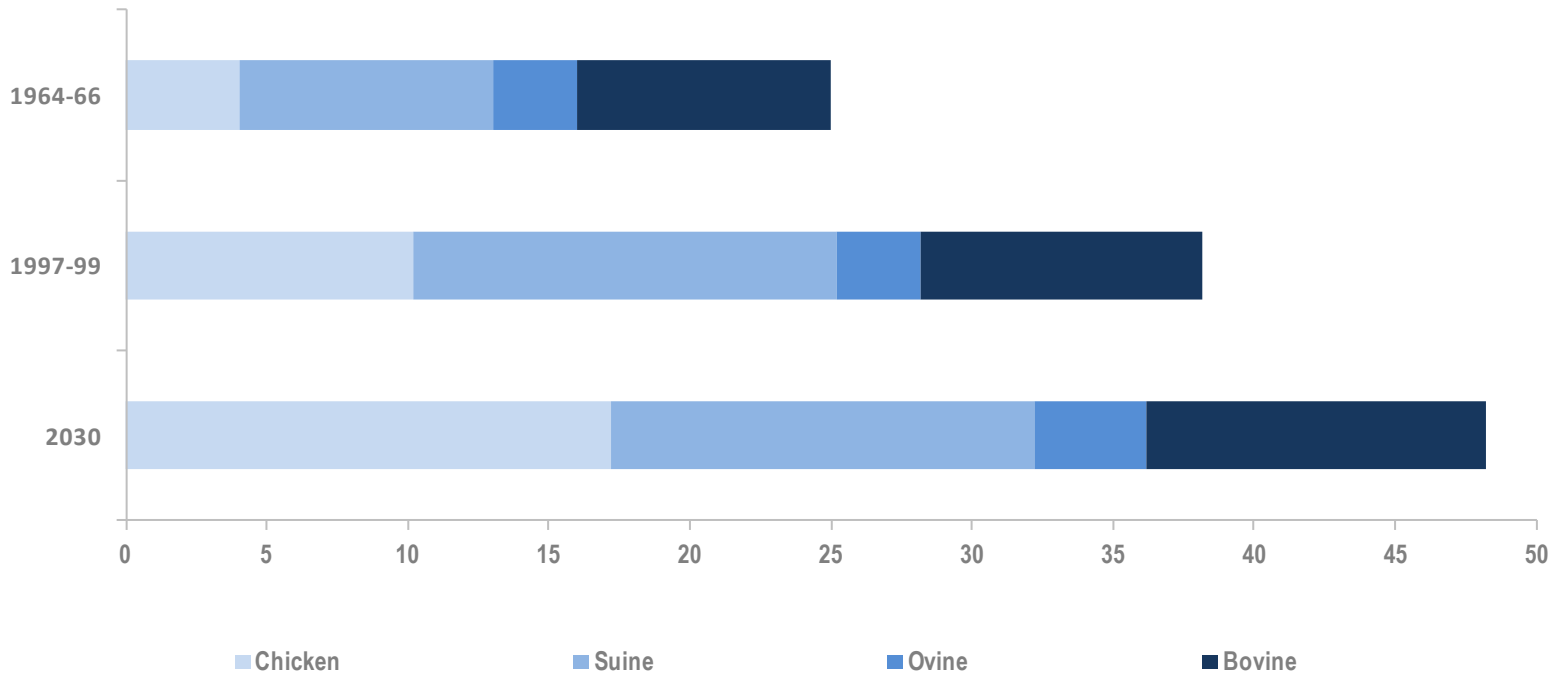
Global Protein Consumption Growth by Species



Source: USDA FAS and FAO

Average global per capita meat consumption, from 1960-2030

Consumption (kg/person/year)



Source: FAO

Consolidated Results

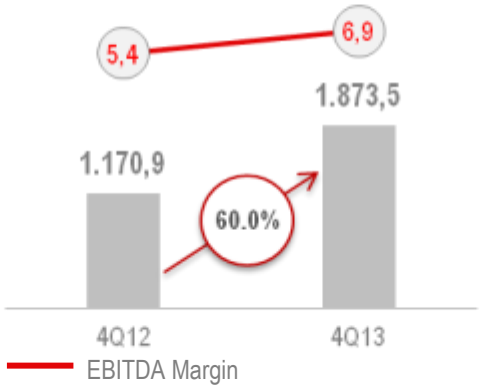
4Q13 Consolidated Results

Highlights

[Net Revenue - R$ billion]

✓ **Net revenue of R$27.2 billion**, an increase of R$5.4 billion, or 24.6% higher than 4Q12, of which 54% came from organic growth.

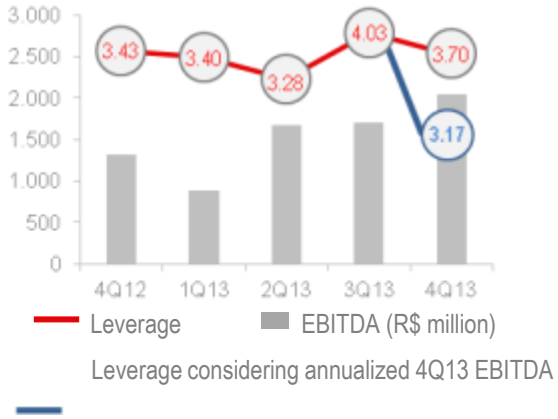
[EBITDA - R$ million]



✓ **Consolidated EBITDA was R$1,873.5 million**, an increase of 60.0% over the same period of last year.

✓ EBITDA margin for the quarter was 6.9%.

[Leverage – Net Debt/EBITDA]



✓ Annualizing 4Q13 EBITDA leverage ended the period at **3.17x.**

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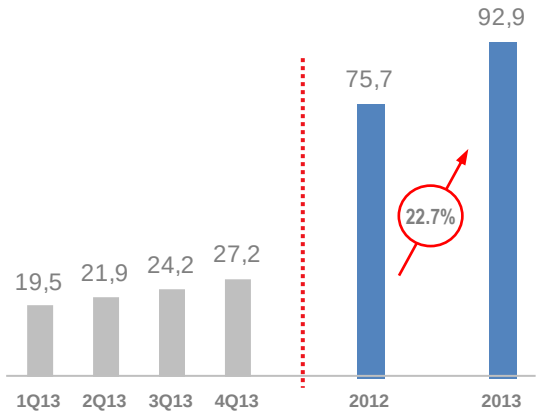
Source: Company

Highlights

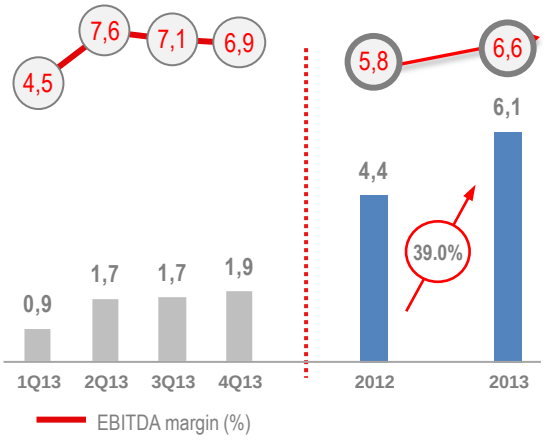
[Net Revenue - R$ billion]



✓ **JBS net revenue increased 22.7%** compared to prior year and **reached R$92.9 billion**.

✓ In 2013,net revenue increased more than 10% in all quarters.

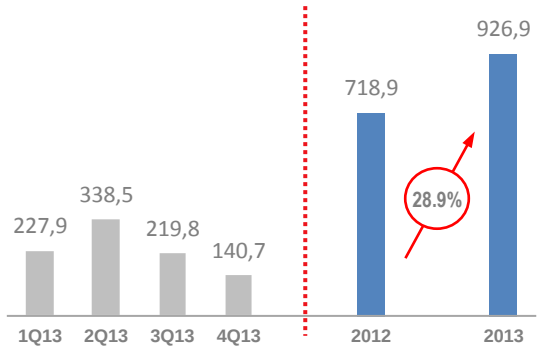
[EBITDA - R$ billion]



✓ **EBITDA** totaled R$ 6.1 billion in 2013, 39.0% higher than 2012.

✓ **EBITDA margin was 6.6%,** an increase of 80b.p. over the previous year.

[Net Income - R$ million]



✓ **JBS ended the year with R$926.9 million** of net income, 28.9% higher than 2012 and equivalent to R$323.32 per thousand shares.

JBS Mercosul recorded net revenue of R$25,820.5 million, up 43.3% when compared to 2012.

The chicken unit in the USA (PPC) had the best year in its history in 2013 and posted a **net revenue of US$8,411.1 million**.

Acquisition of Seara and union with JBS Chicken Brazil forming **JBS Foods.**

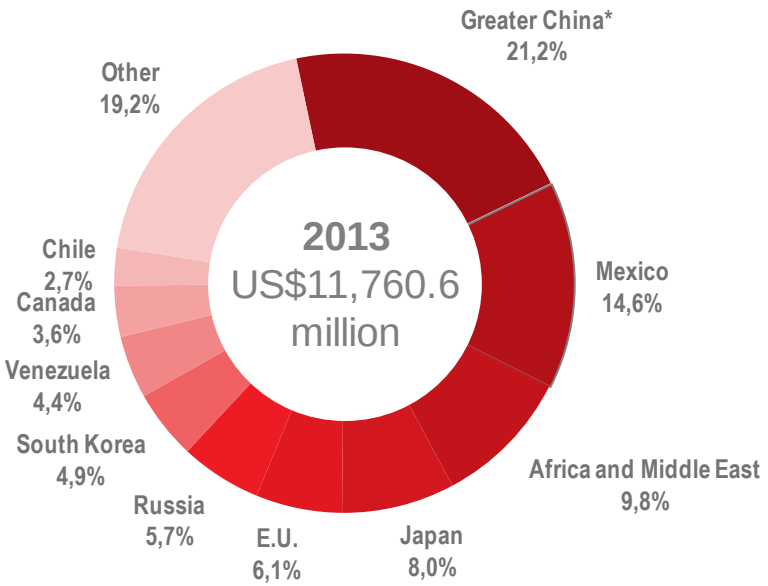
2013 Consolidated Results

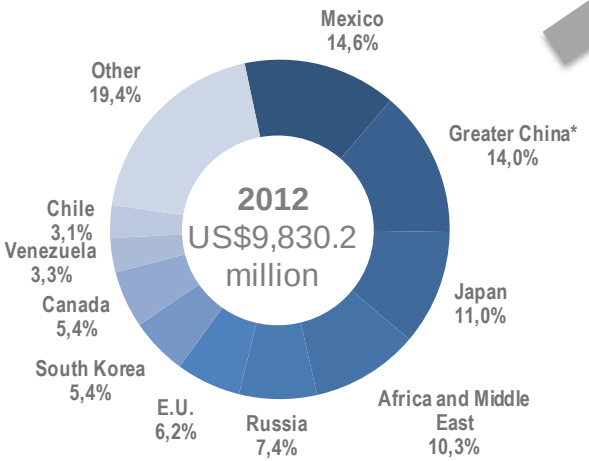
Adjusted Net Income	▪ Adjusted net income in 2013 was R$1,194.0 million, disregarding the portion of deferred income tax liabilities, which refers to the goodwill held by the Parent company. Net income for the year was R$926.9 million, R$323.32 per thousand shares.
Operational Net Cash	▪ In 2013 the company generated net cash from operating activities of R$2,541.0. In 4Q13 net cash from operating activities was R$357.8 million .
Free Cash Generation	▪ In 2013 company generated free cash flow of R$635.1 million. In 4Q13 negative free cash flow of R$230.4 million due to an expressive expansion of Mercosul exports in the period.
Capital Expenditure	▪ In 2013 the total capital expenditure (CAPEX) was R$1,737.3 million, while in 4Q13 the expenditure was R$585.2 million. The main investments in 4Q13 in North America were destined to the units of Brooks in Alberta, in Canada, and in Mercosul the main investments were concentrated on improving productivity and expanding operations in the beef business in Brazil and JBS Foods.

Source: Company

JBS Consolidated Exports Distribution in 2013 and 2012

Increase of 19.6% in 2013 exports compared to 2012



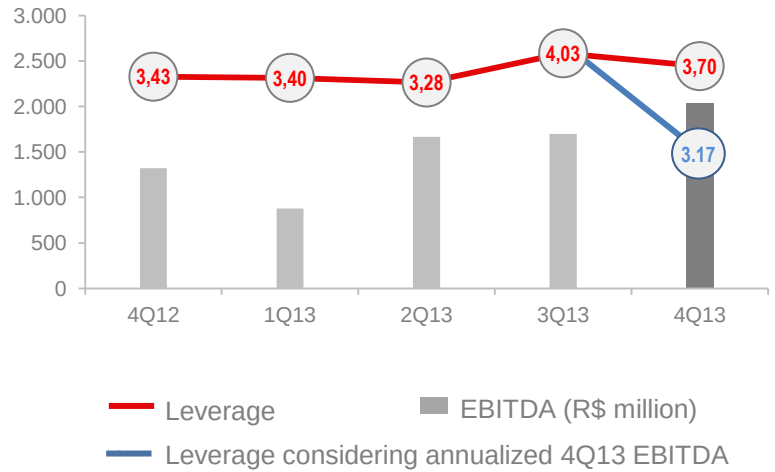


*Considers China and Hong Kong

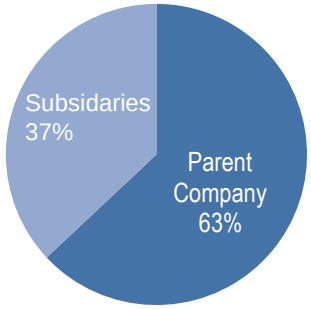
Debt Profile

Indebtedness

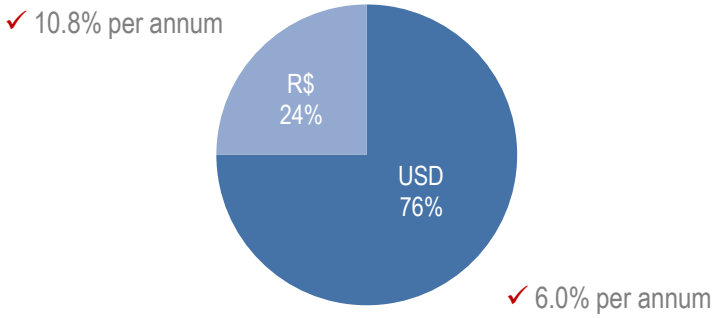
Leverage



Breakdown by Company



Breakdown by Currency & Average Cost



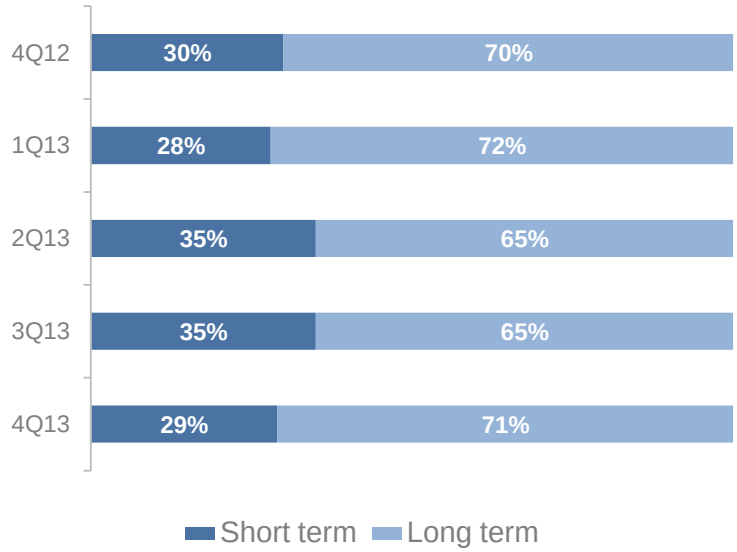
✓ Annualizing 4Q13 EBITDA, that includes Seara results, leverage ended the period at **3.17x.**

✓ **LTM,Net debt/EBITDA was 3.70x in 4Q13**, compared to 4.03x in 3Q13, even after the integration of a relevant acquisition and strong foreign exchange variation.

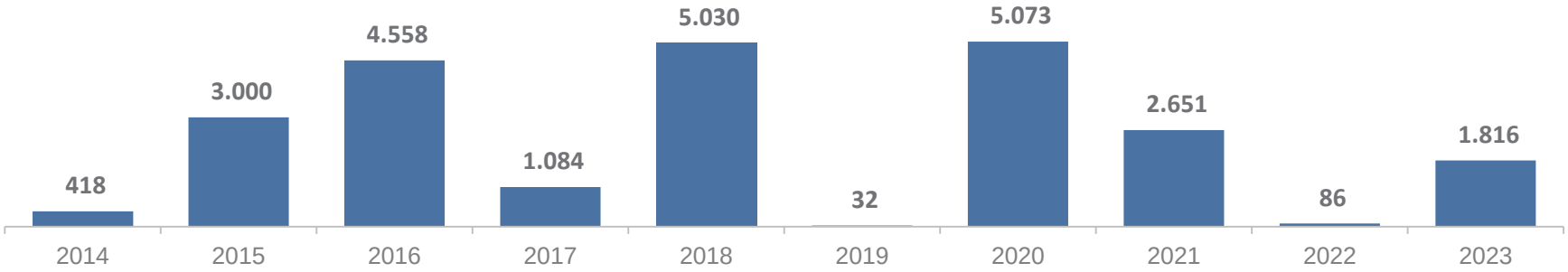
✓ The reduction of net debt/EBITDA reflects the management commitment in improving financial efficiencies, consequently, reducing its leverage.

Debt Profile

- ✓ JBS ended the year with R$9,013.1 million in cash, corresponding to 96% of short-term debt, approximately.
- ✓ Considering credit lines of immediate liquidity of US$1.55 billion from JBS USA, availabilities of the Company represents more than 100% of short-term debt.
- ✓ The percentage of short term debt (ST) in relation to total debt declined from 35% in 3Q13 to 29% in 4Q13.



Net Debt maturity (R$ million)



Source: JBS

Stock Performance

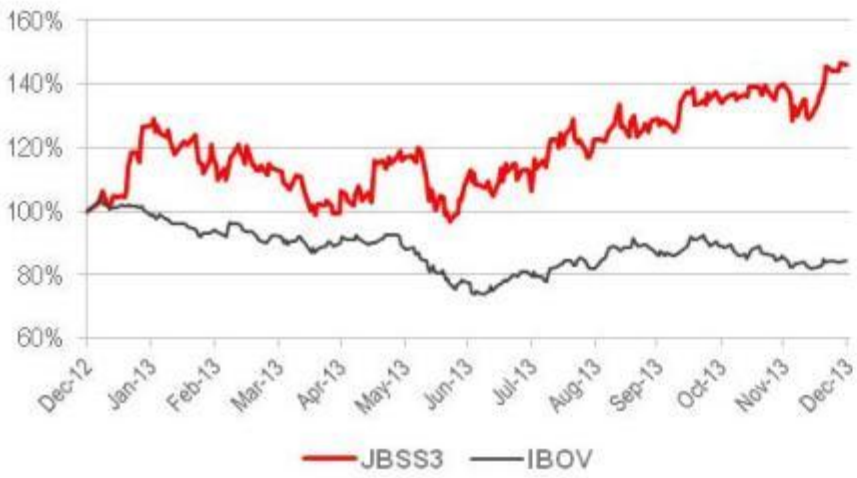
Stock Performance

JBS Stock Performance

During 2013, JBSS3 substantially outperformed the Ibovespa Index, **increasing 47%, while the index decreased 15%.**

The Average Daily Traded Financial Volume in the year was R$34.3 million, **an increase of 34.1%** compared to 2012.

As of December,31 2013 JBS' market cap was R$25.8 billion.



PPC Stock Performance (Controlled by JBS)

During 2013, PPC stocks substantially **outperformed the S&P 500 Index**, increasing 129%, while the index increased 31%.

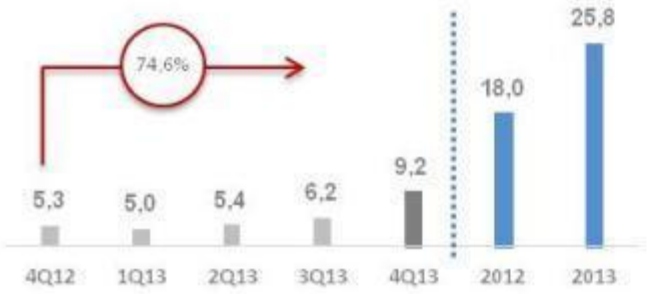
As of December,31 2013 PPC's market cap was US$4.7 billion.

Source: Bloomberg, 100% = 12/31/2013

JBS Mercosul

JBS Mercosul

Net Revenue (R$ billion)



EBITDA (R$ billion)

- ✓ **Net revenue was R$9,203.7 million in the quarter, up 74.6% over 4Q12.**
  - ➢ Incorporation of JBS Foods results in 4Q13;
  - ➢ Improvement in the performance of the beef business in Brazil;
  - ➢ Increase in the number of processed cattle year over year;
  - ➢ Exports 81.8% higher when compared to 4Q12.
- ✓ **EBITDA totaled R$ 919.7 with EBITDA margin of 10.0%**
  - ➢ Increase in direct distribution and customer base;
  - ➢ Higher demand in the international market in the beef segment.

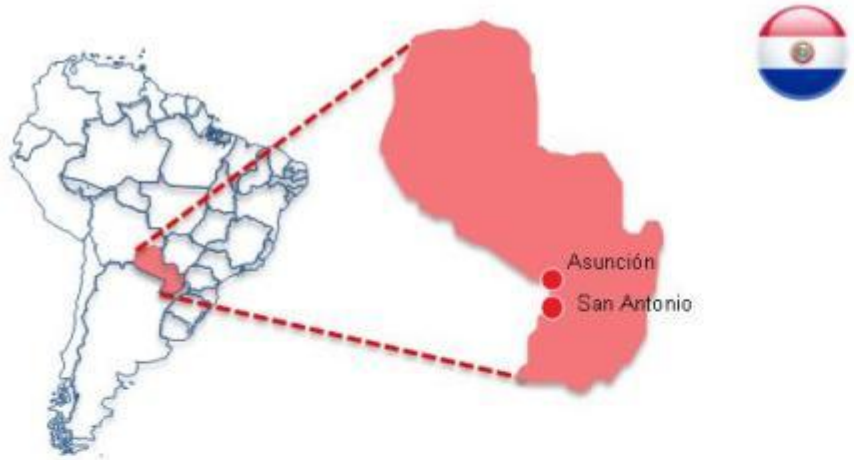
Geographic Footprint and Capacity

Operation platform[1]

- ~55,000 head per day
- 90,000 hides per day
- 36 Distribution Centers
- 09 Related Businesses

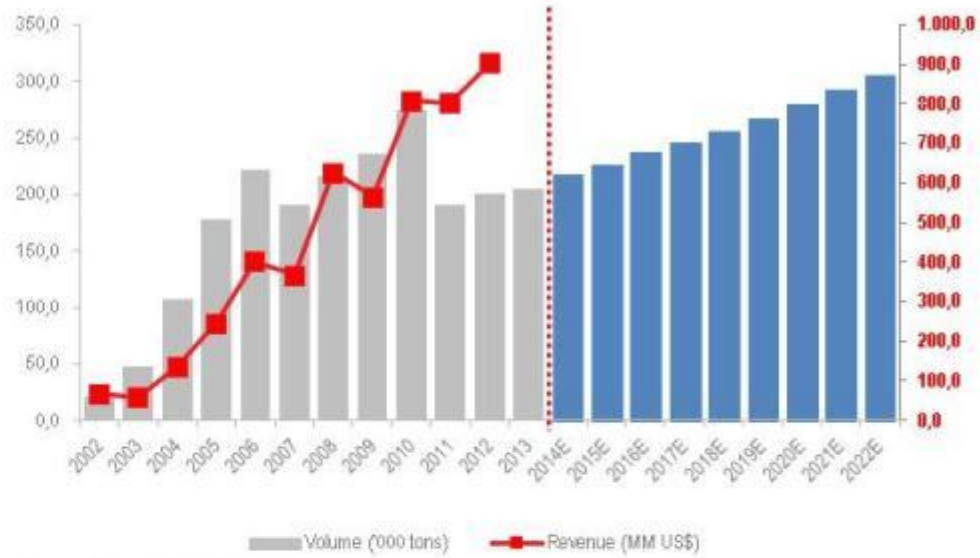
JBS Uruguay

Footprint



- JBS Beef Processing Facility
- ✓ 02 beef processing units
- ✓ 1,300 head per day

Paraguay Beef Exports



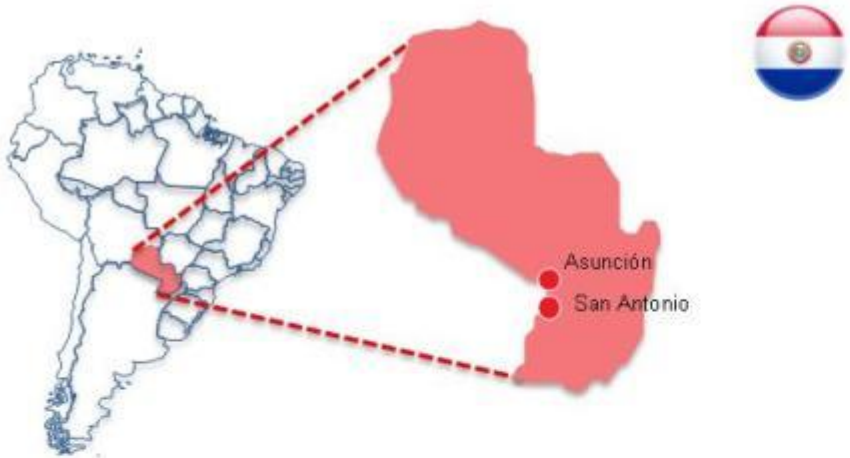
Source: FAO and SENACSA

JBS has around 25% of market share in Paraguayan Exports

- Herd Growth of 8.0% in 2013, the highest in South America.
- Paraguay also registered **the highest growth in beef exports**, with revenue growing from US$67.7 million to US$904.3 million in the last decade, **an increase of 1,237%**.
- High capacity utilization of processing facilities.
- Production costs are very competitive.

JBS Paraguay

Footprint



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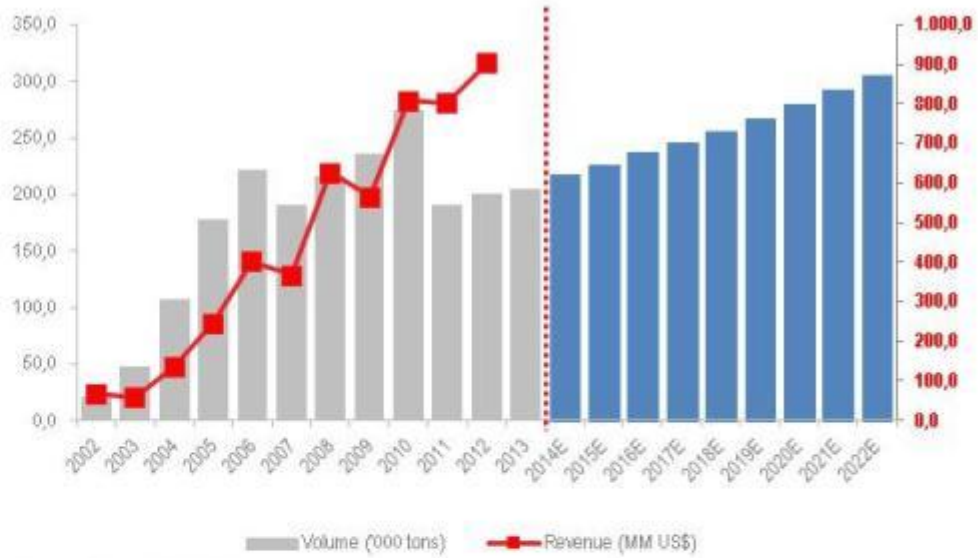
Paraguay Beef Exports



Source: FAO and SENACSA

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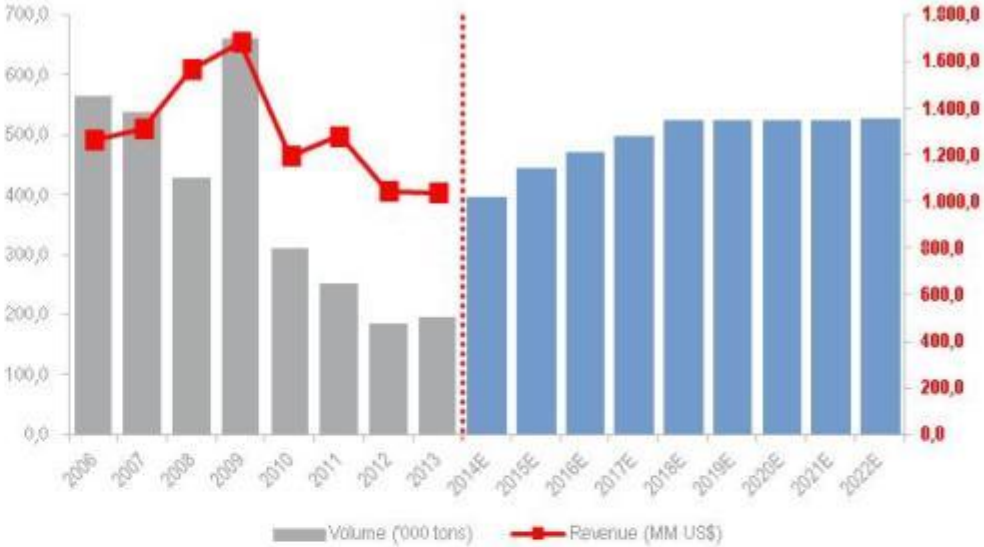
JBS Argentina

Footprint

- JBS Beef Processing Facility
- ✓ 5 beef processing units (only 1 active)
- ✓ 1,750 head per day
- ✓ 1 DC in Pillar

Argentina Beef Exports



Source: FAO, IPCVA and USDA

Concentration of activities in one plant in order to have efficiency gains

- Argentina's exports are restricted by the government due to the "Meat For All" program, created in 2011 by the present government.
- **Concentration of activities in one plant in order to have efficiency gains**, increasing productivity levels in order to reduce operation costs.
- Production focused on the domestic market due to tariffs on exports. Change in product mix and creation of customized and branded products such as beef nuggets to attend local demand.
- Argentina has one of the largest beef consumption.

JBS Brazil

Brazil has over 200 million head of cattle, the world's largest commercial herd, with double the size of the second largest country.

JBS is present in 17 of 26 states in Brazil, through:

- 42 beef processing facilities with capacity to process 45,000 head of cattle per day
- 06 feedlots with capacity to feed 284,000 head of cattle per period
- 19 hide facilities with capacity to process 73,000 hides per day
- 35 Distribution Centers (12 large + 23 regional)

JBS increased the number of heads processed by about 20% from 2012 to 2013, while total Brazilian slaughter increased 4%.

JBS has 9 businesses related to its Beef Industry that add value to by-products in Brazil.
Examples are: biodiesel, collagen, casings, etc.

JBS Brazil

Domestic Market Highlights

- 35 Distribution Centers (12 large + 23 regional)
- Successful marketing and advertising campaign
- 10,000 new clients in 2013
- 2014: growth expectations due to important events in Brazil

Export Market Highlights

- Exports and revenue exports growth of 25% in 2013
- A further 30% revenue growth in local currency
- Big demand from emerging markets; i.e. Greater China
- Fresh Brazilian Beef to the US
- JBS unique position due to its US and Brazilian footprint

JBS Leather Business

Overview[1]

✓ JBS is the world's largest hides/leather processor with capacity to process more than **91,000 hides per day** with 26 tanneries and finishing units in:

- Brazil, Argentina, China, Germany, Italy, Mexico, South Africa, Vietnam and Uruguay

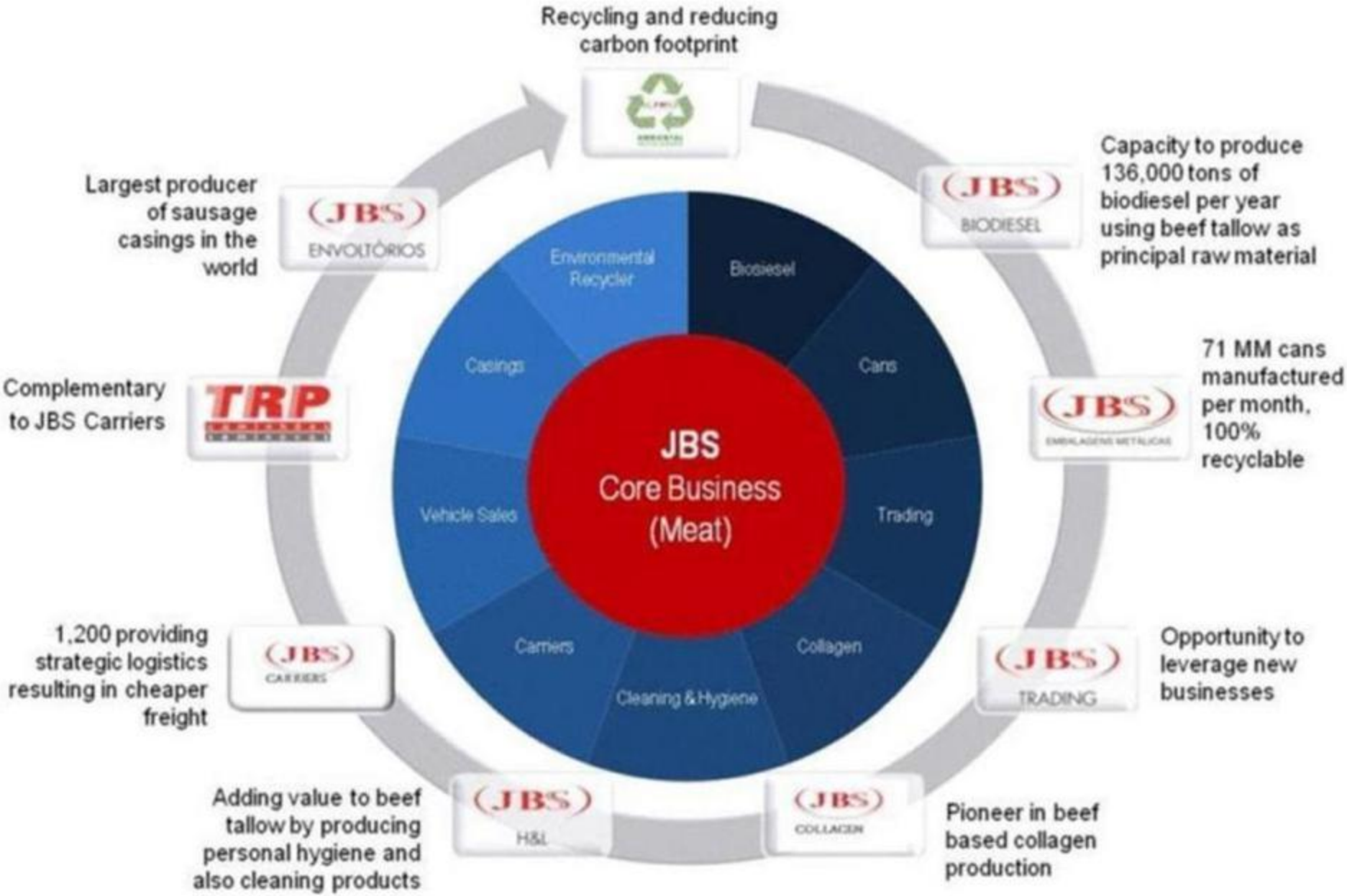
✓ JBS is the main leather supplier to the automotive industry, which shows excellent growth perspectives. More than 90% of our production is directed to the international market.

✓ **JBS has been adding value** internally, reducing the sale of wet blue (first stage of production) and **boosting its sales of finished and semi-finished leather**, which contributes to an increase of the profitability of this operation.

✓ JBS projects processing 15 million hides in 2014, generating **revenues of more than US$1.5 billion.**

Note 1. Not considering leather operations in the US and Australia

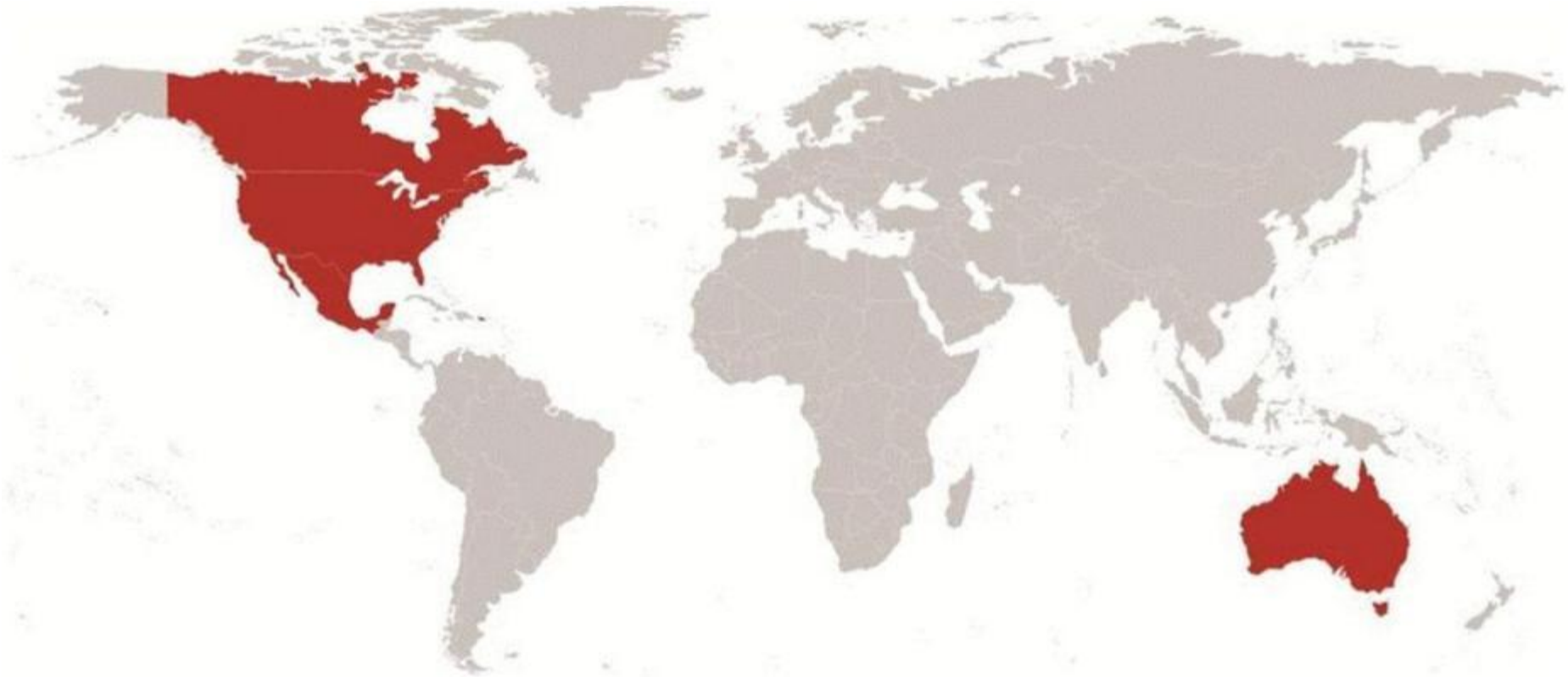
JBS Related Businesses in Brazil



Closing Remarks JBS Mercosul

JBS USA

JBS USA at a Glance



WHERE WE ARE

- **JBS USA Beef** – Including Australia and Canada
- **JBS USA Pork**
- **JBS USA Chicken** (Pilgrim's Pride Corporation – "PPC")

Why North America / Australia?

NATURAL RESOURCES & CAPACITY TO PRODUCE GRAINS/OILSEEDS

INFRASTRUCTURE

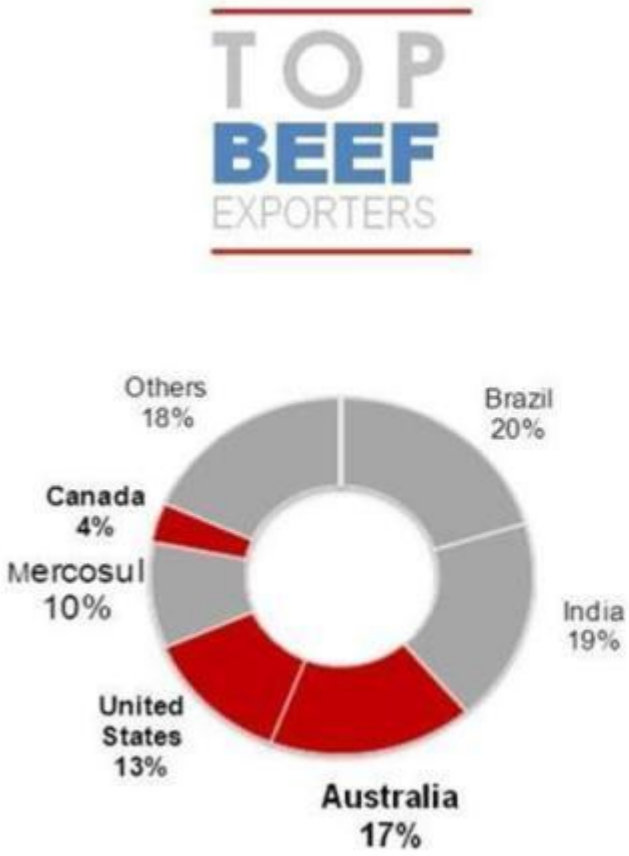
WORKFORCE: QUALITY & AVAILABILITY

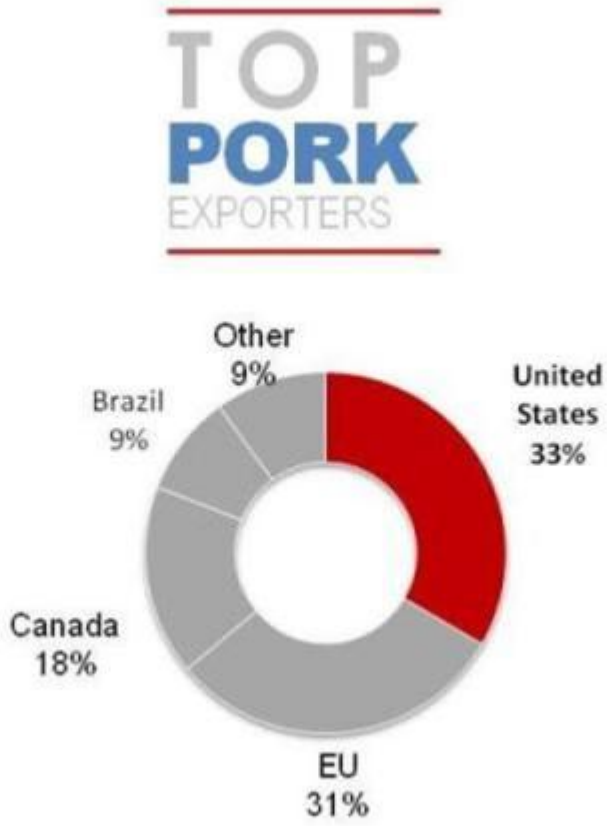
STRONG DOMESTIC MARKET

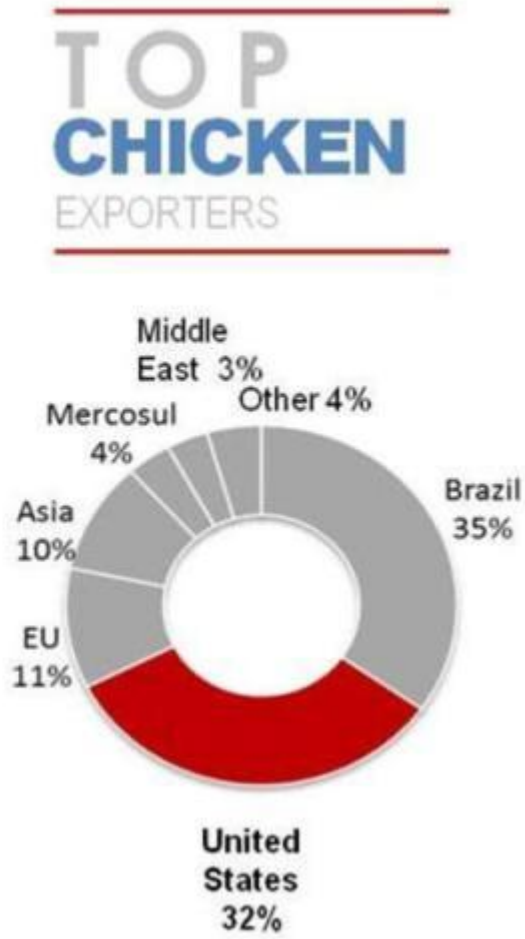
LOW-COST ENERGY

BEST ANIMAL HUSBANDRY PRACTICES

Why North America / Australia?



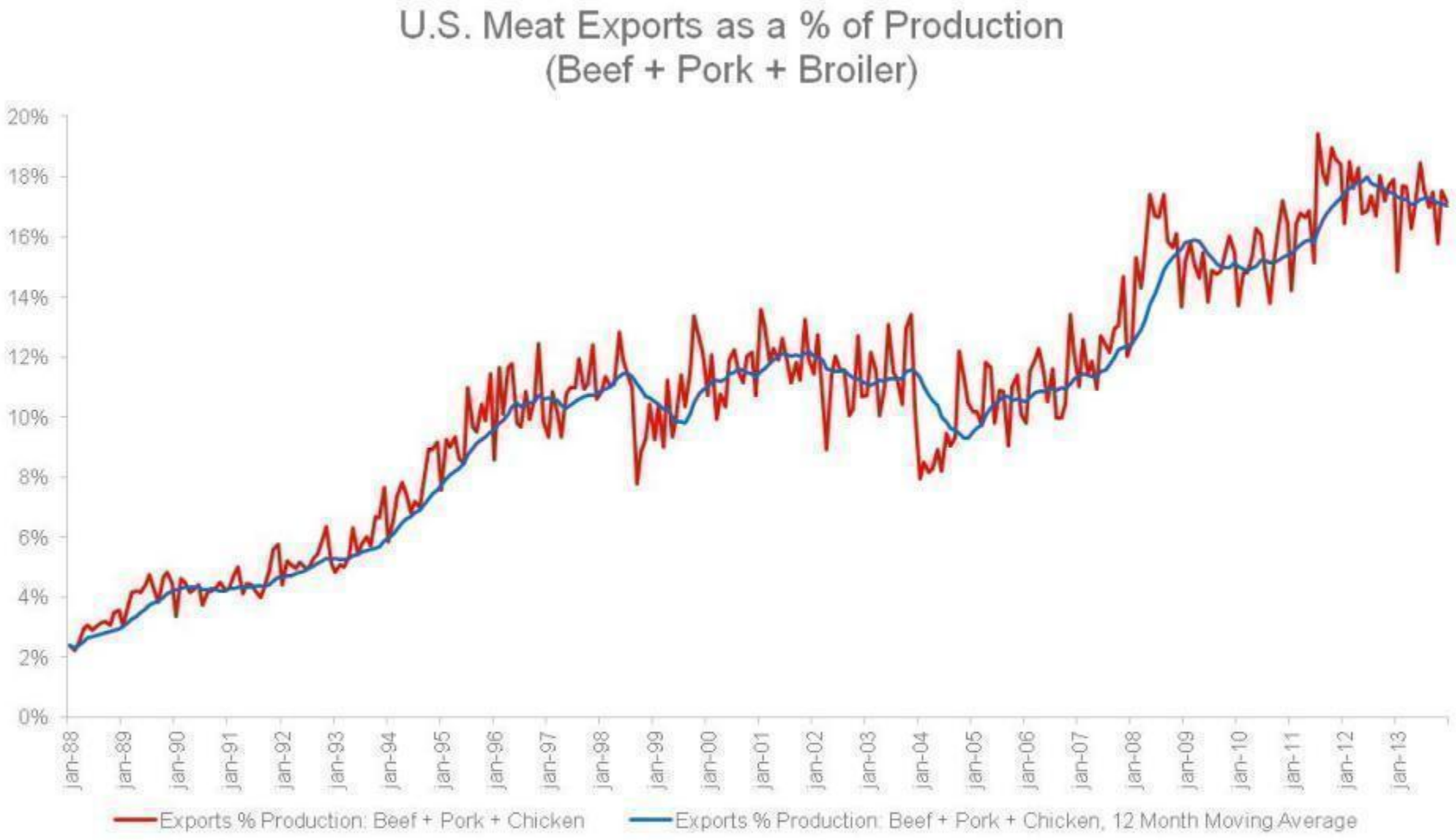




Source: USDA WASDE March 2014.

Why North America / Australia?

Exports account for 1 of every 5 pounds produced in the U.S.

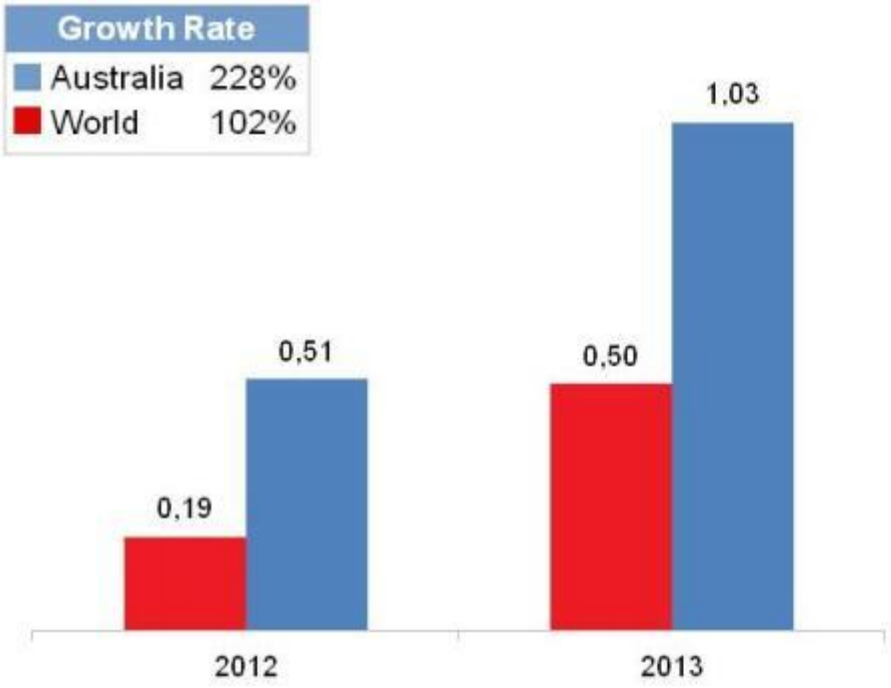


Source: USDA

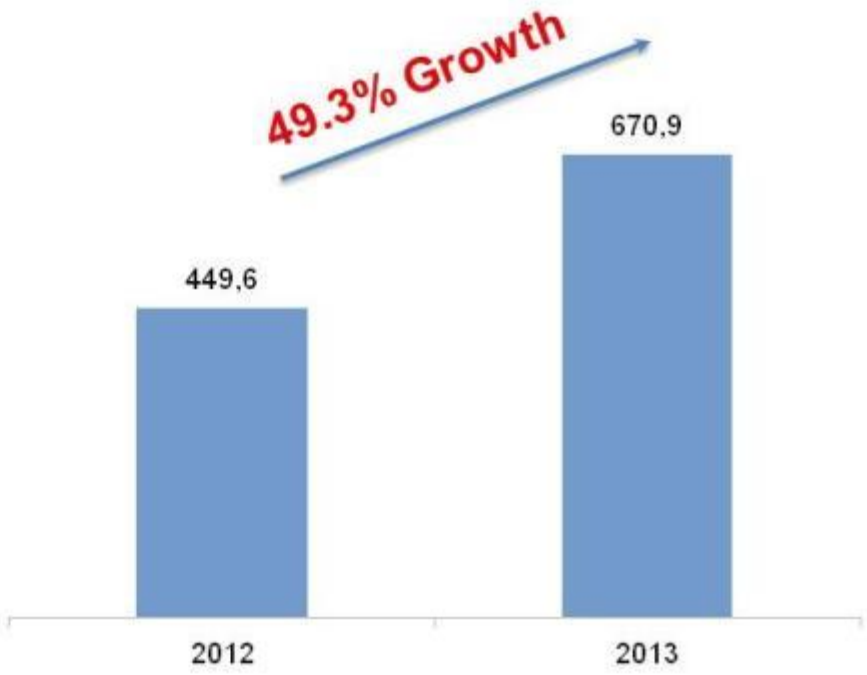
Why North America / Australia?

Examples Where Beef Exports Are Going

Greater China (in million metric tonnes)



Japan (US Beef exports do Japan in metric tonnes)



USA +70.4%

Australia +259%

Source: USDA

Why North America / Australia?

2013

EXAMPLES WHERE **PORK** EXPORTS ARE GOING

- Colombia +85.4%
- Chile +41.8%
- Taiwan +24.7%

EXAMPLES WHERE **CHICKEN** EXPORTS ARE GOING

- Angola – 3rd largest importer in 2013, 456K metric tonnes
- Iraq + 45%
- China + 38.1%

Source: USDA

Our Team

ANDRE NOGUEIRA
JBS USA

BILL LOVETTE
JBS USA CHICKEN
(PILGRIM'S PRIDE CORPORATION – PPC)

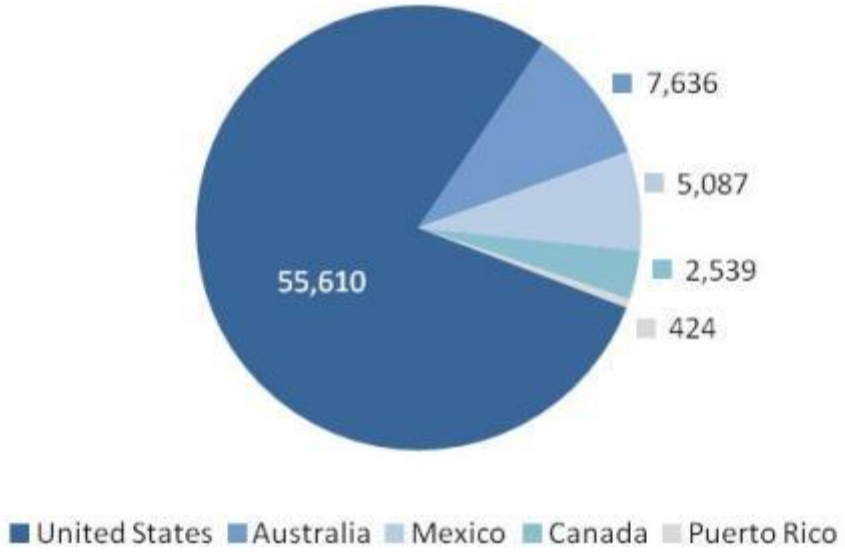
BILL RUPP
JBS USA BEEF
(CANADA & AUSTRALIA)

DENILSON MOLINA
JBS USA CFO

MARTY DOOLEY
JBS USA PORK

71,296
EMPLOYEES
IN **4 COUNTRIES**
& PUERTO RICO

Headcount



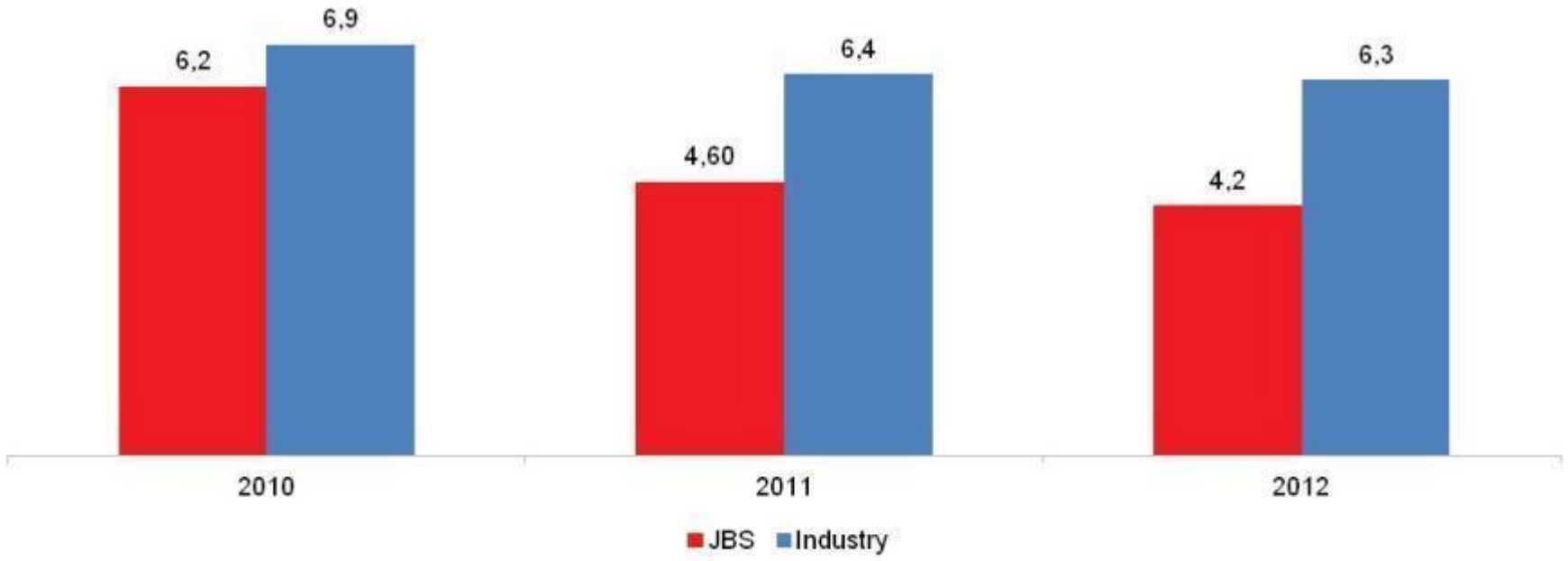
Turnover Results

Continuously improve employee engagement and drive-down turnover

MORE THAN A
50% REDUCTION
IN TURNOVER
OF HOURLY
PRODUCTION
EMPLOYEES
FROM 2007-2013

Safety Results

Meat & Poultry Combined Recordable Rate



Consistently outperform our competitors

Source: Company

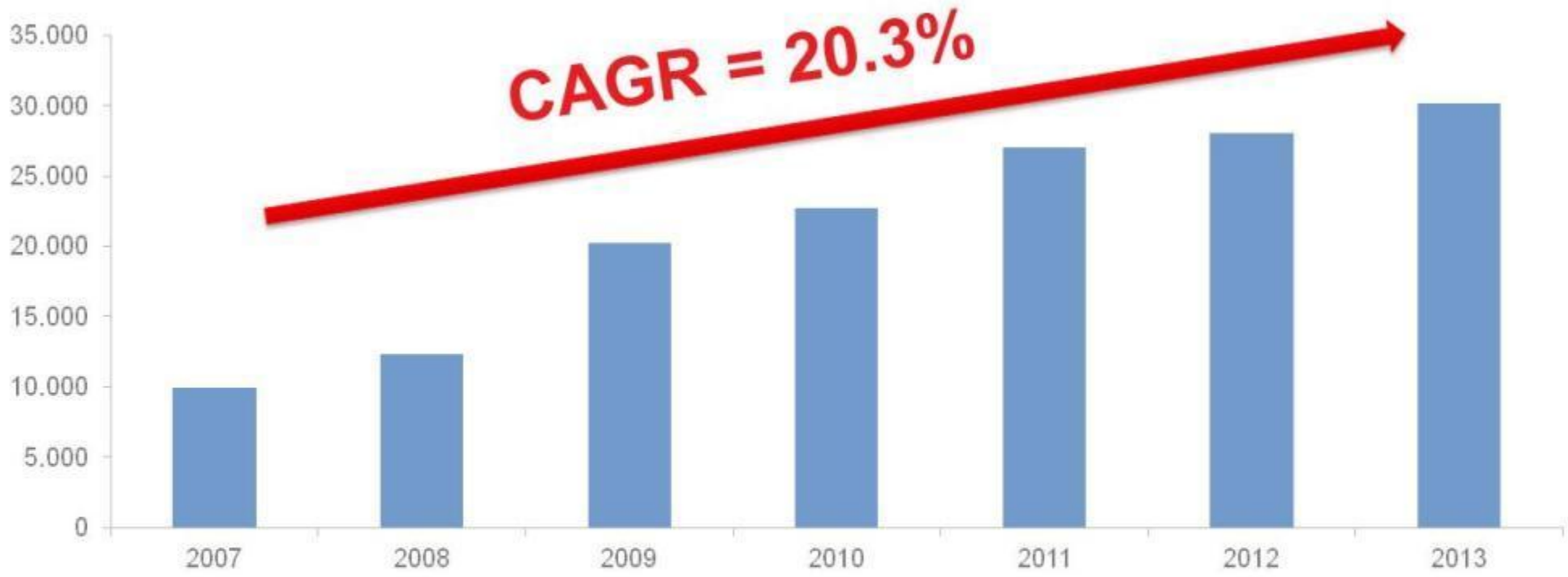
Next generation of leaders

200

LEADERSHIP PROGRAM **TRAINEES** IN 2013

Sales Growth – Historical Performance

JBS USA Holdings Net Sales (US$ Billion)

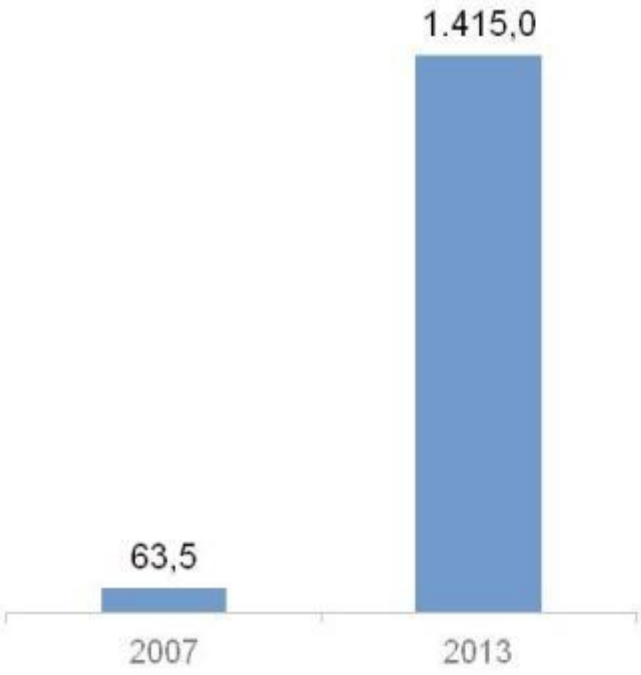


Acquisitions

TASMAN Market Fresh Meats · Packerland · Pilgrim's · Italiana Foods · RD Rockdale Beef · McElhaney Cattle Co. · XL Foods

Turn Around + Growth = Value Generation

JBS USA EBITDA
$ MILLION



JBS USA Acquisitions

Swift
Pilgrim's
RD Rockdale Beef
Packerland
McElhaney Cattle Co.
TASMAN
XL Foods
Tatiara

= $4.87 BILLION

$$\frac{\text{Investments}}{\text{2013 EBITDA}} = 3.44\text{ x}$$

JBS USA Pork – At a Glance

JBS PORK

12% MARKET SHARE

FOOTPRINT

3 Pork Plants
51,300 Head per Day

1 Lamb Plant
2,800 Head per Day

1 Case Ready Plant

BRANDS

Swift Premium
Swift Premium ALL NATURAL PORK
NATURAL Swift Premium FRESH PORK
Swift LA HERENCIA
READY TO COOK Swift Premium DRY RUBBED PORK
Swift 1855 PREMIUM PORK

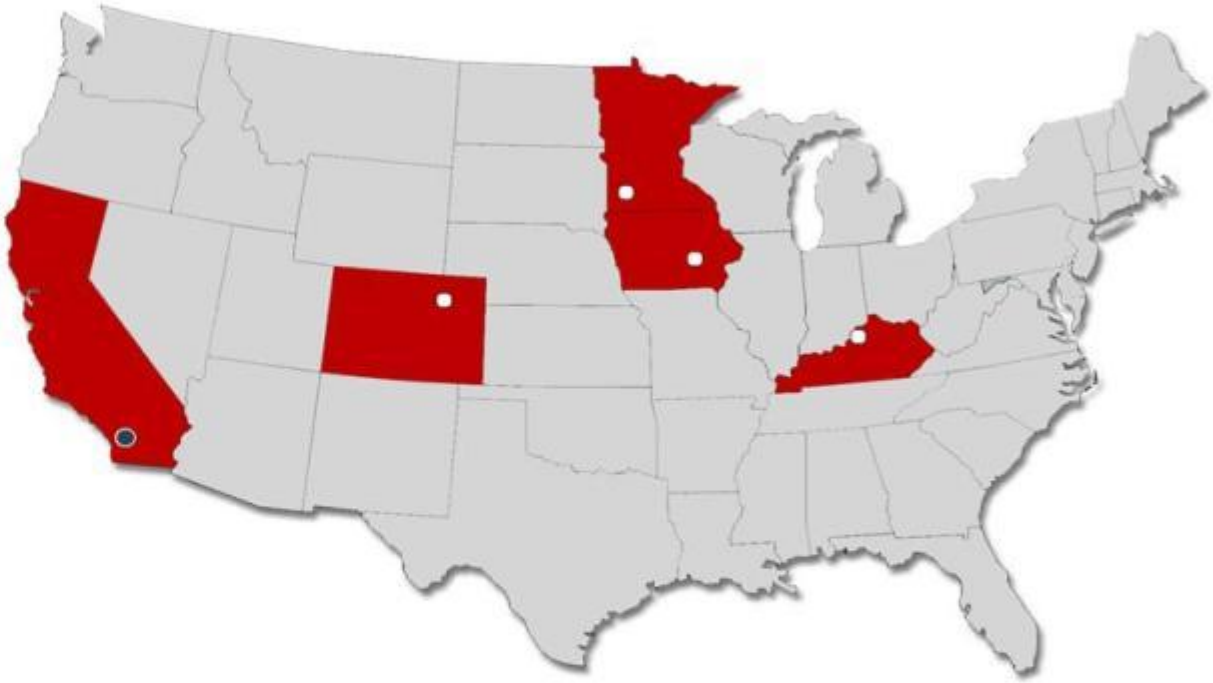
JBS USA Pork – Where We Are

PORK

- **3 Processing Facilities; 1 Case Ready**
  - Louisville, Kentucky
  - Marshalltown, Iowa
  - Worthington, Minnesota
  - Santa Fe Springs, California (case ready)
- **Daily Processing Capacity:** 51,300

LAMB

- **1 Processing Facility**
  - Greeley, Colorado
- **Daily Processing Capacity:** 2,800



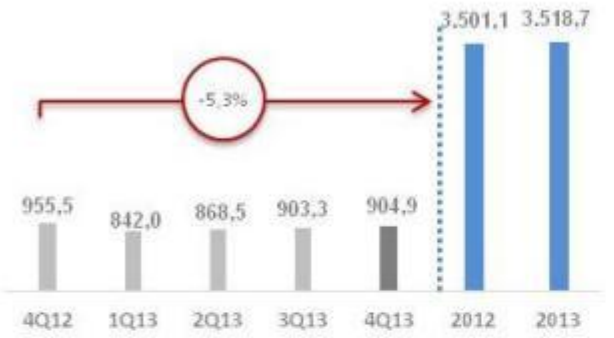
Plant

Case Ready

48

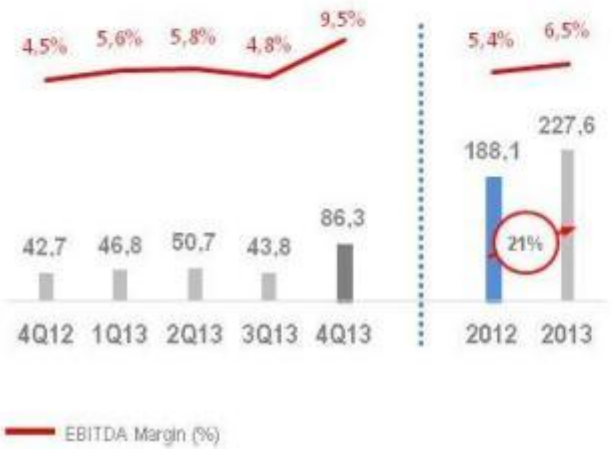
JBS USA Pork

Net Revenue (US$ million)



- ✓ **Net Revenue was US$3.5 billion, stable over 2012:**
  - ➢ Lower number of processed animals, which resulted in a decrease of sales volume that was offset by an increase in prices.

EBITDA (US$ million)



- ✓ **EBITDA was US$227.6 million, increase of 21% over 2012:**
  - ➢ Increase in selling prices both in the domestic and international markets.
- ✓ **EBITDA margin of 9.5% in the 4th quarter 2013.**

BUY

- ✓ Maintain 70% contract supply
- ✓ Increase supply from medium/smaller producers
- ✓ Increase programs, such as paylean free, marbled, weight sorted

MAKE

- **Continue to focus on:**
  - ✓ Safety
  - ✓ Turnover
  - ✓ Labor efficiency
  - ✓ All expenses elements
  - ✓ Yields
  - ✓ Additional automation

SELL

- ✓ Increase Japan chilled
- ✓ Improve converted products volume and margin
- ✓ Expand case ready
- ✓ Expand value-added

US Pork - Added Value Products

Swift Premium
Dry Rubbed Ribs

Swift Premium
Dry Rubbed
Boneless Backrib

Swift Premium Dry
Rubbed Loin Filet

Swift Premium
Ground Pork

Swift Premium
Saddle Pack
Boneless Pork
Chops

JBS USA Beef – At a Glance

JBS

BEEF

MARKET SHARE

22%	34%	27%
U.S.	CAN	AUS

FOOTPRINT

U.S.
9 Beef Plants
27,000 Head per Day
11 Feedlots / 1M Head Capacity
1 Hide Plant / 5,000 Hides per Day

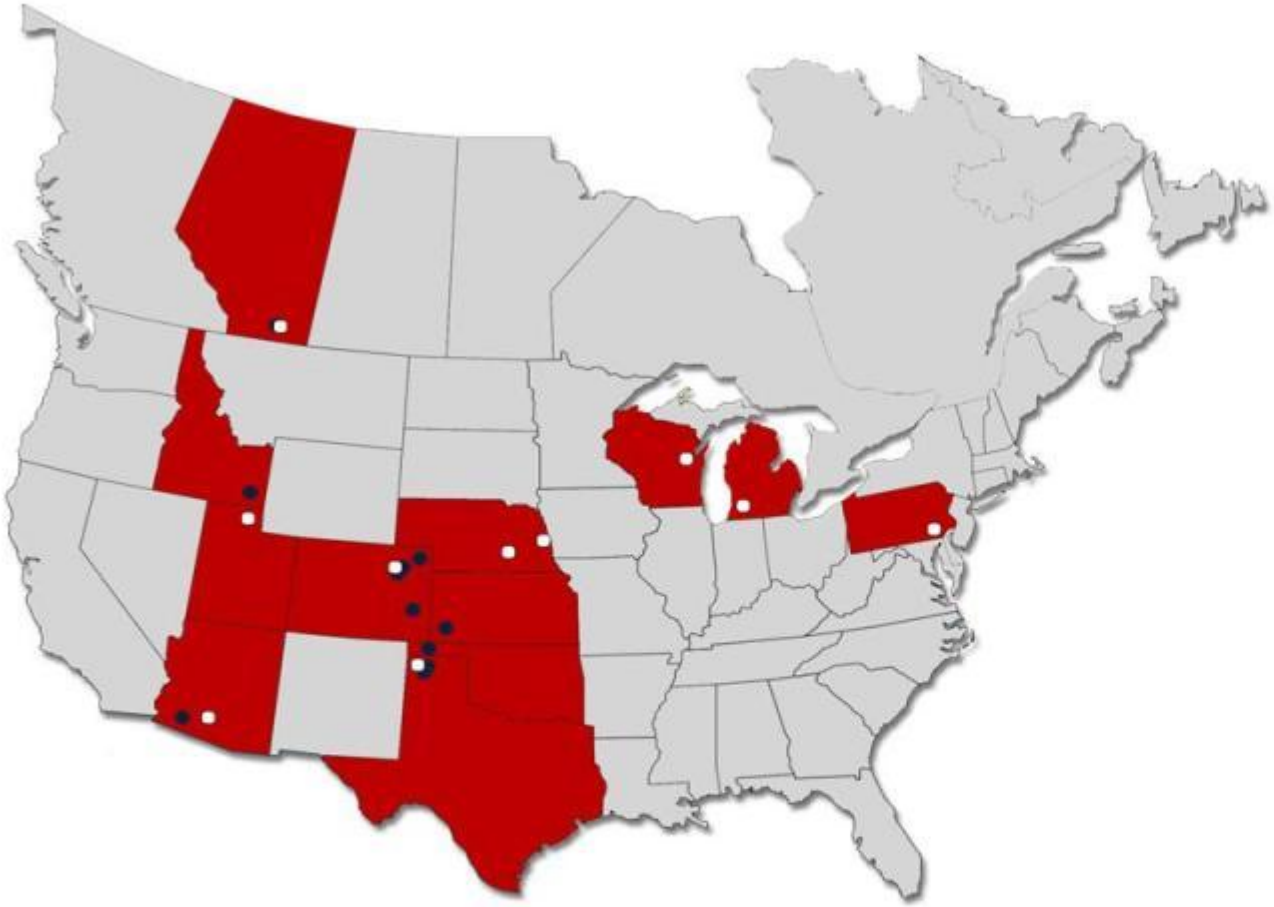
CANADA
1 Beef Plant
4,000 Head per Day
1 Feedlot / 70,000 Head Capacity

AUSTRALIA
8 Beef Plants
8,300 Head per Day
5 Feedlots / 152,000 Head Capacity
5 Lamb Plants / 22,000 Head per Day
1 Hide Plant / 6,000 Hides per Day

BRANDS

ASPEN RIDGE natural beef
1855.
LA HERENCIA
5 Star
Cedar River Farms Natural Beef
Swift Premium

JBS USA Beef – Where We Are



U.S. & CANADA

- 10 beef and small stock slaughtering plants located in Brooks, AB CA; Cactus, TX; Grand Island, NE; Greeley, CO; Green Bay, WI; Hyrum, UT; Omaha, NE; Plainwell, MI; Souderton, PA; and Tolleson, AZ.
- 11 cattle feedlots located in Brooks, AB, CA; Dalhart TX; Hartley, TX; Kersey, CO; Lamar, CO; LaSalle, CO; Malta, ID; Texhoma, OK; Ulysses, KS; Wellton, AZ; and Yuma, CO.

Daily Processing Capacity: 31,000

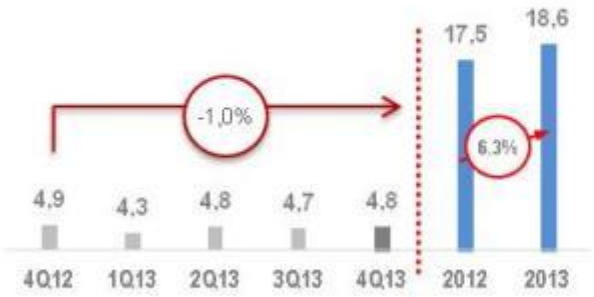
AUSTRALIA

- 10 beef and small stock slaughtering plants located in New South Wales, Queensland, Victoria and Tasmania
- 7 distribution centers situated in Sydney, Melbourne, Brisbane, Perth, Adelaide, Dinmore & Townsville
- 5 cattle feedlots located in Queensland and New South Wales

Daily Processing Capacity: 8,300

JBS USA Beef (including Australia and Canada)

Net Revenue (US$ billion)



EBITDA (US$ million)

✓ **Net revenue was US$18.6 billion, increase of 6.3% compared to 2012:**

- Increase in domestic sales volume and in exports in Australia.

✓ **EBITDA was US$375.8 million, increase of 67.8% compared to 2012:**

- Increase in domestic market beef prices during the 4th quarter, offsetting the increased costs of raw material.

✓ JBS maintained the positive results registered during the year of 2013, a reflection of the focus on operational efficiency, costs reduction and expansion in deals with key customers

✓ The operation in Australia continues to deliver solid and consistent results, influenced by strong demand from Asian countries, especially China.

Marketing Conditions

- Tight supplies forecast in North America as strong signs of heifer retention & rebuilding occur due to much improved moisture conditions
- Global trade for North American and Australian Beef continues to be strong.
- Higher prices will impact demand for North American beef but a downturn in protein supplies should support.

Strategy

- Capital investments in multiple ground beef capabilities and value added production will improve top line revenue opportunities.
- Continued alignment of cattle supplies with plants will lessen the impact of tight supplies.
- Strong plant focus on yield improvement in plants.
- Continued success in aligning with customers to jointly optimize value with the consumer.

JBS USA Chicken – Pilgrim's Pride Co.

Pilgrim's®

19% MARKET SHARE

FOOTPRINT

U.S.	31 Chicken Plants 6.5M Birds per Day
MEXICO	3 Chicken Plants 800,000 Birds per Day
PUERTO RICO	1 Chicken Plant

BRANDS

Pilgrim's

Country Pride FRESH CHICKEN

All Natural GOLD KIST FARMS® Young's Tender Chicken

PIERCE CHICKEN

WING DINGS®

57

JBS USA Chicken – Where We Are

PILGRIM'S

- **25 U.S. & Puerto Rican Processing Facilities**
  - Aibonito, PR
  - Athens, GA
  - Broadway, VA
  - Canton, GA
  - Carrollton, GA
  - Chattanooga, TN
  - De Queen, AR
  - Douglas, GA
  - Elberton, GA
  - Ellijay, GA
  - Enterprise, AL
  - Gainesville, GA
  - Guntersville, AL
  - Live Oak, FL
  - Lufkin, TX
  - Marshville, N.C.
  - Mayfield, KY
  - Moorefield, WV
  - Mt. Pleasant, TX
  - Nacogdoches, TX
  - Natchitoches, LA
  - Russellville, AL
  - Sanford, N.C.
  - Sumter, SC
  - Waco, TX
- **3 Mexican Processing Facilities**
  - Queretaro
  - San Luis Potosi
  - Tepeji Del Rio
- **Daily Processing Capacity:** 7.5 Million birds

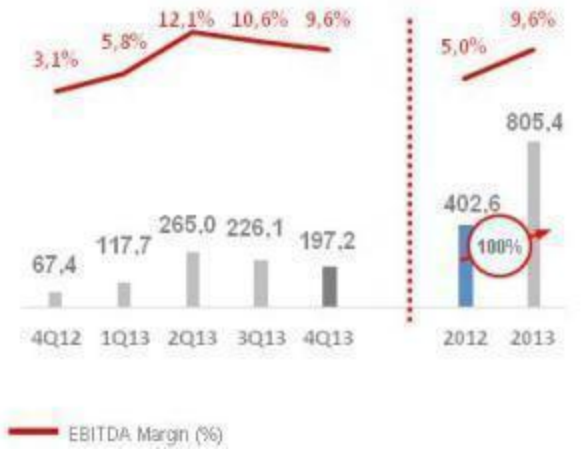
JBS USA Chicken (Pilgrim's Pride Corporation - "PPC")

Net Revenue (US$ billion)

✓ **Net Revenue was US$8.4 billion, increase of 3.6% compared to 2012.**

- Growth in sales resulting primarily from an increase in industry prices associated with good demand for poultry products combined with a tight supply.

EBITDA (US$ million)



✓ **EBITDA of US$805.4 million, increase of 100% over 2012 and margin of 9.6%:**

- Improved pricing, improved sales mix, improved yields, reduction in processing cost and SG&A contributed to improve PPC results.

✓ Operating net cash flow was US$878.5 million for the full year, adding strength to the Company's balance sheet.

Strategy

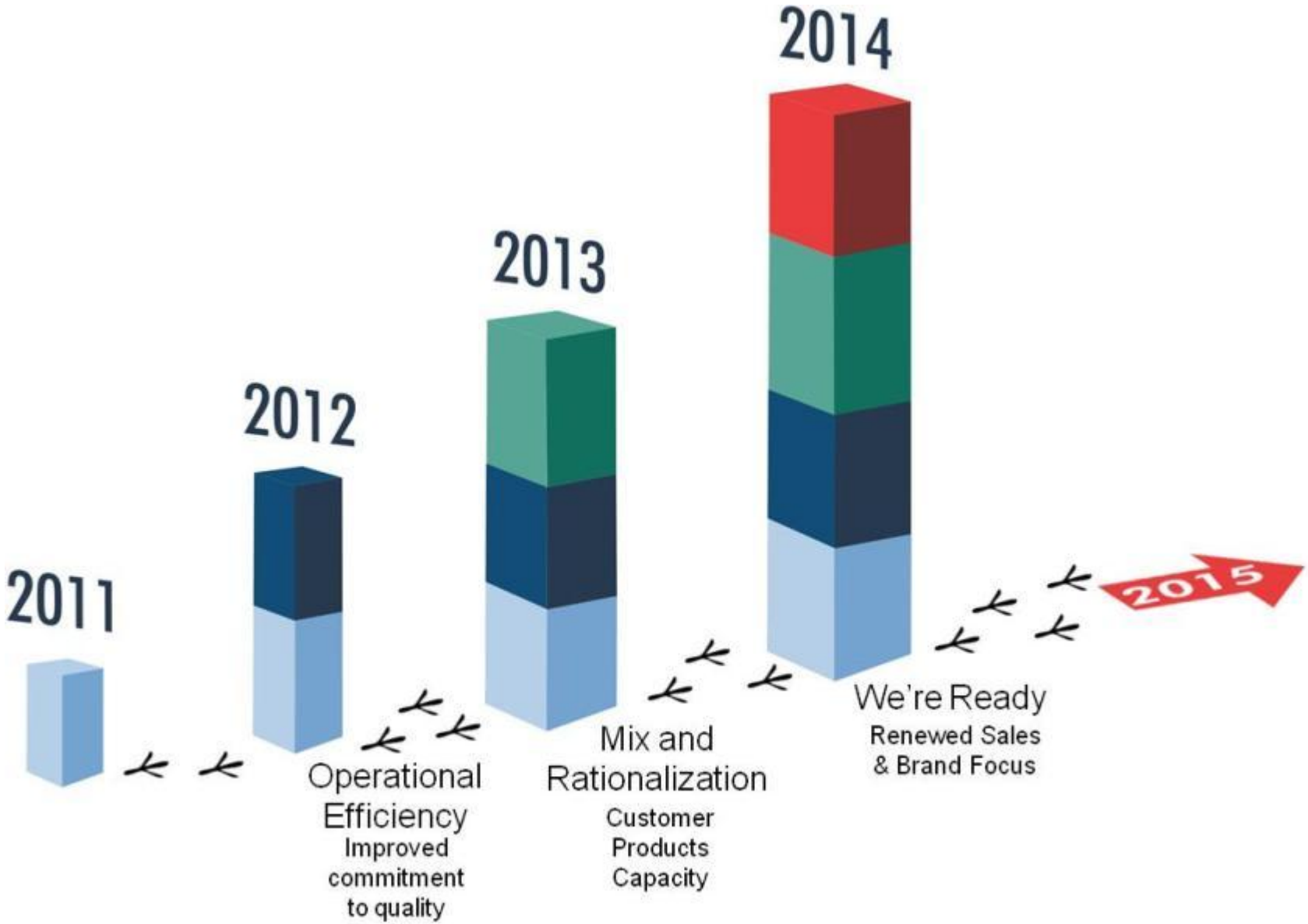
- Results- oriented culture consistent with JBS values
- Delayering and downsizing management driving lower SG&A
- Growing talent internally and developing people

- Best of class quality management systems
- Employ greater use of category management
- Execute effective operator strategy

- Export dedicated assets
- Export tailored products
- Development of new markets

- Best of class yields
- Best of class live cost and processing costs
- Optimal sales mix and price
- Quality, safety and turnover

On a Path Toward Growth



What's Next

- Continue Pushing Operational Efficiencies
- Generate Superior Returns & Optimize Capital Structure
- Capture Growth Opportunities
- Higher, Less Volatile Earnings

SHAREHOLDER VALUE

What's Next

Leverage Existing Assets	❑ Expand actual plants and lines with high-ROIC investment opportunities ❑ $150 million of CapEx expected ❑ About half directed to growth / increase efficiency	**Accretive Acquisitions**	❑ Chicken: Complementary Geographies or Differentiated Branded chicken ❑ Prepared/ Packaged Foods: Branded and differentiated products
Increase Footprint in Attractive Mexico Chicken Industry	❑ Current footprint only covers a portion of the country ❑ Opportunity to expand geographically ❑ Evaluate bolt-on acquisitions or greenfield opportunities	**Fast Growing Value-Added Exports**	❑ Leverage JBS capabilities to sell direct to customers in foreign markets ❑ Develop brands / products designed for local preferences ❑ Focus on value-added products, not just commodity dark meat ❑ Capture significant expected growth in chicken demand in foreign markets

JBS Foods

JBS Foods at a Glance

JBS Foods is a leading platform with a strong brand portfolio across value added food products in Brazil

- JBS Foods is the branded convenience poultry and pork business of JBS in Brazil
- 2nd largest meat based packaged food Company in Latin America
- 2nd largest producer and exporter of poultry and pork in Brazil
- 53 productive units, 20 distribution centers and 45,000 employees
- Strong domestic and international presence with high growth potential
- Integrated platform with diversified product portfolio
- Fully integrated pork and poultry business

Source: Company
Nota
1. Pending regulatory approval

JBS Foods: Footprint

National footprint with a production capacity of 4.4 mm bird / day and 85,000 tons of further processed products / month

Industrial Capacity per Product Line

- 4.4 mm birds / day
- 22,200 hogs / day
- 80,000 tons of value added further processed products / month

Further Processed Products

Pizza

Lasagna

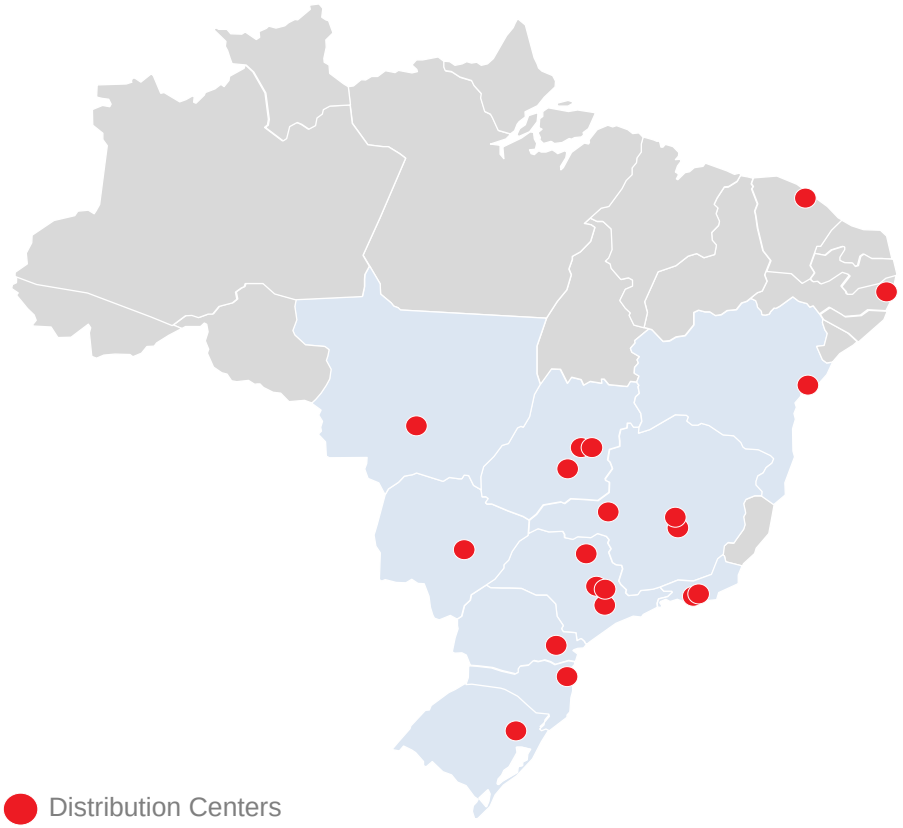
Hamburger

Refrigerated Pasta

Breaded Products

Ready-to-eat Meals

Industrial Footprint



Distribution Centers

Production Facilities Footprint

Source: Company

Turnaround Under Way

JBS Foods focus on 5 pillars to make a strong and fast turnaround of Seara

Our Team and Our Culture Makes the Difference

JBS has built an exceptional team with deep knowledge in the industry

Our Team

- Gilberto Tomazoni – CEO (30 years)
- James Cleary – International Market (24 years)
- Sérgio Sampaio – Production (20 years)
- Ivo Dreher – Financial/Adm (17 years)
- Osório Dal Bello – Live Production (34 years)
- Joanita Karoleski – Supply Chain (10 years)
- Almir Peruk – Human Resources (25 years)
- Ronaldo Muller – Quality and R&D (27 years)
- Ivan Siqueira – Industrial (15 years)
- Eduardo Bernstein – Marketing (26 years)
- Nelson Teixeira – Domestic Sales (26 years)

+

Culture of Excellence

Our Values

- Determination
- Simplicity
- Discipline
- Sincerity
- Meritocracy

What We Believe

- Best people in the right place
- Ownership attitude
- Leadership by Example
- Team Work
- Focus on Details

(Years of experience, occupying leadership positions in the industry)

Market Orientated: Streamlining and Repositioning of Brands

JBS Foods is currently rationalizing its brand portfolio and focusing on the quality of its products and services

JBS Foods Brands Pre-Acquisition

JBS Foods Brands Repositioning

Source: Company

Market Orientated: Improved Pricing Strategy

New pricing strategy, focused on results rather than volumes, with strict controls and defined responsibilities

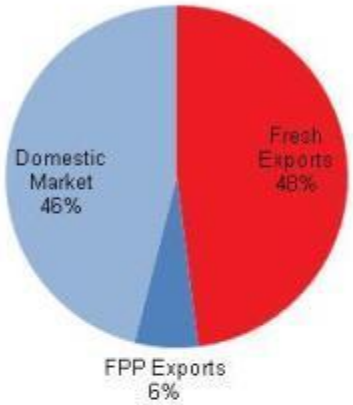
	Previous Model	New Model
Structure	▪ Decentralized, with lack of standard pricing process and management	▪ Centralized, with standard and structured process ▪ Defined roles and responsibilities
Responsible for Price Management	▪ Fragmented, mostly commercial department	▪ Dedicated pricing department
Focus	▪ Volumes, with low commitment to pricing and consequently financial results	▪ Financial results, based on mathematical modeling
Commercial Team Autonomy	▪ High – commercial team concentrated pricing strategy	▪ Medium – focus on policy execution

Source: Company, Nielsen

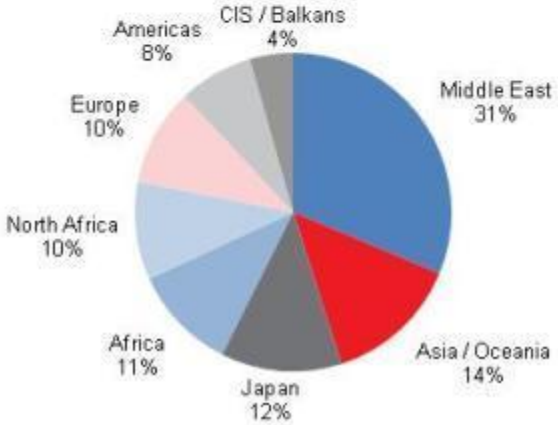
JBS Foods: Global Positioning and International Growth Strategy

Comprehensive strategy to explore opportunities in further processed foods and international markets

Revenue Breakdown per Category – 4Q13 (%)



Revenue Breakdown per Region – 4Q13 (%)



International Growth Strategy

- Strategic approach Instead of transactional approach
- Develop strategic partnerships with importers/distributors in our key markets
- Develop Seara into a recognized global brand for quality poultry, pork and further processed products
- Increase our presence in the supply of FPP to global QSR customers
- Improve our product mix by increasing sales of retail packs
- Specific strategies for new markets (eg. Pork for Japan)

Source: Company

Improved Performance from Farm to Market

Efficiency gains in live costs, manufacturing and distribution

Stage of Value Chain	Main Initiatives
Live Costs and Efficient Feed Conversion	✓ Cycle optimization through revision of practices and improved feed conversion ✓ Implementing best practices in feed nutrition and livestock handling
Increase in Yields and Optimization of Product Mix	✓ Focus on operational excellence with new operational standards ✓ Optimization of product mix per industrial unit ✓ Product mix more aligned with availability and quality of raw materials, increasing revenue generation
Improved Distribution Network	✓ Integrated demand planning ✓ Renewed logistics network
Renewed Go-To-Market Strategy	✓ Marketing strategy focused on profitability and portfolio simplification ✓ Simplification of brand architecture ✓ Category management

Value Creation Through Management Initiatives in 2014

JBS Foods has identified total potential gains of R$1.2 billion through internal management initiatives

Value of Opportunities Identified in JBS Foods (R$ mm)

Price and Sales Strategy	Live Animal	Industrial	Domestic and International Logistics	Finance and Administration	Non Core Supplies
R$287 mm	R$207 mm	R$472 mm	R$118 mm	R$30 mm	R$87 mm

Total Value of Opportunities: R$1.2 billion

Growth Opportunities Through Organic and Inorganic Growth

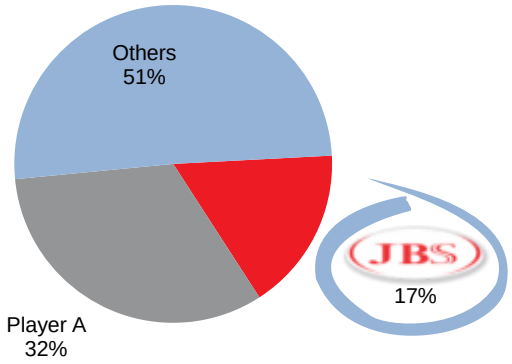
Additional growth opportunities through capacity expansion and product mix diversification

Idle Capacity	▪ **We have around 40% in idle capacity of FPP**
Numerical Distribution	▪ **We are servicing direct 58,000 customers and have potential to increase to 140,000**

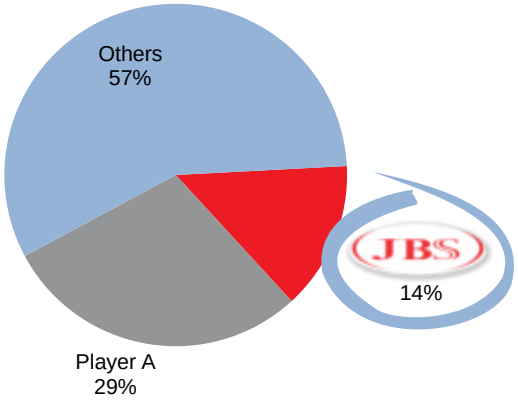
Strategies for Inorganic Growth

	Rationale	Recent Movements
Capacity Expansion	▪ **Increase processing capacity and geographical diversification**	▪ **Leasing of BR Frango's production unit in North of Paraná**
Product Mix Diversification	▪ **Increase category diversification**	▪ **Acquisition of Massa Leve in 2013** ▪ **Main products include pastas, ready-to-eat meals, pizzas and pastry based products**

Share of Birds Slaughter in Brazil – LTM Until Sep'13 (%)



Share of Pig Slaughter in Brazil – 2013 (%)



Source: Company, SIF, SECEX, IBGE, JBS

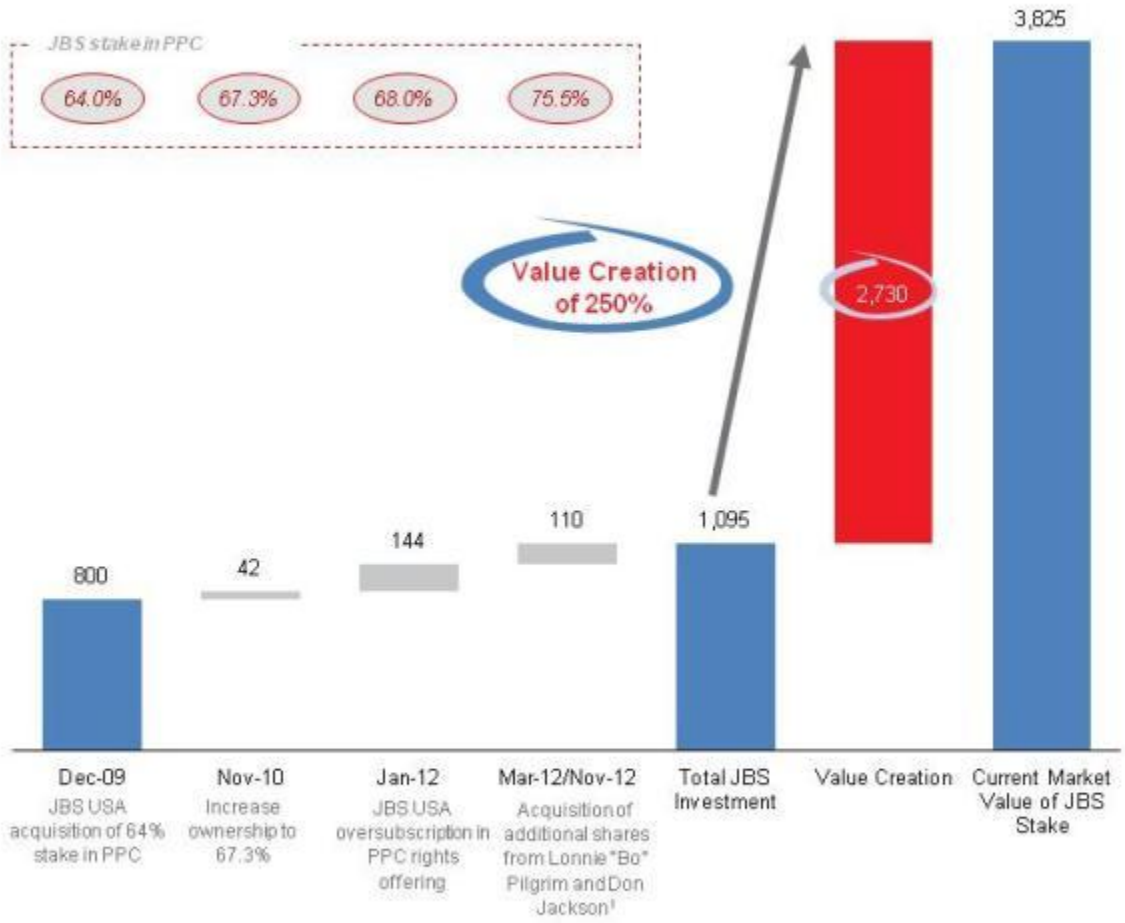
We Are Confident That We Will Continue to Deliver Value to Our Stakeholders as Our Track Record Shows

Extensive experience in integrating and extracting synergies in acquisitions

Key Initiatives

Swift acquisition (2007)	Pilgrim's Pride acquisition (2009)
✓ Cost reduction	✓
✓ Margin improvement	✓
✓ SG&A control	✓
✓ Efficiency improvement	✓
✓ Integration of processes	✓
✓ Brand repositioning	✓

Value Creation in the Acquisition of Pilgrim's Pride (US$ mm)



1 JBS USA acquired 18.7 mm shares from Lonnie "Bo" Pilgrim, the founder and former controlling shareholder of PPC (US$107.2 mm) and 455.3 thousand shares from Don Jackson, JBS USA's former CEO (US$2.7 mm)

2 PPC market value of US$4,958 mm (as of March 14, 2014)

Mission

"***To be the best*** *in what we set out to do,* ***totally focused on*** *our business, ensuring the* ***best products and services for our customers, solidity*** *for our suppliers,* ***satisfactory profitability*** *for our shareholders and the* ***certainty of a better future*** *to all our employees.*"

JBS