JBS S.A.

Financial statements and Independent auditors' report

As of September 30, 2015 and 2014

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(Convenience translation into English from the original previously issued in Portuguese)

INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

To the Shareholders, Board of Directors and Management of
JBS S.A.
São Paulo – SP

Introduction

We have reviewed the individual and consolidated interim financial information of **JBS S.A. ("Company")** contained within the Quarterly Financial Information – ITR, identified as Company and Consolidated, respectively, for the quarter ended on September 30, 2015, which comprise the balance sheet on September 30, 2015 and the related statements of income and comprehensive income for three and nine-months period then ended, and the statement of changes in equity and cash flows for the nine-months period then ended, as well as a summary of the significant accounting practices and other notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting and with the International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and for the presentation of these interim financial information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Quarterly Financial Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and International Standard on Review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, we are not aware of any fact that causes us to believe that the individual and consolidated interim financial information included in the Quarterly Financial information - ITR referred to above were not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to Quarterly Financial Information - ITR and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Other issues

Interim statements of added value

We have also reviewed the individual and consolidated interim statement of added value for the nine-months period ended September 30, 2015, prepared under the responsibility of the Company's management, whose disclosure in the interim financial information is required in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Financial Information – ITR and considered as supplemental information by the International Financial Accounting Standards (IFRS), which do not require the disclosure of the Statement of Added Value. This statement was submitted to the same review procedures previously described and based on our review, we are not aware of any fact that would lead us to believe that they have not been fairly stated, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

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

São Paulo, November 11, 2015.

BDO RCS Auditores Independentes SS
CRC 2SP 013846/O-1

Paulo Sérgio Tufani
Accountant CRC 1 SP 124504/O-9

JBS S.A.

Balance sheets
(In thousands of Reais)

	Note	Company		Consolidated	
		September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	**11,821,010**	9,503,923	**24,008,276**	14,910,427
Trade accounts receivable, net	5	**4,253,727**	3,502,612	**13,076,653**	9,577,548
Inventories	6	**2,467,175**	2,417,608	**12,246,273**	8,273,110
Biological assets	7	-	-	**2,372,216**	1,567,866
Recoverable taxes	8	**1,456,223**	1,310,521	**2,550,653**	2,300,624
Prepaid expenses		**30,702**	17,449	**364,786**	181,881
Other current assets		**315,651**	416,599	**1,115,504**	730,776
TOTAL CURRENT ASSETS		**20,344,488**	**17,168,712**	**55,734,361**	**37,542,232**
NONCURRENT ASSETS					
Long-term assets					
Biological assets	7	-	-	**1,004,110**	633,689
Recoverable taxes	8	**766,971**	779,147	**1,734,645**	1,546,038
Credits with related parties	9	-	3,160,451	**1,787,320**	370,072
Other noncurrent assets		**568,247**	506,785	**3,002,678**	2,121,092
Total long-term assets		**1,335,218**	**4,446,383**	**7,528,753**	**4,670,891**
Investments in associate, subsidiaries and joint ventures	10	**23,283,058**	10,161,077	**359,538**	295,350
Property, plant and equipment, net	11	**11,110,696**	10,590,430	**32,740,045**	24,098,697
Intangible assets, net	12	**9,551,714**	9,550,264	**26,134,362**	15,436,512
TOTAL NONCURRENT ASSETS		**45,280,686**	**34,748,154**	**66,762,698**	**44,501,450**
TOTAL ASSETS		**65,625,174**	**51,916,866**	**122,497,059**	**82,043,682**

The accompanying notes are an integral part of the quarterly interim financial statements.

JBS S.A.

Balance sheets
(In thousands of Reais)

	Note	Company		Consolidated	
		September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade accounts payable	13	**2,029,851**	1,567,402	**11,084,536**	6,942,933
Loans and financings	14	**11,950,698**	9,567,475	**18,950,173**	13,686,975
Income taxes	16	-	-	**391,604**	505,799
Payroll, social charges and tax obligation	16	**481,931**	369,756	**3,066,826**	2,105,278
Declared dividends	17	**1,281**	484,013	**1,281**	484,013
Payables related to facilities acquisitions	18	**228,072**	47,894	**479,170**	344,881
Other current liabilities		**1,560,207**	740,635	**1,251,554**	798,122
TOTAL CURRENT LIABILITIES		**16,252,040**	**12,777,175**	**35,225,144**	**24,868,001**
NONCURRENT LIABILITIES					
Loans and financings	14	**15,221,591**	13,689,084	**46,765,194**	26,392,165
Payroll, social charges and tax obligation	16	**128,328**	151,199	**878,334**	639,114
Payables related to facilities acquisitions	18	**39,600**	44,904	**268,516**	490,461
Deferred income taxes	19	**2,091,476**	1,172,511	**4,673,948**	2,839,966
Provision for lawsuits risk	20	**191,802**	178,426	**943,120**	705,844
Debit with related parties	9	**226,194**	-	-	-
Other noncurrent liabilities		**33,530**	29,744	**794,949**	465,606
TOTAL NONCURRENT LIABILITIES		**17,932,521**	**15,265,868**	**54,324,061**	**31,533,156**
EQUITY	21				
Capital stock		**23,576,206**	21,506,247	**23,576,206**	21,506,247
Capital reserve		**366,911**	(148,569)	**366,911**	(148,569)
Revaluation reserve		**84,217**	87,877	**84,217**	87,877
Profit reserves		**1,212,039**	4,261,815	**1,212,039**	4,261,815
Other comprehensive income		**1,282,320**	(1,833,547)	**1,282,320**	(1,833,547)
Retained earnings		**4,918,920**	-	**4,918,920**	-
Attributable to controlling interest		**31,440,613**	**23,873,823**	**31,440,613**	**23,873,823**
Attributable to noncontrolling interest		-	-	**1,507,241**	**1,768,702**
TOTAL EQUITY		**31,440,613**	**23,873,823**	**32,947,854**	**25,642,525**
TOTAL LIABILITIES AND EQUITY		**65,625,174**	**51,916,866**	**122,497,059**	**82,043,682**

The accompanying notes are an integral part of the quarterly interim financial statements.

JBS S.A.

Statements of income for the nine months period ended on September 30, 2015 and 2014
(In thousands of Reais)

	Note	Company		Consolidated	
		September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
NET REVENUE	22	**21,133,716**	**18,637,330**	**115,753,279**	**86,166,517**
Cost of goods sold		**(16,931,095)**	(14,449,358)	**(98,857,257)**	(72,929,295)
GROSS INCOME		**4,202,621**	**4,187,972**	**16,896,022**	**13,237,222**
OPERATING INCOME (EXPENSE)					
General and administrative expenses		**(1,087,193)**	(930,795)	**(2,809,118)**	(2,183,822)
Selling expenses		**(2,235,326)**	(1,948,660)	**(6,561,286)**	(5,070,563)
Financial expense, net	23	**1,488,596**	(2,312,361)	**436,002**	(2,935,636)
Equity in earnings of subsidiaries	10	**3,400,897**	2,496,969	**48,273**	19,813
Other income (expenses), net	24	**(9,487)**	(229,247)	**45,533**	(243,530)
		1,557,487	**(2,924,094)**	**(8,840,596)**	**(10,413,738)**
NET INCOME BEFORE TAXES		**5,760,108**	**1,263,878**	**8,055,426**	**2,823,484**
Current income taxes	19	**1,698**	1,659	**(2,205,675)**	(1,626,210)
Deferred income taxes	19	**(846,546)**	151,592	**(511,387)**	502,242
		(844,848)	**153,251**	**(2,717,062)**	**(1,123,968)**
NET INCOME		**4,915,260**	**1,417,129**	**5,338,364**	**1,699,516**
ATTRIBUTABLE TO:					
Controlling interest				**4,915,260**	1,417,129
Noncontrolling interest				**423,104**	282,387
				5,338,364	**1,699,516**
Net income per shares (basic) - in reais	25	**1.70**	0.49	**1.70**	0.49
Net income per shares (diluted) - in reais	25	**1.70**	0.49	**1.70**	0.49

The accompanying notes are an integral part of the quarterly interim financial statements.

JBS S.A.

Statements of income for the three months period ended on September 30, 2015 and 2014
(In thousands of Reais)

	Note	Company		Consolidated	
		September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
NET REVENUE	22	**7,348,496**	**6,457,751**	**43,028,926**	**30,778,574**
Cost of goods sold		**(5,744,150)**	(5,034,529)	**(36,783,484)**	(25,218,124)
GROSS INCOME		**1,604,346**	**1,423,222**	**6,245,442**	**5,560,450**
OPERATING INCOME (EXPENSE)					
General and administrative expenses		**(364,350)**	(342,418)	**(1,023,257)**	(787,788)
Selling expenses		**(778,959)**	(680,045)	**(2,400,373)**	(1,744,429)
Financial expense, net	23	**3,099,367**	(856,058)	**2,652,592**	(978,651)
Equity in earnings of subsidiaries	10	**1,142,861**	1,611,957	**16,478**	8,248
Other income (expenses), net	24	**(1,962)**	(221,716)	**47,609**	(241,400)
		3,096,957	**(488,280)**	**(706,951)**	**(3,744,020)**
NET INCOME BEFORE TAXES		**4,701,303**	**934,942**	**5,538,491**	**1,816,430**
Current income taxes	19	**552**	563	**(698,247)**	(822,076)
Deferred income taxes	19	**(1,260,445)**	157,380	**(1,282,197)**	233,686
		(1,259,893)	**157,943**	**(1,980,444)**	**(588,390)**
NET INCOME		**3,441,410**	**1,092,885**	**3,558,047**	**1,228,040**
ATTRIBUTABLE TO:					
Controlling interest				**3,441,410**	1,092,885
Noncontrolling interest				**116,637**	135,155
				3,558,047	**1,228,040**
Net income per shares (basic) - in reais	25	**1.19**	0.38	**1.19**	0.38
Net income per shares (diluted) - in reais	25	**1.19**	0.38	**1.19**	0.38

The accompanying notes are an integral part of the quarterly interim financial statements.

JBS S.A.

Statement of comprehensive income for the nine months period ended on September 30, 2015 and 2014
(In thousands of Reais)

	Reference	Company		Consolidated	
		September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Net income	SCSE	**4,915,260**	1,417,129	**5,338,364**	1,699,516
Other comprehensive income					
Valuation adjustments to equity in subsidiaries	SCSE	**85,978**	(17,099)	**85,978**	(17,099)
Accumulated adjustment of conversion in subsidiaries	SCSE	**(170,245)**	(81,682)	**(170,245)**	(81,682)
Exchange variation in subsidiaries	SCSE	**3,200,134**	89,141	**3,200,134**	89,141
Total of comprehensive income		**8,031,127**	**1,407,489**	**8,454,231**	**1,689,876**
Total of comprehensive income attributable to:					
Controlling interest	IS	**8,031,127**	1,407,489	**8,031,127**	1,407,489
Noncontrolling interest	IS	-	-	**423,104**	282,387
		8,031,127	**1,407,489**	**8,454,231**	**1,689,876**

The accompanying notes are an integral part of the quarterly interim financial statements.

JBS S.A.

Statement of comprehensive income for the three months period ended on September 30, 2015 and 2014
(In thousands of Reais)

	Reference	Company		Consolidated	
		September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Net income	SCSE	**3,441,410**	1,092,885	**3,558,047**	1,228,040
Other comprehensive income					
Valuation adjustments to equity in subsidiaries	SCSE	**(29,701)**	(1,008)	**(29,701)**	(1,008)
Accumulated adjustment of conversion in subsidiaries	SCSE	**(71,739)**	(33,914)	**(71,739)**	(33,914)
Exchange variation in subsidiaries	SCSE	**2,299,011**	468,030	**2,299,011**	468,030
Total of comprehensive income		**5,638,981**	**1,525,993**	**5,755,618**	**1,661,148**
Total of comprehensive income attributable to:					
Controlling interest	IS	**5,638,981**	1,525,993	**5,638,981**	1,525,993
Noncontrolling interest	IS	-	-	**116,637**	135,155
		5,638,981	**1,525,993**	**5,755,618**	**1,661,148**

The accompanying notes are an integral part of the quarterly interim financial statements.

JBS S.A.
Statements of changes in equity for the nine months period ended on September 30, 2015 and 2014
(In thousands of Reais)

		Capital reserves					Profit reserves		Other comprehensive income					
	Capital stock	Premium on issue of shares	Capital transactions	Stock options	Treasury shares	Revaluation reserve	Legal	Investments statutory	VAE [1]	ATA [2]	Retained earnings	Total	Non controlling interest	Total equity
DECEMBER 31, 2013	**21,506,247**	**211,879**	**86,444**	-	**(595,849)**	**92,227**	**90,060**	**2,615,024**	**132,787**	**(2,187,031)**	-	**21,951,788**	**1,181,466**	**23,133,254**
Net income	-	-	-	-	-	-	-	-	-	-	1,417,129	**1,417,129**	282,387	**1,699,516**
Other comprehensive income	-	-	-	-	-	-	-	-	(17,099)	7,459	-	**(9,640)**	-	**(9,640)**
Total of comprehensive income	-	-	-	-	-	-	-	-	**(17,099)**	**7,459**	**1,417,129**	**1,407,489**	**282,387**	**1,689,876**
Capital transaction	-	-	8,060	-	-	-	-	-	-	-	-	**8,060**	-	**8,060**
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change of treasury shares	-	-	-	-	208,384	-	-	-	-	-	-	**208,384**	-	**208,384**
Stock option premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock option plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Realization revaluation reserve	-	-	-	-	-	(3,220)	-	-	-	-	3,220	-	-	-
Capitalization reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	80,965	**80,965**
SEPTEMBER 30, 2014	**21,506,247**	**211,879**	**94,504**	-	**(387,465)**	**89,007**	**90,060**	**2,615,024**	**115,688**	**(2,179,572)**	**1,420,349**	**23,575,721**	**1,544,818**	**25,120,539**
DECEMBER 31, 2014	**21,506,247**	**211,879**	**90,338**	**914**	**(451,700)**	**87,877**	**191,855**	**4,069,960**	**101,658**	**(1,935,205)**	-	**23,873,823**	**1,768,702**	**25,642,525**
Net income	-	-	-	-	-	-	-	-	-	-	4,915,260	**4,915,260**	423,104	**5,338,364**
Other comprehensive income	-	-	-	-	-	-	-	-	85,978	3,029,889	-	**3,115,867**	-	**3,115,867**
Total of comprehensive income	-	-	-	-	-	-	-	-	**85,978**	**3,029,889**	**4,915,260**	**8,031,127**	**423,104**	**8,454,231**
Capital transaction	-	-	34,210	-	-	-	-	-	-	-	-	**34,210**	-	**34,210**
Acquisition of treasury shares	-	-	-	-	(529,099)	-	-	-	-	-	-	**(529,099)**	-	**(529,099)**
Change of treasury shares	-	-	-	-	982	-	-	-	-	-	-	**982**	-	**982**
Cancellation treasury shares	-	-	-	-	979,817	-	-	(979,817)	-	-	-	-	-	-
Stock option premium	-	-	-	5,225	-	-	-	-	-	-	-	**5,225**	-	**5,225**
Stock option plan	-	-	-	24,345	-	-	-	-	-	-	-	**24,345**	-	**24,345**
Realization revaluation reserve	-	-	-	-	-	(3,660)	-	-	-	-	3,660	-	-	-
Capitalization reserve	2,069,959	-	-	-	-	-	-	(2,069,959)	-	-	-	-	-	-
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	(684,565)	**(684,565)**
SEPTEMBER 30, 2015	**23,576,206**	**211,879**	**124,548**	**30,484**	-	**84,217**	**191,855**	**1,020,184**	**187,636**	**1,094,684**	**4,918,920**	**31,440,613**	**1,507,241**	**32,947,854**

[1] Valuation adjustments to equity;
[2] Accumulated translation adjustments.

The accompanying notes are an integral part of the quarterly interim financial statements.

JBS S.A.

Statements of cash flows for nine months period ended on September 30, 2015 and 2014
(In thousands of Reais)

	Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Cash flow from operating activities				
Net income attributable to controlling interest	**4,915,260**	**1,417,129**	**4,915,260**	**1,417,129**
Adjustments to reconcile net income to cash provided on operating activities:				
Depreciation and amortization	**499,695**	424,219	**2,571,021**	1,831,510
Allowance for doubtful accounts	-	-	**(5,966)**	(11,609)
Equity in earnings of subsidiaries	**(3,400,897)**	(2,496,969)	**(48,273)**	(19,813)
Profit (loss) on assets sales	**9,487**	6,082	**(37,506)**	423
Deferred income taxes	**846,546**	(151,592)	**511,387**	(502,242)
Current and noncurrent financial charges	**9,522,170**	1,466,293	**11,184,223**	1,811,117
Provision for lawsuits risk	**13,376**	10,463	**5,526**	(70,964)
	12,405,637	**675,625**	**19,095,672**	**4,455,551**
Decrease (increase) in operating assets				
Trade accounts receivable	**(290,077)**	392,657	**315,456**	(7,031)
Inventories	**(49,567)**	(552,682)	**(773,002)**	(1,615,741)
Recoverable taxes	**(137,561)**	(59,581)	**(120,584)**	53,776
Other current and noncurrent assets	**33,076**	(277,540)	**(739,834)**	(672,662)
Related party receivable	**2,150,002**	1,562,122	**(1,203,101)**	22,630
Biological assets	-	-	**(914,539)**	(520,840)
Increase (decrease) operating liabilities				
Trade accounts payable	**350,300**	(103,115)	**175,656**	394,102
Other current and noncurrent liabilities	**896,822**	(83,540)	**602,641**	1,319,296
Noncontrolling interest	-	-	**423,104**	282,387
Valuation adjustments to equity in subsidiaries	-	-	**766,625**	(44,326)
Changes in operating assets and liabilities	**2,952,995**	**878,321**	**(1,467,578)**	**(788,409)**
Net cash provided by operating activities	**15,358,632**	**1,553,946**	**17,628,094**	**3,667,142**
Cash flow from investing activities				
Additions to property, plant and equipment and intangible assets	**(4,911,853)**	(1,352,156)	**(10,955,950)**	(2,349,827)
Decrease (increase) in investments in subsidiaries	**(1,268,330)**	1,468,289	**(266)**	-
Equity effect of acquired company	-	-	**(3,093,594)**	(272,644)
Net cash provided by (used in) investing activities	**(6,180,183)**	**116,133**	**(14,049,810)**	**(2,622,471)**
Cash flow from financing activities				
Proceeds from loans and financings	**7,664,129**	8,386,555	**34,538,800**	18,897,118
Payments of loans and financings	**(13,518,319)**	(7,793,419)	**(28,748,492)**	(16,257,472)
Payments of dividends	**(482,732)**	(219,885)	**(2,134,770)**	(219,885)
Stock option premium received	**3,677**	-	**3,677**	-
Capital transactions	-	-	**34,210**	8,060
Shares acquisition of own emission	**(528,117)**	-	**(528,117)**	-
Net cash provided by (used in) financing activities	**(6,861,362)**	**373,251**	**3,165,308**	**2,427,821**
Effect of exchange variation on cash and cash equivalents	-	-	**2,354,257**	**92,830**
Variance in cash and cash equivalents	**2,317,087**	2,043,330	**9,097,849**	3,565,322
Cash and cash equivalents at the beginning of the period	**9,503,923**	5,223,978	**14,910,427**	9,013,147
Cash and cash equivalents at the end of the period	**11,821,010**	**7,267,308**	**24,008,276**	**12,578,469**

The accompanying notes are an integral part of the quarterly interim financial statements.

JBS S.A.

Economic value added for the nine months period ended on September 30, 2015 and 2014
(In thousands of Reais)

	Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Revenue				
Sales of goods and services	**22,130,908**	19,479,451	**117,620,595**	87,665,462
Other net income (expenses)	**(1,504)**	1,732	**(36,773)**	(13,620)
Allowance for doubtful accounts	**-**	-	**5,966**	11,609
	22,129,404	**19,481,183**	**117,589,788**	**87,663,451**
Goods				
Cost of services and goods sold	**(14,208,925)**	(12,325,591)	**(75,631,341)**	(57,121,136)
Materials, energy, services from third parties and others	**(2,839,829)**	(2,603,447)	**(17,141,760)**	(12,128,531)
Others	**-**	-	**(263)**	-
	(17,048,754)	**(14,929,038)**	**(92,773,364)**	**(69,249,667)**
Gross added value	**5,080,650**	**4,552,145**	**24,816,424**	**18,413,784**
Depreciation and Amortization	**(499,695)**	(424,219)	**(2,571,021)**	(1,831,510)
Net added value generated	**4,580,955**	**4,127,926**	**22,245,403**	**16,582,274**
Net added value by transfer				
Equity in earnings of subsidiaries	**3,400,897**	2,496,969	**48,273**	19,813
Financial income	**15,698,110**	3,530,413	**16,320,113**	4,187,391
Others	**(21,076)**	4,954	**13,064**	183,420
NET ADDED VALUE TOTAL TO DISTRIBUTION	**23,658,886**	**10,160,262**	**38,626,853**	**20,972,898**
DISTRIBUTION OF ADDED VALUE				
Labor				
Salaries	**1,899,613**	1,432,753	**9,600,628**	6,982,307
Benefits	**120,567**	168,275	**1,742,935**	1,263,405
FGTS (Brazilian Labor Social Charge)	**73,127**	67,097	**176,133**	85,619
	2,093,307	**1,668,125**	**11,519,696**	**8,331,331**
Taxes and contribution				
Federal	**1,207,242**	146,636	**3,434,197**	1,722,703
State	**1,165,933**	1,015,382	**1,686,692**	1,370,807
Municipal	**11,151**	13,532	**14,693**	16,102
	2,384,326	**1,175,550**	**5,135,582**	**3,109,612**
Capital Remuneration from third parties				
Interests and exchange variation	**14,139,436**	5,800,563	**15,788,033**	7,280,912
Rents	**75,162**	71,873	**397,449**	291,479
Others	**51,395**	27,022	**447,729**	260,048
	14,265,993	**5,899,458**	**16,633,211**	**7,832,439**
Owned capital remuneration				
Net income attributable to controlling interest	**4,915,260**	1,417,129	**4,915,260**	1,417,129
Noncontrolling interest	**-**	-	**423,104**	282,387
	4,915,260	**1,417,129**	**5,338,364**	**1,699,516**
ADDED VALUE TOTAL DISTRIBUTED	**23,658,886**	**10,160,262**	**38,626,853**	**20,972,898**

The accompanying notes are an integral part of the quarterly interim financial statements.

(Expressed in thousands of reais)

1 Operating activities

JBS S.A ("JBS" or the "Company"), based in Brazil, is a company listed in the "Novo Mercado" segment of BM&FBovespa S.A - Stock Exchange, Commodity and Forward as ticker symbol "JBSS3" and American Depository Receipts traded over the counter as "JBSAY".

The Company and its subsidiaries ("Company" or "Consolidated") are the world's largest company in processing animal protein.

The financial statements presented as follows, include beyond the Company's individual operations in Brazil, its subsidiaries activities. A summary of the main operational activities is presented as follows:

Company

Description	Activities	Units	States
JBS	- Processing beef: slaughter, cold storage, industrialization and production of canned and by-products derivatives of beef. - Leather industrialization, processing and marketing. - Production and commercialization of steel cans, plastic resin, soap base mass for production, soap bar, biodiesel, glycerin, olein, fatty acid, collagen and wrapper derived from cattle tripe; management of industrial residue; soybeans purchase and sale, tallow, palm oil, caustic soda, stearin, operations own of transports, dog biscuit industrialization service, direct sales to customers of beef and related items by stores named "Mercado da Carne"; production, cogeneration and commercialization of electric power. - Distribution centers and harbors.	80	AC, AM, BA, CE, DF, ES, GO, MA, MG, MS, MT, PA, PE, PR, RJ, RO, RS, SC, SP, TO

Consolidated: Main activities in Brazil

Description	Activities	Units	States	Participation	Sep 30, 2015
JBS Confinamento Ltda. (JBS Confinamento)	- Providing services of fattening cattle.	6	SP, GO, MS, MT	Direct	100%
Meat Snacks Partners do Brasil Ltda (Meat Snacks)	- Beef Jerky production.	2	SP	Indirect	50%
Brazservice Wet Leather S.A (Brazservice)	- Industrialization, processing and commercialization of wet blue leather.	1	MT	Direct	100%
Tannery do Brasil S.A (Tannery)	- Industrialization, processing and commercialization of wet blue leather.	1	MT	Direct	98,73%
JBS Foods (JBS Foods)	- Chicken and pork processing: raising, slaughtering and processing of broiler chickens and hogs; industrialization and commercialization of beef and food products; and production of pet food and concentrates. - Distribution centers and harbors.	54	BA, CE, DF, MG, MT, MS, PE, PR, RJ, RN, RS, SC e SP	Direct	100%

Consolidated: Main activities out of Brazil

Description	Activities	Units	Country	Participation	Sep 30, 2015
JBS USA Holdings (JBS USA)	- Processes beef, hogs and pork: slaughter, refrigeration, industrialization and by-products derived; - Processes chicken: raising, slaughter, industrialization and commercialization of products derived from processing operations; - Fattening cattle services; - Transportation services.	227	United States of America, Australia, Mexico and Canada	Direct	100%
JBS Argentina S.A. (JBS Argentina)	- Beef processing; and industrialization of canned goods, fat, pet foods and beef products.	4	Argentina	Indirect	100%
Nawelur S.A (Nawelur)	- Wet blue, semi finished and finished leather trading for local markets.	1	Uruguay	Indirect	100%
JBS Global UK, Friboi (JBS Global UK)	- Meat "in natura" trading and processing to sale throughout the European Union.	1	United Kingdom	Indirect	100%
JBS Toledo NV (Toledo)	- Trading operations for the european market; cooked frozen meat commercialization; logistic operations; warehousing; customization and new products development.	1	Belgium	Indirect	100%
JBS Paraguay S.A (JBS Paraguay)	- Beef processing.	2	Paraguay	Indirect	100%
Frigorífico Canelones S.A (Canelones)	- Beef processing.	1	Uruguay	Indirect	100%
Rigamonti Salumificio SpA (Rigamonti)	- Bresaola production and sale.	1	Italy	Indirect	100%
Trump Asia Enterprises Limited (Trump Asia)	- Semi finished and finished leather industrialization and commercialization.	2	Hong Kong	Indirect	100%
JBS Leather Itália S.R.L. (JBS Leather Itália)	- Semi finished and finished leather industrialization and commercialization.	1	Italy	Direct	100%

Consolidated: Main activities out of Brazil

Description	Activities	Units	Country	Participation	Sep 30, 2015
Capital Joy Holding Limited (Capital Joy)	- Semi finished and finished leather commercialization.	1	British Virgin Islands	Indirect	73%
JBS Leather International (Zenda)	- Wet blue, semi finished and finished leather industrialization and commercialization.	5	Germany, Argentina, Chile, United States of America, Netherlands, Mexico, Uruguay and Paraguay	Direct	100%
Seara Holding Europe B.V. (Seara Holding)	- Animal protein products trading.	4	Netherlands	Indirect	100%
Moy Park Holdings (Europe) Limited (Moy Park)	- Production of fresh, high quality locally farmed poultry and convenience food products.	14	United Kingdom, France, The Netherlands, Republic of Ireland.	Direct	100%

Subsequent events: According to the material fact of July, 2015, the Company, through its indirect subsidiary Swift Pork Company, established an asset purchase agreement with Cargill Meat Solutions Corporation for the acquisition of assets related to breeding, purchasing and slaughtering hogs and processing and selling pork. In the same month of July, 2015, JBS USA entered into a letter of commitment for up US$1.2 billion of long term financing (JBS USA Promissory note) to be used to pay for the acquisition. Cargill Meats's acquisition was concluded in October 30, 2015.

2 Preparation and presentation of financial statements

The interim financial statements were prepared in accordance with accounting practices adopted in Brazil, in compliance with the Law of joint stock companies (Lei das sociedades por ações - Leis das SA's), pronouncements, interpretations and orientations issued by the Brazilian Accounting Pronouncements Committee (Comitê de Pronunciamentos Contábeis) - CPC and requirements of the Brazilian Securities Commission - CVM and with the International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB). The accounting practices adopted in Brazil and applied in the individual financial statements, since 2014, do not differ from IFRS, which allowed applying the equity method in subsidiaries, associates and joint ventures in separate financial statements. Therefore, the individual financial statements are also in compliance with IFRS. The Company individual financial statements are identified as "Company" and the consolidated financial statements are identified as "Consolidate".

The preparation of financial statements requires the use of certain accounting estimates in the process of applying accounting policies. The financial statements, therefore, include estimates that are referred mainly to the estimate of fair value related to business combination, biological assets value, impairment of recoverable taxes, useful life of property, provision for tax, civil and labor liabilities, retirement benefits, measurement at fair value of financial instruments and impairment of financial and non-financial assets. Actual transactions results and information may differ from the estimates. The Company reviews its estimates and underlying assumptions at least on a quarterly basis. Accounting estimates revisions are recognized in the quarterly financial statements in the period which the estimation is reviewed.

Changes in the financial statements format:

In the current reporting period of September 30, 2015, the Company has reviewed spontaneously the format which its financial statements are presented in order to eliminate information in duplicity; optimize the financial statements size and content; gather same nature subjects and turn a financial statement more didactic without relevant information loss. Emphasizing that there were no changes on the accounting practices and policies which make all periods presented consistent to what have been presented on prior periods.

The accounting practices are described in the notes which they are related to, and the general practices are described below:

a. Foreign currency translation

Functional and reporting currency

The functional currency of a company is the primary economic environment in which it operates.These individual and consolidated interim financial statements are presented in Brazilian Reais (R$), which is the Company's functional currency. All financial information is presented in thousands of reais, except when its provided otherwise.

Transactions in foreign currencies are translated to the respective functional currencies of each entity at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Gains and losses on foreign exchange resulting from the settlement of such transactions and from the translation of monetary assets and liabilities in foreign currency are recognized in the financial result of the period, under the caption "Exchange rate variation".

Financial statement translation of subsidiaries located abroad

The financial statements of the subsidiaries located abroad are prepared using its respective functional currency. For equity calculation purposes and consolidation of the information that have different functional currency from the reporting currency (R$), are converted as follows:

i. the amounts for assets and liabilities are translated at the current rate at the date of each closing period;
ii. income and expenses are translated at the average rate;
iii. all the differences arising from the translation of exchange rates are recognized in the equity, in the line for Other Comprehensive Income.

b. Individual financial statements

The individual quarterly interim financial statements presents the evaluation of investments in associates, subsidiaries and joint ventures by the equity method. In order to reach the same income statement and equity attributable to controlling interest in the individual and consolidated financial statements, were done on both financial statements, the same adjustments of accounting practice upon the adoption of IFRS and CPCs. The carrying value of these investments includes the breakdown of acquisition costs and goodwill.

c. Consolidated financial statements

The Company fully consolidates all subsidiaries. The Company controls an entity when it is exposed or has the right to variable return with its involvement with the entity and it has the capacity of interfering in these returns due to power exercised over the entity. Subsidiaries are consolidated as from the date in which control is obtained to the Company. The consolidation is discontinued as from the date control ceases.

Investments in associates and joint venture ("joint ventures") are recorded by the equity method. Associate is an entity over which the Company has significant influence, but does not exercise control. Joint ventures are all entities over which the Company shares control with one or more parties.

When necessary, the subsidiaries financial statements are adjusted to adapt its accounting policies to those established by the Company. All significant affiliate accounts and transactions upon consolidation are eliminated.

The noncontrolling interest is presented in the financial statements as part of the shareholder's equity, as well as the net income (loss) attributable to them in the income statement.

When the Company acquires more shares or other equity instruments of an entity that it already controls, gain and losses are arising from acquisition of shares, or other equity instruments, of an controlled entity, are kept at shareholder's equity in the caption of "Capital transactions".

d. Other current and noncurrent assets

Other current and noncurrent assets are stated at cost or realizable value including, if applicable, income earned through the reporting date.

e. Other current and noncurrent liabilities

Current and noncurrent liabilities are stated at known or estimated amounts, including, if applicable, charges and monetary or exchange rate variations.

f. Statement of income and revenue recognition

Revenue and expenses are recorded on the accrual basis. Revenue is recognized when the risks and inherent benefits are transferred to the clients as well the extent which is probable that the economic benefits will be generated to the Company and it can be measured reliably. Revenue is measured at the fair value of the payment received or receivable for sale of products and services in the Company normal course of business.

In the income statement revenue is net of taxes, returns, rebates and discounts, as well as of intercompany sales.

The expenses are recorded on the accrual basis.

g. New pronouncements, issues, changes and interpretations

There are no other rules, amendments and interpretations that are not in force in which the Company expects to have a relevant impact arising from its application on its quarterly interim financial statements.

3 Business Combination

The Company business acquisitions are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group . The consideration transferred in a business combination is measured at fair value, which is calculated by adding the fair values of assets transferred, liabilities incurred on the acquisition date to the previous owners of the acquired shares issued in exchange for control of the acquired. The acquisition-related costs are recognized in income when incurred.

The excess i) the consideration transferred; ii) the amount of any noncontrolling interest in the acquiree (when applicable); and iii) the fair value at the acquisition date, of any previous equity interest in the acquire, over the fair value of net assets acquired is recognized as goodwill. When the sum of the three items above is less than the fair value of the net assets amount acquired. the gain is recognized directly in the income statement of the period as 'Bargain gain'.

Estimated values are recognized when the initial business combination measurement is not completed at the closing period in which the business combination has occurred. The estimated values are adjusted during the measurement period (which shall not exceed one year, from the date of acquisition), or additional assets and liabilities are recognized to reflect new information relating to facts and circumstances existing at the acquisition date which, if known, would have affected the amounts recognized on that date.

Following are presented the acquisitions that i) have been implemented during the quarter of the balance that is being published on September 30, 2015; ii) have changed the amount paid or the fair value of the assets since the date of acquisition until the maturity of the business combination and; iii) the acquisition were concluded after one year. Thus, the other acquisitions that does not qualify under these conditions, are presented in the previous disclosures.

(Expressed in thousands of reais)

Business combination details:

FAIR VALUE	Acquisitions in 2015						Acquisitions in 2014		
	Seara Norte	Big Frango	Priante [1]	Primo [2]	Tyson México [2]	Moy Park [3]	Macedo	Eleven	Avebom
ASSETS	**45,664**	**484,934**	**124,954**	**2,931,425**	**1,068,492**	**5,011,879**	**576,093**	**5,322**	**85,398**
Cash and cash equivalents	1,342	18,746	7,544	18,784	21,990	732,202	14,729	40	3,575
Trade accounts receivable	5,759	76,402	26,583	441,703	96,037	373,530	117,993	1	22,284
Inventories	10,615	32,077	28,862	453,217	133,100	490,479	86,357	-	3,505
Biological assets	5,575	42,483	-	-	137,574	311,440	47,699	198	10,557
Recoverable taxes	9,864	99,915	1,783	-	-	58,240	124,948	62	23,045
Deferred taxes (assets)	-	-	8,666	34,910	-	-	-	-	-
Other current and noncurrent assets	1,649	43,991	6,382	29,086	14,521	317,608	16,253	174	5,320
Property, plant and equipment	10,743	170,935	41,653	1,298,526	626,733	1,527,670	166,914	4,847	17,112
Intangible	117	385	3,481	655,199	38,537	1,200,710	1,200	-	-
LIABILITIES AND EQUITY	**30,640**	**1,008,490**	**100,935**	**616,836**	**255,493**	**3,754,972**	**233,799**	**396**	**132,158**
Trade accounts payable	6,189	148,286	13,070	450,900	85,616	1,128,727	52,199	273	71,325
Loans and financings	12,509	553,345	79,367	-	-	1,877,720	116,126	17	42,816
Payroll, social charges and tax obligation	5,361	72,143	4,240	164,724	38,366	218,140	11,485	106	16,421
Current and deferred taxes	-	9,371	-	1,212	131,511	323,439	-	-	-
Provision for lawsuits risks	3,682	225,345	-	-	-	11,200	18,039	-	-
Other current and noncurrent liabilities	2,899	-	4,258	-	-	195,746	35,950	-	1,596
Net assets and liabilities	**15,024**	**(523,556)**	**24,019**	**2,314,589**	**812,999**	**1,256,907**	**342,294**	**4,926**	**(46,760)**
Acquisition cost	71,100	30,000	41,245	4,748,907	1,505,995	5,353,221	403,282	7,800	24,909
Goodwill/excess of the transaction	**56,076**	**553,556**	**17,226**	**2,434,318**	**692,996**	**4,096,314**	**60,988**	**2,874**	**71,669**
Goodwill/excess allocation in the transaction									
Added value in client portfolio	-	94,947	-	-	-	457,539	29,830	-	437
Added value in trademark	-	67,389	-	-	-	(112,577)	20,600	-	313
Added value in fixed asset	-	-	-	-	-	-	-	-	35,630
Deferred income tax and social contribution	-	(55,195)	-	-	-	(117,287)	(17,146)	-	(12,369)
Goodwill amount to expectation of future earnings	56,076	446,415	17,226	2,434,318	692,996	3,868,639	27,704	2,874	47,658
Goodwill/excess of the transaction	**56,076**	**553,556**	**17,226**	**2,434,318**	**692,996**	**4,096,314**	**60,988**	**2,874**	**71,669**

[1] - Converted by the euro rate of R$4.4349 in September 30, 2015.
[2] - Converted by the american dollar rate of R$3.9729 in September 30, 2015.
[3] - Converted by the british pound rate of R$6.0054 in September 30, 2015.

For the recent acquisitions in which the Company preliminarily did not identify fair value adjustments, the excess generated in the transaction is preliminarily kept as goodwill to expectation of future earnings.

4 Cash and cash equivalents

It includes cash balances, banks and financial investments with original maturities of three months or less from the date of the contract. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an immaterial risk of changes in value.

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Cash and banks	**3,244,763**	4,189,249	**7,607,276**	8,368,528
CDB (bank certificates of deposit)	**5,410,147**	4,509,936	**12,220,337**	4,775,249
Investment funds	-	-	**1,014,563**	961,912
National treasury bill - Tesouro Selic	**3,166,100**	804,738	**3,166,100**	804,738
	11,821,010	**9,503,923**	**24,008,276**	**14,910,427**

The bank certificates of deposit - CDB-DI - are held by financial institutions, with floating-rate and yield an average of 100% of the variation of the interbank deposit certificate (Certificado de Depósito Interbancário - CDI). In the consolidated, are included similar financial applications to CDB's with fixed income.

Investments funds (Consolidated) - It is composed entirely of investments of the indirect subsidiary JBS Project Management GMBH (subsidiary of JBS Holding GMBH) in mutual investment funds nonexclusive, whose investments are performed by JP Morgan as part of a cash management service.

National treasury bill - Tesouro Selic – Correspond to purchased bonds with financial institutions, whose conditions and characteristics are similar to the CDB's.

(Expressed in thousands of reais)

5 Trade accounts receivable, net

Trade accounts receivable correspond to amounts owed by customers in the ordinary course of business of the Company. If the due date is equivalent to one year or less, the account receivable is classified as a current asset. Otherwise, the corresponding amount is classified as a noncurrent asset. Accounts receivable are presented at amortized cost, less any impairment. The foreign accounts receivable are updated with the current exchange rate at the financial statement date.

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Current receivables	**4,034,103**	3,265,933	**11,522,269**	8,305,274
Overdue receivables:				
From 1 to 30 days	**184,037**	229,464	**1,112,017**	1,085,777
From 31 to 60 days	**41,333**	14,696	**243,832**	127,764
From 61 to 90 days	**4,653**	20,906	**116,635**	59,952
Above 90 days	**83,381**	60,198	**323,068**	191,148
Allowance for doubtful accounts	**(93,780)**	(88,585)	**(241,168)**	(192,367)
	219,624	236,679	**1,554,384**	1,272,274
	4,253,727	3,502,612	**13,076,653**	9,577,548

Allowance for doubtful accounts are calculated based on the analysis of the aging list, provisioning the items of long standing, and considering the probable estimated losses, which the amount is considered sufficient by the Management to cover probable losses on accounts receivable based on historical losses. Allowance for doubtful accounts expenses with the constitution of the provision for adjustment to recoverable value are recorded under the caption "Selling Expenses" in the individual and consolidated statements of income. When no additional recoverability is expected, the account receivable is reversed. Below are demonstrated the changes in the allowance for doubtful accounts:

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Initial balance	**(88,585)**	**(88,585)**	**(192,367)**	**(210,443)**
Additions	**(5,195)**	-	**(37,726)**	(2,674)
Exchange variation	-	-	**(21,093)**	(1,289)
Write-offs	-	-	**10,018**	22,039
Final balance	**(93,780)**	**(88,585)**	**(241,168)**	**(192,367)**

6 Inventories

The inventories are stated at the lower of the average cost of acquisition or production, and the net realizable value. The cost of inventories is recognized in the income statement when inventories are sold or perishing.

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Finished products	**1,621,986**	1,582,328	**7,789,125**	5,426,529
Work in process	**404,446**	311,547	**1,044,254**	754,389
Raw materials	**292,292**	390,944	**1,681,177**	1,047,788
Warehouse spare parts	**148,451**	132,789	**1,731,717**	1,044,404
	2,467,175	2,417,608	**12,246,273**	8,273,110

7 Biological assets

Chicken and eggs:

Current (consumable) - Refers to broiler chickens to slaughter in the maturing period, which remain in development for a period of 30 to 48 days for production of fresh meat and / or industrialized products and, eggs awaiting hatching.

Noncurrent (bearer assets) - Refers to layer and breeder chicken that are intended for breeding which have a estimate useful life of 68 weeks. The animals in this category are segregated in mature and immatures, since that mature are animals that already are in breeding stage and immature are under development.

The fair value of these biological assets is substantially represented by its acquisition cost plus costs accumulated absorption, due to the short life cycle and by the fact that the profit margin is substantially representative only in the process of industrialization. Thereby, the current assets are maintained at cost and the noncurrent assets besides being maintained at cost, are amortized according to their capacity of producing new assets (eggs).

Cattle:

Current (consumable) - Refers to cattle in feedlots (intensive), cattle in pastures (extensive) and remains under development for 90 to 120 days.

The operations related to cattle in Brazil, are reliably recognized at market value due to the existence of active markets. The evaluation of biological assets is done on a quarterly basis. The gain or loss on change in fair value of biological assets is recognized in the income statement in the period in which it occurs, in specific line as a reduction of gross revenue. The operations of the United States has no active market and the assets are carried at cost.

Hogs and lambs:

Current (consumable) - Refers to hogs and lambs to slaughter in the maturing period, which remain in development for a period of 170 to 175 days for production of fresh meat and / or industrialized products.

(Expressed in thousands of reais)

Noncurrent (bearer assets) - Refers to layer, hogs and lambs that are intended for breeding which have a estimate useful life of 28 months.

Operations related to hogs of activities in Brazil, are similar to the activities of chicken, therefore, the fair value of biological assets is substantially represented by its acquisition cost plus costs accumulated absorption. Thereby, the current assets are maintained at cost and the noncurrent assets besides being maintained at cost, are amortized according to their capacity of producing new assets (pork and eggs).

	Consolidated			
Current biological assets (consumable):	**September 30, 2015**		**December 31, 2014**	
	Amount	**Quantity (thousands)**	**Amount**	**Quantity (thousands)**
Evaluated by cost:				
Chicken and eggs	**1,728,070**	**552,904**	1,059,805	453,046
Cattle	**40,087**	**9**	18,965	6
Hogs and lambs	**522,309**	**2,603**	454,072	2,528
	2,290,466	**555,516**	**1,532,842**	**455,580**
Evaluated by market value:				
Cattle	**81,750**	**36**	35,024	19
	81,750	**36**	**35,024**	**19**
Total current:				
Chicken and eggs	**1,728,070**	**552,904**	1,059,805	453,046
Cattle	**121,837**	**45**	53,989	25
Hogs and lambs	**522,309**	**2,603**	454,072	2,528
	2,372,216	**555,552**	**1,567,866**	**455,599**

	Consolidated			
Noncurrent biological assets (bearer assets):	**September 30, 2015**		**December 31, 2014**	
	Amount	**Quantity (thousands)**	**Amount**	**Quantity (thousands)**
Evaluated by cost:				
Mature chicken and eggs	**407,635**	**19,898**	294,541	18,142
Immature chicken and eggs	**520,128**	**17,483**	271,935	13,978
Hogs and lambs	**76,347**	**197**	67,213	189
	1,004,110	**37,578**	**633,689**	**32,309**
Total noncurrent:	**1,004,110**	**37,578**	**633,689**	**32,309**
Total of biological assets:	**3,376,326**	**593,130**	**2,201,555**	**487,908**

Changes in biological assets:	**Current**	**Noncurrent**
Current amount on December 31, 2014	**1,567,866**	**633,689**
Increase by reproduction (born) and costs absorptions	15,886,887	981,815
Increase by purchase	539,777	329,496
Fair value (mark to market)	33,925	-
Changes from current to noncurrent	416,581	(416,581)
Decrease by death	(24,573)	(2,026)
Reduction for slaughter, sale or consumption	(16,728,779)	(101,983)
Exchange rate variation	348,853	60,397
Amortization	-	(646,090)
Effect from acquired companies	331,679	165,393
Current amount on September 30, 2015	**2,372,216**	**1,004,110**

(Expressed in thousands of reais)

8 Recoverable taxes

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Value-added tax on sales and services (ICMS / IVA / VAT / GST)	**977,974**	944,751	**2,162,404**	1,791,298
Excise tax - IPI	**45,304**	44,037	**114,002**	110,688
Social contribution on billings - PIS and COFINS	**913,089**	817,737	**1,578,252**	1,552,775
Withholding income tax - IRRF/IRPJ	**247,220**	225,360	**279,460**	265,826
Reintegra	**22,560**	40,814	**44,822**	49,648
Other	**17,047**	16,969	**106,358**	76,427
	2,223,194	**2,089,668**	**4,285,298**	**3,846,662**
Current and Long-term:				
Current	**1,456,223**	1,310,521	**2,550,653**	2,300,624
Noncurrent	**766,971**	779,147	**1,734,645**	1,546,038
	2,223,194	**2,089,668**	**4,285,298**	**3,846,662**

Value-added tax on sales and services (ICMS / IVA / VAT/GST): Recoverable ICMS refers to excess of credits derived from purchases of raw materials, packaging and other materials over tax charges due on domestic sales, since exports are tax-exempted. The Company expects to recover the total amount of the tax credit, including the ICMS credits from other states (difference between the statutory rate for tax bookkeeping and the effective rate for ICMS collection in the state of origin).

Social contribution on billings - PIS and COFINS: Refers to non-cumulative PIS and COFINS credits arising from purchases of raw materials, packaging and other materials used in the products sold in the foreign market.

Withholding income tax - IRRF/IRPJ: Refers mainly to withholding income tax levied on short-term investments, deductions and remaining foreign tax credits and prepayments of income tax and social contribution paid by estimate, which can be offset against income tax payable on profits.

Reintegration of the Special Tax Values - Reintegra: Aims to restore tax amounts related to exporting activities. Tax credit amounts are calculated by applying the percentage from gross revenue from the export of certain industrial products.

9 Related parties transactions

The main balances of assets and liabilities, as well as the transactions that influenced the income (loss) for the period related to transactions between related parties arise from transactions in between JBS and its subsidiaries at market and prices conditions established between the parties. Transference of costs includes borrowing costs, interests and management fee exchange rate, when applicable. Below is presented the current balance of such transactions:

				Balance sheet accounts		Effect on net income	
COMPANY	**Currency**	**Maturity**	**Costs transfer (administrative and funding)**	**September 30, 2015**	**December 31, 2014**	**September 30, 2015**	**September 30, 2014**
Direct subsidiaries							
JBS Confinamento	R$	01/01/2016	Corresponds to CDI + 1% p.m.	**90,718**	61,153	**7,180**	11,022
JBS Embalagens Metálicas	R$	01/01/2016	Corresponds to CDI + 1% p.m.	**111,461**	91,459	**15,377**	11,170
JBS USA [(1)]	US$	03/25/2016	Corresponds to Libor + 2,5% to 3% p.y.	**(3,779,342)**	(14,145)	**(5,508)**	(5,759)
Brazservice	R$	01/01/2016	Corresponds to CDI + 1% p.m.	**17,946**	17,942	**3,103**	1,074
Seara Alimentos [(2)]	R$	03/31/2015	-	-	1,837,576	-	-
Tannery	R$	06/24/2016	Corresponds to CDI + 1% p.m.	**45,213**	28,442	**5,271**	127
JBS Global Investments	US$	03/13/2017	-	**727,898**	-	-	-
Seara Alimentos	R$	01/01/2016	Corresponds to CDI	**32,274**	(126,550)	**19,861**	53,802
JBS Holding GMBH [(3)]	EUR	-	-	**452,653**	-	-	-
JBS Global Meat [(4)]	R$	-	-	**1,111**	-	-	-
Indirect subsidiaries							
JBS Aves	R$	01/01/2016	Corresponds to CDI	**1,951,563**	1,264,574	**144,468**	35,087
JBS Argentina [(4)]	R$	-	-	**122,311**	-	-	-
Beef Snacks Brasil	R$	-	-	-	-	-	8,397
Beef Snacks International	US$	-	-	-	-	-	380
Zenda Leather	US$	-	-	-	-	-	566
				(226,194)	**3,160,451**	**189,752**	**115,866**

(1) - On June 19, 2015, the Company exercised its right to repurchase the total amount of the Notes maturing in 2018 with an interest of 8.25% ("Notes 2018 of JBS S.A.") through funds provided by JBS USA, settling the loan and getting liabilities with JBS USA.

(2) - Disposal through capitalization of the entire agreement balance.

(3) - Refers to participation rights of the Company in its subsidiary JBS Holding GMBH.

(4) - Advances with the purposes of future capitalization.

Among the transactions between related parties more representative, we emphasize the purchase of cattle for slaughter between JBS and it subsidiary JBS Confinamento and the sale of finished products to "trading companies", JBS Global (UK), JBS Toledo, and Sampco and of leather in different stages to the subsidiaries Trump Asia and JBS Leather Itália. Such transactions are made at regular price and market conditions in their region because it takes the market prices applied with other clients (third parties not from JBS Group). The number of cattle supplied by these related parties is irrelevant comparing to the demanded volume by JBS, such as the volume of exported products over the volume of its exports.

(Expressed in thousands of reais)

Following, are demonstrated all commercial transactions between related parties recognized in the Company:

	Accounts receivable		Accounts payable		Purchases		Sale of products	
COMPANY	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Direct subsidiaries								
JBS Confinamento	465	197	25,134	44,892	149,429	236,782	5,883	6,259
JBS Leather Itália	389	15,034	-	-	-	-	110,606	67,004
Brazservice	10,623	2,713	9,903	33	86,406	45,632	54,018	35,203
Tannery	6,610	363	3,320	8,084	54,828	23,407	44,670	19,370
Seara Alimentos	12,921	10,490	170,915	14,889	220,382	158,907	134,553	96,007
JBS Leather Paraguay	-	-	-	-	1,882	-	153	-
Indirect subsidiaries								
JBS Global UK	55,675	59,907	43	73	-	90	189,671	125,878
JBS Argentina	-	-	-	1,809	9,972	7,871	-	-
Global Beef Trading	-	-	-	-	-	1,731	-	44,314
Australia Meat	-	-	1,752	108	34,166	23,825	-	-
Toledo	47,970	31,893	-	-	-	-	196,287	164,725
JBS Aves	2,488	22,494	238,084	40,624	475,047	474,975	46,791	27,088
Weddel	901	1,472	-	-	-	-	6,924	26,719
Sampco	67,661	58,269	8	-	-	-	323,444	137,895
JBS Leather Europe	-	-	2	2	-	-	-	-
Meat Snacks Partners	12,872	9,280	529	23	3,213	959	163,611	129,758
Frigorífico Canelones	-	-	-	278	6,374	8,833	-	-
Rigamonti	1,256	513	12	8	-	-	1,633	-
Trump Asia	73,847	31,229	-	-	84	-	212,029	171,640
JBS Paraguay	101	2,622	1,585	1,355	79,322	56,418	172	3,917
Zenda	1,419	-	70	-	753	105	21,294	26,387
Braslo Produtos de Carnes	7,024	9,581	333	-	773	39	126,331	76,932
Excelsior	3	2	-	-	-	-	38	44
JBS Chile	8	-	-	860	-	-	7	-
Nawelur	-	-	-	-	-	-	-	11,286
MBL Alimentos	-	-	-	-	-	-	-	460
JBS USA	260	-	-	-	-	-	248	-
Conceria Priante	13,513	-	-	-	-	-	12,292	-
Agrícola Jandelle	431	-	606	-	1,941	-	2,211	-
Avebom	19	-	44,437	-	45,011	-	115	-
Enersea	46	-	324	-	24,299	-	14,095	-
Macedo	1,143	-	13,771	-	14,987	-	3,767	-
Sul Valle	7	-	9,050	-	10,965	-	16	-
Other related parties								
Vigor	5,727	3,743	397,340	345	459,331	61,425	49,666	40,833
J&F Floresta Agropecuária	-	1	4,226	-	18,030	18,049	349	216
Flora Produtos	5,986	4,791	141	94	1,128	91	32,834	54,555
Flora Distribuidora	16,636	24,159	44	9	388	322	116,610	109,388
Itambé	532	909	-	32,344	131,355	188,871	5,183	1,084
	346,533	289,662	921,629	145,830	1,830,066	1,308,332	1,875,501	1,376,962

No allowance for doubtful accounts or bad debts expenses relating to related-party transactions were recorded for the periods ended on September 30, 2015 and December 31, 2014. The guarantees granted and / or granted between related parties are described in note for loans and financings.

Consolidated - Credits with related parties

The consolidated amount of credits with related parties, of R$1,787,320 on September 30, 2015 (R$370,072 on December 31, 2014) arises from the use of the credit of up to US$450 million between the indirect subsidiary JBS Five Rivers (subsidiary of JBS USA) and J&F Oklahoma (subsidiary of J&F Participações S.A., which is not consolidated in the Company). This transaction has interest and J&F Oklahoma uses this credit to purchase cattle for fattening, which are allocated in the JBS Five Rivers feedyards for fattening until ready for slaughter.

J&F Oklahoma is still part in 2 commercial 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 adding value costs, besides a daily fee of rent in line with market terms; ii. sales and purchase cattle agreement with JBS USA of at least 800,000 animals/year, starting from 2009 up to 2019.

On June 2011, J&F Australia entered into a purchase and sale of cattle to JBS Australia, according to this agreement, J&F Australia should sell for JBS Australia and this one should buy at least 200,000 head of cattle from J&F Australia per year.

On January 2013, J&F Canada entered into a purchase and sale of cattle to JBS Canada, according to this agreement, J&F Canada should sell for JBS Canada and this one should buy at least 50,000 head of cattle from J&F Canada per year.

(Expressed in thousands of reais)

Remuneration of key management

Company's management includes the Executive Board and the Board of Directors. The aggregate amount of compensation received by the members of Company's management for the services provided in their respective areas of business in the nine months period ended on September 30, 2015 and 2014 is the following:

	September 30, 2015		September 30, 2014	
Executive Board and Board of Directors	**Members**	**Value**	**Members**	**Value**
Fixed remuneration of the period	**12**	**6,386**	13	6,399
	12	**6,386**	**13**	**6,399**

Additionally, the compensation amount paid to the Executive Board considers the variable compensation as presented below:

	September 30, 2015	September 30, 2014
Participation of results	**2,500**	1,300
Stock based compensation	**2,500**	1,900
	5,000	**3,200**

The alternate members of the Board of Directors are paid for each meeting of Council in attendance.

The Institutional Relations Executive Officer, Administrative and Control Director and Investor Relations Director are part of the employment contract regime CLT (which is the Consolidation of Labor Laws), which follows all the legal prerogatives of payments and benefits.

Except for those described above, the other members of the Executive Board, and Management Board are not part of any employment contract or any other contracts for additional business benefits such as post-employment benefits or other long-term benefits, termination of work that does not conform to those requested by the CLT.

10 Investments in associate, subsidiaries and joint ventures

	Company		Consolidated	
	September 30, 2015	**December 31, 2014**	**September 30, 2015**	**December 31, 2014**
Investments in subsidiaries, associates and joint ventures	**18,488,625**	9,462,958	**359,538**	295,350
Added value of assets in subsidiaries	**227,675**	-	-	-
Goodwill to expectation of future earnings	**4,566,758**	698,119	-	-
	23,283,058	**10,161,077**	**359,538**	**295,350**

Relevant information about investments in the nine months period ended on September 30, 2015:

	Participation	Total assets	Capital stock	Equity	Net revenue	Net income (loss)
In subsidiaries:						
JBS Embalagens Metálicas	99.00%	90,834	2	(26,201)	-	(17,204)
JBS Global Investments	100.00%	762,637	315,846	34,739	-	(12)
JBS Holding Internacional	100.00%	938,627	1,505,844	614,573	1,010,330	(24,124)
JBS USA	100.00%	51,037,836	4,066,962	8,268,786	79,543,622	2,269,652
JBS Confinamento	100.00%	664,349	599,401	509,754	59,624	(6,525)
JBS Slovakia Holdings	100.00%	49,773	10,094	49,312	-	(1,440)
JBS Leather Itália	100.00%	402,396	51,809	36,690	190,234	(7,019)
JBS Leather Paraguay	97.50%	12,111	28	756	38,635	998
JBS Holding GMBH	100.00%	3,238,551	155	1,376,979	1,667,959	205,175
JBS Global Luxembourg	100.00%	592,722	328,799	251,854	866,814	(9,001)
FG Holding III	100.00%	65	53	65	-	(1)
JBS Global Meat	100.00%	262,315	244,848	240,900	-	(3,948)
JBS Leather International	100.00%	1,663,933	86,591	106,808	504,543	(151,929)
Brazservice	100.00%	57,589	23,063	1,717	70,645	4,579
Seara Alimentos	100.00%	18,409,333	4,259,089	5,380,004	13,346,301	1,113,605
Tannery	99.51%	40,904	29,843	(11,373)	44,722	(20,515)
Moy Park	100.00%	5,011,879	16,659	1,256,906	-	-
In associates:						
Vigor Alimentos	19.43%	4,505,683	1,347,636	1,599,778	3,742,830	174,706
In joint ventures:						
Meat Snack Partners	50.00%	97,408	53,714	97,408	246,914	29,187

(Expressed in thousands of reais)

- **In the Company:**

	December 31, 2014	Addition (disposal)	Exchange rate variation	Equity in subsidiaries		September 30, 2015
				Equity in subsidiaries	Income statement	
JBS Embalagens Metálicas	**(8,907)**	-	-	-	(17,032)	**(25,939)**
JBS Global Investments	**23,236**	-	11,515	-	(12)	**34,739**
JBS Holding Internacional	**467,095**	-	-	171,602	(24,124)	**614,573**
JBS USA	**4,240,732**	-	2,645,488	(887,086)	2,269,652	**8,268,786**
JBS Confinamento	**516,279**	-	-	-	(6,525)	**509,754**
JBS Slovakia Holdings	**36,649**	-	13,714	389	(1,440)	**49,312**
JBS Leather Itália	**33,129**	-	10,580	-	(7,019)	**36,690**
JBS S/A (DMCC Branch)	**313**	(313)	-	-	-	-
JBS Leather Paraguay	**(292)**	(738)	57	-	973	-
JBS Holding GMBH	**1,443,790**	(654,703)	357,629	25,088	205,175	**1,376,979**
JBS Global Luxembourg	**196,790**	-	72,768	(8,703)	(9,001)	**251,854**
FG Holding III	**66**	-	-	-	(1)	**65**
JBS Global Meat	**244,848**	-	-	-	(3,948)	**240,900**
Vigor Alimentos	**268,026**	266	-	8,864	33,679	**310,835**
JBS Leather International	**187,349**	10,056	71,448	(10,116)	(151,929)	**106,808**
Brazservice	**(2,862)**	-	-	-	4,579	**1,717**
JBS Foods [(1) (2)]	**1,768,296**	(2,499,770)	-	150,495	580,979	-
Seara Alimentos [(2)]	-	4,337,659	-	509,719	532,626	**5,380,004**
Tannery	**9,036**	135	-	(159)	(20,329)	**(11,317)**
Meat Snack Partners	**27,324**	-	16,935	(10,150)	14,594	**48,703**
Moy Park [(3)]	-	1,256,906	-	-	-	**1,256,906**
Subtotal	**9,450,897**	**2,449,498**	**3,200,134**	**(50,057)**	**3,400,897**	**18,451,369**
Accrual for loss on investments (*)	**12,061**					**37,256**
Total	**9,462,958**					**18,488,625**

(*) Transfer of the negative investments for other noncurrent liabilities.

Changes in the added value of assets in subsidiaries:

	December 31, 2014	Addition	September 30, 2015
Added value of assets in subsidiaries	-	227,675	227,675

- **In the Consolidated:**

	December 31, 2014	Addition (Disposal)	Equity in subsidiaries		September 30, 2015
			Equity in subsidiaries	Income statement	
Vigor Alimentos	**268,026**	266	8,864	33,679	**310,835**
Meat Snack Partners	**27,324**	-	6,785	14,594	**48,703**
Total	**295,350**	**266**	**15,649**	**48,273**	**359,538**

Below is presented the breakdown of main additions and disposals of investments during the period:

(1) - JBS Foods S.A. - On March, 2015, the Company made a capital increase through a loan capitalization, in the amount of R$1,837,888.

(2) - JBS Foods S.A. and Seara Alimentos - On April, 2015, JBS Foods S.A. was incorporated by its subsidiary (reverse merger), Seara Alimentos Ltda., in a simplifying process of its corporate structure.

(3) - Moy Park - On September 2015, the Company concluded the acquisition and took control of Moy Park.

(Expressed in thousands of reais)

11 Property, plant and equipment, net

The items of property, plant and equipment are valued at historical cost of acquisition or construction, net of accumulated depreciation and impairment. Until December 2007, revaluations were performed on property, plant and equipment items of several Company's plants, and offsetting entries were made to the revaluation reserve account and the provision for deferred income and social contribution taxes. The method and assumption applied to estimate the fair value of the assets were determined based on current market prices.

An item is disposed when sold or there are no future economic benefits resulting from its continued use. Any gains or losses on sale or disposal of fixed assets are determined by the difference between the amounts received against the carrying amount and are recognized in the income statement.

Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, so that the value of cost less its residual value after the useful life is fully depreciated (except for land and construction in progress). The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date and the effect of any changes in estimates are accounted for prospectively.

The balance of construction in progress refers to investments for expansion, modernization and adaptation of plants for the maintenance, increasing productivity and obtaining new certifications required by the market. When these assets are concluded and start operating, they will be transferred to a proper property, plant and equipment account and then will be subject to depreciation.

	Average annual depreciation rate at					Net amount	
Company	**September 30, 2015**	**December 31, 2014**	**Cost**	**Revaluation**	**Accumulated depreciation**	**September 30, 2015**	**December 31, 2014**
Buildings	**3.30%**	3.03%	3,441,229	116,620	(652,039)	**2,905,810**	2,745,594
Land	-	-	1,255,238	9,305	-	**1,264,543**	1,148,691
Machinery and equipment	**6.39%**	6.23%	5,609,413	44,071	(1,779,888)	**3,873,596**	3,529,824
Facilities	**5.45%**	4.64%	1,565,808	21,731	(378,433)	**1,209,106**	1,088,839
Computer equipment	**11.10%**	11.41%	211,359	679	(135,136)	**76,902**	84,340
Vehicles	**11.59%**	9.38%	576,625	51	(174,461)	**402,215**	452,938
Construction in progress	-	-	1,177,946	-	-	**1,177,946**	1,347,217
Others	**2.63%**	2.41%	242,740	1,233	(43,395)	**200,578**	192,987
			14,080,358	**193,690**	**(3,163,352)**	**11,110,696**	**10,590,430**

	Average annual depreciation rate at					Net amount	
Consolidated	**September 30, 2015**	**December 31, 2014**	**Cost**	**Revaluation**	**Accumulated depreciation**	**September 30, 2015**	**December 31, 2014**
Buildings	**3.05%**	3.54%	14,605,380	116,620	(3,631,544)	**11,090,456**	7,801,751
Land	-	-	3,669,728	9,305	-	**3,679,033**	2,925,379
Machinery and equipment	**7.89%**	8.12%	21,104,440	44,071	(10,168,341)	**10,980,170**	8,019,236
Facilities	**5.47%**	4.98%	2,376,431	21,731	(731,996)	**1,666,166**	1,462,634
Computer equipment	**14.89%**	17.54%	702,621	679	(416,044)	**287,256**	198,971
Vehicles	**10.48%**	9.00%	1,029,016	51	(483,002)	**546,065**	526,644
Construction in progress	-	-	3,490,549	-	-	**3,490,549**	2,457,998
Others	**10.62%**	7.21%	1,728,239	1,233	(729,122)	**1,000,350**	706,084
			48,706,404	**193,690**	**(16,160,049)**	**32,740,045**	**24,098,697**

Changes in property, plant and equipment

Company	**December 31, 2014**	**Additions net of transferences**	**Disposals**	**Depreciation**	**September 30, 2015**
Buildings	2,745,594	248,355	(15)	(88,124)	**2,905,810**
Land	1,148,691	115,852	-	-	**1,264,543**
Machinery and equipment	3,529,824	617,390	(2,848)	(270,770)	**3,873,596**
Facilities	1,088,839	185,157	(1)	(64,889)	**1,209,106**
Computer equipment	84,340	10,245	(35)	(17,648)	**76,902**
Vehicles	452,938	46,788	(47,390)	(50,121)	**402,215**
Construction in progress (1)	1,347,217	(169,271)	-	-	**1,177,946**
Other	192,987	12,540	(134)	(4,815)	**200,578**
	10,590,430	**1,067,056**	**(50,423)**	**(496,367)**	**11,110,696**

(1) - Changes of construction in progress are presented for quarterly interim financial statements purposes, net of transfers, being composed on September 30, 2015 as follow:
(+) Additions in the period: R$321,348;
(-) Transfer to a proper property plant item: (R$490,619);
(=) Net balance: (R$169,271).

(Expressed in thousands of reais)

Consolidated	December 31, 2014	Acquisitions (2)	Additions net of transferences (3)	Disposals	Business combinations adjustments	Depreciation	Exchange rate variation	September 30, 2015
Buildings	7,801,751	1,683,522	519,181	(38,638)	22,116	(297,105)	1,399,629	**11,090,456**
Land	2,925,379	264,774	140,834	-	-	-	348,046	**3,679,033**
Machinery and equipment	8,019,236	1,395,293	1,481,374	(39,338)	20,777	(1,099,126)	1,201,954	**10,980,170**
Facilities	1,462,634	59,822	237,893	(642)	(1,100)	(93,484)	1,043	**1,666,166**
Computer equipment	198,971	42,872	84,396	(226)	90	(66,926)	28,079	**287,256**
Vehicles	526,644	55,440	94,912	(72,899)	278	(76,121)	17,811	**546,065**
Construction in progress	2,457,998	141,122	565,930	-	11	-	325,488	**3,490,549**
Other	706,084	33,415	184,887	(4,437)	2,126	(136,044)	214,319	**1,000,350**
	24,098,697	**3,676,260**	**3,309,407**	**(156,180)**	**44,298**	**(1,768,806)**	**3,536,369**	**32,740,045**

(2) - The acquisitions of R$3,676,260 refers to Grupo Big Frango and Seara Norte (in the consolidated of Seara Alimentos), Primo and Tyson (in the consolidated of JBS USA), Priante and Moy Park (in the Company).

(3) - The additions of R$3,309,407 are composed by several acquisitions and pulverized construction in progress, including the amount of R$1,067,056 in the Company referring to a beef processing facility implementation recently acquired, awaiting physical inventory by a specialized company; R$1,542,240 in the subsidiary JBS USA and R$506,136 in the subsidiary Seara Alimentos.

Interest capitalization - Borrowing costs

The financial charges of obtained loans, that are directly or indirectly attributable to the acquisition or construction of assets, are capitalized as part of the cost of these assets. Borrowing costs that are not directly related to the assets are capitalized based on the average funding rate on the balance of construction in progress. These costs are amortized over the estimated useful lives of the related assets and are presented as follows:

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Construction in progress	**1,084,323**	1,283,834	**3,262,213**	2,323,934
(+) capitalized borrowing costs	**93,623**	63,383	**228,336**	134,064
	1,177,946	**1,347,217**	**3,490,549**	**2,457,998**

In the period ended on September 30, 2015, the amount of capitalized interest on construction in progress including the amount of the additions is R$40,486 in the Company.

Impairment test of assets

If the carrying amount of an asset is higher than its recoverable amount, an impairment provision it is constituted in order to adjust it to its estimated recoverable amount. The Company has evaluated at December 31, 2014 to recover the carrying value of its tangible and intangible assets using the concept of "value in use", through discounted cash flow models. In the period ended September 30, 2015 the Company's Management did not identify any events that indicate the need for interim impairment tests.

(Expressed in thousands of reais)

12 Intangible assets, net

They are valued by acquisition cost, net of accumulated amortization and impairment, if applicable. The intangible assets are recognized when there are evidences of expected future economic benefits, considering its economical and technological viability, being mainly composed by trademarks, exploration rights, softwares and others.

The intangible assets that have finite useful live are amortized over its effective use or a method that reflects its economic benefits. The residual value of an intangible asset is written off immediately at recoverable value when its residual value exceeds the recoverable value.

Intangible assets acquired in a business combination are recognized at fair value, deducted from accumulated amortization and impairment losses, when applicable. The intangible assets that have finite useful lives are amortized over their useful lives using an amortizing method that reflects its economic benefits.

Goodwill based on expectation of future earnings

Goodwill is represented by the positive difference between the amount paid and/or to pay by a business acquisition and the net fair value of assets and liabilities of the acquired entity. The goodwill is recognized as an asset and included in the accounts 'Investments in subsidiaries valued by equity' in the Company because, for the investor, it is part of its investment in the subsidiary acquisition; and, "Goodwill", in the Consolidated for referring to expectation of future earnings of the acquired subsidiary, which assets and liabilities are consolidated with the Company. Therefore, in the Company there is only goodwill from acquisitions, being the remaining allocated as investments. In the Consolidated, all goodwill are recognized as intangibles.

The Company has adapted to the criteria of no longer amortize the goodwill by expectation of future earnings from the period started in January 1st, 2009. Therefore, being subjected to impairment tests annually or whenever there are evidences of value loss. Any impairment loss is recognized immediately as loss in the income statement and can not be reversed later.

At the sale of the corresponding cash-generating unit, the goodwill is included in the calculation of profit or loss on disposal.

	Company				Consolidated			
	Average annual depreciation rates		Net amount		Average annual depreciation rates		Net amount	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Expectation of future earnings	-	-	**9,085,970**	9,085,970	-	-	**21,033,205**	12,985,834
Trademarks	-	-	**452,578**	452,578	**9%**	9%	**2,963,214**	1,179,287
Softwares	**20%**	20%	**13,166**	11,716	**23%**	23%	**72,424**	52,780
Water rights	-	-	-	-	**9%**	9%	**133,638**	90,346
Client portfolio	-	-	-	-	**13%**	13%	**1,929,282**	1,122,591
Other	-	-	-	-	**23%**	23%	**2,599**	5,674
			9,551,714	**9,550,264**			**26,134,362**	**15,436,512**

Changes in intangible assets

Company	December 31, 2014	Additions	Business combination adjustments	Disposal	Amortization	September 30, 2015
Expectation of future earnings	9,085,970	-	-	-	-	**9,085,970**
Trademarks	452,578	-	-	-	-	**452,578**
Software	11,716	4,922	-	(144)	(3,328)	**13,166**
	9,550,264	**4,922**	-	**(144)**	**(3,328)**	**9,551,714**

Consolidated	December 31, 2014	Acquisitions [(1)]	Additions [(2)]	Disposal [(3)]	Business combination adjustments	Amortization	Exchange rate variation	September 30, 2015
Expectation of future earnings	12,985,834	134,374	7,690,184	-	(183,904)	—	406,717	**21,033,205**
Trademarks	1,179,287	1,718,705	-	-	(9,069)	(7,408)	81,699	**2,963,214**
Software	52,780	495	31,463	(156)	-	(14,231)	2,073	**72,424**
Water rights	90,346	-	-	-	-	(107)	43,399	**133,638**
Client portfolio	1,122,591	75,104	-	-	588,377	(133,324)	276,534	**1,929,282**
Other	5,674	3,481	875	(6,125)	-	(1,055)	(251)	**2,599**
	15,436,512	**1,932,159**	**7,722,522**	**(6,281)**	**395,404**	**(156,125)**	**810,171**	**26,134,362**

[(1)] - The acquisitions in the amount of R$1,932,159 refers to the balances arising from what was consolidated in the period of nine months period ended on September 30, 2015, Primo and Tyson (in the consolidated of JBS USA), Priante and Moy Park (in the Company).

[(2)] - The additions in goodwill for the period refers to the goodwill arising by the subsidiary Seara Alimentos by the acquisition of Seara Norte in the amount of R$56,076, and Big Frango Group in the amount of R$553,556, Macedo's price acquisition adjustment in the amount of R$60,988 and Novagro in the amount of R$6,384; in the subsidiary JBS Leather Itália by the acquisition of Priante in the amount of R$17,225; in the subsidiary JBS USA by the acquisition of Primo in the amount of R$2,434,319 and Tyson in the amount of R$692,997; and, by the Company's acquisition of Moy Park in the amount of R$3,868,639.

(Expressed in thousands of reais)

Goodwill expectation on future earnings breakdown:

Acquirer	Acquired company	Year	Currency	Registered as	Local currency	R$thousand
JBS	Bertin	2009	R$	Goodwill	9,069,926	**9,069,926**
JBS	Novaprom	2009	R$	Goodwill	16,044	**16,044**
JBS	Swift Foods Company	2007	R$	Investment	657,827	**657,827**
JBS	Columbus	2013	R$	Investment	40,292	**40,292**
JBS	Moy Park	2015	R$	Investment	3,868,639	**3,868,639**
JBS USA	Bertin USA	2008	USD	Goodwill	5,332	**21,184**
JBS USA	JBS USA Holdings	2008	USD	Goodwill	52,606	**208,998**
JBS USA	Five Rivers	2008	USD	Goodwill	162,422	**645,286**
JBS USA	Andrews Meat	2014	USD	Goodwill	15,977	**63,475**
JBS USA	Primo	2015	USD	Goodwill	555,099	**2,205,353**
JBS USA	Knox Skins	2015	USD	Goodwill	4,610	**18,315**
JBS USA	Tyson	2015	USD	Goodwill	174,431	**692,997**
JBS Holding Internacional	Consignaciones Rurales	2007	ARG	Goodwill	1,448	**611**
JBS Holding Internacional	Argenvases	2007	ARG	Goodwill	3,135	**1,323**
JBS Holding Internacional	Colcar	2008	ARG	Goodwill	9,527	**4,020**
JBS Global Luxembourg	Toledo	2010	EUR	Goodwill	5,188	**23,008**
JBS Leather Itália	Conceria Priante	2015	EUR	Goodwill	3,884	**17,225**
Cargill Alimentos	Seara Alimentos	2004	R$	Goodwill	11,111	**11,111**
Seara Alimentos	MBL	2008	R$	Goodwill	8,591	**8,591**
Seara Alimentos	Pena Branca	2008	R$	Goodwill	4,889	**4,889**
Seara Alimentos	Mas do Brasil	2008	R$	Goodwill	89,675	**89,675**
Seara Alimentos	Braslo	2008	R$	Goodwill	13,147	**13,147**
Seara Alimentos	Brusand	2008	R$	Goodwill	6,822	**6,822**
Seara Alimentos	Penasul	2008	R$	Goodwill	9,974	**9,974**
Seara Alimentos	Agrofrango	2008	R$	Goodwill	28,343	**28,343**
Seara Alimentos	JBS Foods Participações	2013	R$	Goodwill	1,309,382	**1,309,382**
Seara Alimentos	Sul Valle Alimentos	2014	R$	Goodwill	2,035	**2,035**
Seara Alimentos	Massa Leve	2014	R$	Goodwill	196,920	**196,920**
Seara Alimentos	Excelsior	2014	R$	Goodwill	12,835	**12,835**
Seara Alimentos	Agrovêneto	2013	R$	Goodwill	33,618	**33,618**
Seara Alimentos	Agil	2013	R$	Goodwill	47	**47**
Seara Alimentos	Frinal	2014	R$	Goodwill	39,411	**39,411**
Seara Alimentos	Avebom	2014	R$	Goodwill	47,658	**47,658**
Seara Alimentos	Granja Eleven	2014	R$	Goodwill	2,874	**2,874**
Seara Alimentos	Novagro	2014	R$	Goodwill	24,180	**24,180**
Seara Alimentos	Macedo	2014	R$	Goodwill	27,704	**27,704**
Seara Alimentos	Big Frango	2015	R$	Goodwill	446,415	**446,415**
Seara Alimentos	Seara Alimentos Norte	2015	R$	Goodwill	56,076	**56,076**
Parc Castell	Valores Catalanes	2008	USD	Goodwill	203,181	**807,217**
Brusand	Penasul UK	2008	USD	Goodwill	2,438	**9,686**
JBS Handels	JBS Holding Inc	2006	EUR	Goodwill	8,358	**37,067**
Itaholb	Rigamonti	2011	EUR	Goodwill	23,136	**114,538**
JBS Leather International	Capital Joy	2013	EUR	Goodwill	2,369	**10,506**
Trump Asia	Wonder Best	2010	USD	Goodwill	984	**3,909**
JBS Paraguay	IPFSA	2005	USD	Goodwill	2,391	**9,499**
Moy Park	Rose Energy	2010	GBP	Goodwill	1,125	**6,756**
Moy Park	Kitchen Range Foods Ltd	2008	GBP	Goodwill	17,950	**107,797**
					Total	**21,033,205**

13 Trade accounts payable

Correspond to the amounts owed to suppliers in the ordinary course of business. If the payment period is equivalent to one year or less, suppliers are classified as current liabilities, otherwise the corresponding amount is classified as noncurrent liabilities. When applicable are added interest, monetary or exchange rate.

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Commodities	**759,133**	971,093	**3,354,739**	2,903,724
Materials and services	**421,420**	510,910	**7,266,772**	3,755,967
Finished products	**849,298**	85,399	**463,025**	283,242
	2,029,851	**1,567,402**	**11,084,536**	**6,942,933**

(Expressed in thousands of reais)

14 Loans and financing

Loans and financings are recognized at fair value upon receipt of the proceeds, net of transaction costs, when applicable, plus charges, interests and monetary and exchange rate variation contractually defined, incurred until the end of each period. The Company discloses below the operations in foreign and local currency, considering the functional currency of each subsidiary. Local currency indicates loans denominated in the functional currency of the borrower. The loans and financings are represented as follows:

	Company					Consolidated				
		Current		Noncurrent			Current		Noncurrent	
Type	Annual average rate	Sep 30, 2015	Dec 31, 2014	Sep 30, 2015	Dec 31, 2014	Annual average rate	Sep 30, 2015	Dec 31, 2014	Sep 30, 2015	Dec 31, 2014
Foreign currency										
ACC - Adv. on exchange contracts	2.49%	**7,657,755**	5,843,516	-	-	2.43%	**9,129,717**	6,456,114	-	-
Prepayment	3.45%	**1,620,609**	577,838	**1,886,915**	358,971	4.09%	**3,991,410**	2,032,200	**1,900,145**	2,180,904
144-A	7.51%	**841,200**	243,038	**10,746,014**	10,075,940	7.51%	**841,200**	243,038	**10,746,014**	10,075,940
Credit note - import	-	-	-	-	-	2.82%	**39,706**	17,029	-	-
Credit note - export	8.58%	**165,587**	166,640	-	54,777	8.58%	**165,587**	166,640	-	54,777
Canadian credit facility	-	-	-	-	-	4.50%	**103**	141	**229,367**	174,207
Canadian credit facilty - term loan	-	-	-	-	-	3.65%	**2,872**	2,149	**41,632**	33,558
Canadian bank facility	-	-	-	-	-	3.50%	**9,328**	2,869	-	-
Credit note - LCAL	-	-	-	-	-	-	-	32	-	9,456
Andrews Meat secured facility	-	-	-	-	-	2.90%	**28,029**	12,941	-	-
FINIMP	-	-	-	-	-		**31**	-	**1,697,754**	-
Mexico credit facility	-	-	-	-	-	4.33%	**23,420**	-	-	-
		10,285,151	**6,831,032**	**12,632,929**	**10,489,688**		**14,231,403**	**8,933,153**	**14,614,912**	**12,528,842**
Local currency										
FINAME	5.02%	**81,880**	94,973	**213,475**	265,731	5.23%	**95,937**	109,856	**223,932**	288,529
JBS Mortgage	-	-	-	-	-	5.80%	**660**	29,101	**8,991**	6,338
US revolver	-	-	-	-	-	3.00%	**1,216**	507	**863,200**	335,024
Term loan JBS USA 2018	-	-	-	-	-	3.80%	**10,330**	10,189	**1,611,913**	1,075,086
Term loan Five Rivers 2019	-	-	-	-	-	2.70%	**20,754**	13,831	**360,708**	250,697
Notes 8,25% JBS USA 2020	-	-	-	-	-	8.25%	**36,328**	63,064	**2,739,140**	1,826,493
Notes 7,25% JBS USA 2021	-	-	-	-	-	7.25%	**107,654**	17,225	**4,498,805**	3,001,673
Notes 5,875% JBS USA 2024	-	-	-	-	-	5.88%	**35,498**	59,820	**2,956,155**	1,975,066
Notes 5,75% JBS USA 2025	-	-	-	-	-	5.75%	**65,108**	-	**3,542,651**	-
Notes 5,75% PPC 2025	-	-	-	-	-	5.75%	**4,124**	-	**1,967,920**	-
PPC Term Loan	-	-	-	-	-	1.43%	**1,136**	-	**1,942,391**	-
PPC - US bonds	-	-	-	-	-	-	-	449	-	9,342
Plainwell Bond	-	-	-	-	-	4.39%	**8,470**	5,533	**26,543**	21,834
Marshaltown	-	-	-	-	-	2.34%	**68**	-	**38,501**	25,675
Working capital - Brazilian Reais	16.60%	**670,554**	960,027	**498,634**	1,080,440	16.58%	**673,896**	1,050,457	**498,981**	1,083,081
Working capital - US Dollars	-	-	-	-	-	3.12%	**559,320**	286,365	**20,858**	29,883
Working capital - Euros	2.67%	**429**	2,771	**103,012**	35,421	2.42%	**230,157**	162,874	**111,837**	35,421
Working capital - Argentine pesos	-	-	-	-	-	16.94%	**4,659**	3,096	**379**	2,689
Credit note - export	13.97%	**906,233**	1,418,330	**1,698,651**	1,730,805	14.08%	**1,265,589**	1,742,824	**2,169,770**	2,464,580
Credit note - import	-	-	-	-	-	2.80%	**734,645**	244,127	-	-
FCO - Middle West Fund	-	-	-	-	-	10.00%	**1,627**	1,636	**3,451**	4,645
FNO - North Fund	-	-	4,053	-	8,678	-	-	4,053	-	8,678
CDC - Direct credit to consumers	1.20%	**2,420**	9,270	**2,718**	2,628	1.20%	**2,420**	9,270	**2,718**	2,628
FINEP	7.45%	**4,031**	1,733	**72,172**	75,693	6.81%	**8,010**	5,719	**85,670**	92,154
Rural - Credit note	-	-	-	-	-	6.45%	**6,321**	203,829	**543**	4,008
ACC - Adv. on exchange contracts	-	-	-	-	-	3.56%	**1,688**	4,407	-	-
Rural - Credit note	-	-	-	-	-	6.70%	**678,952**	442,225	**3,450**	-
Term loan JBS USA 2020	-	-	-	-	-	3.80%	**34,707**	14,787	**1,911,636**	1,285,994
CCB - BNDES	-	-	-	-	-	6.77%	**22,343**	23,275	**24,686**	33,805
Moy Park Notes 2021	-	-	-	-	-	6.25%	**37,384**	-	**1,764,116**	-
Debêntures	-	-	245,286	-	-	-	-	245,286	-	-
JBS USA Promissory note	-	-	-	-	-	1.50%	**1,986**	-	**4,762,899**	-
Others	-	-	-	-	-	1.63%	**67,783**	17	**8,438**	-
		1,665,547	**2,736,443**	**2,588,662**	**3,199,396**		**4,718,770**	**4,753,822**	**32,150,282**	**13,863,323**
		11,950,698	**9,567,475**	**15,221,591**	**13,689,084**		**18,950,173**	**13,686,975**	**46,765,194**	**26,392,165**

Annual average rate: Refers to the weighted average nominal cost of interest at base date. The loans and financings are fixed by a fixed rate or indexed to rates: CDI, TJLP, UMBNDES, LIBOR and EURIBOR, among others.

(Expressed in thousands of reais)

The long-term portion of the payment schedule of loans and financing is as follows:

	Company		Consolidated	
Maturity	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
2016	**1,291,078**	3,276,569	**1,751,598**	4,625,423
2017	**2,152,590**	981,247	**3,231,496**	1,770,675
2018 [1]	**1,161,746**	2,605,336	**3,790,271**	4,773,027
2019	**341,943**	53,299	**1,645,924**	337,812
2020	**4,110,902**	2,667,061	**10,643,499**	5,747,090
2021	**16,870**	14,513	**6,280,806**	3,038,449
Maturities thereafter 2021	**6,146,462**	4,091,059	**19,421,600**	6,099,689
	15,221,591	**13,689,084**	**46,765,194**	**26,392,165**

[1] - As mentioned in the explanative note for related parties transactions, the reduction in the long term refers to the fact that that the Company exercised its right to repurchase the total amount of the Notes maturing in 2018 with an interest of 8,25% ("Notes 2018 of JBS S.A.") through funds provided by JBS USA.

Subsequent event: On October 30th, 2015 the acquisition of Cargill's pork business was concluded by JBS USA, and in the same date JBS USA's Promissory Note was converted in a Term Loan due 2022, which contains costumary covenants and events of default listed under the already existing Term Loans contracts and accruals interest for Eurodollar at 3.0% p.y. plus LIBOR with a 1.0% LIBOR floor.

14.1 Guarantees and contractual restrictions ("covenants")

<table>
<tr><th>Type</th><th>Guarantors</th><th>Covenants / Guarantees</th><th>Customary events</th></tr>
<tr><td>JBS S.A.: Notes 2016</td><td>- JBS Global Luxembourg;
- JBS Holding Luxembourg;
- Burcher Pty Limited;
- JBS USA Holdings;
- JBS USA LLC;
- Swift Beef Company;
- Any significant subsidiary (as defined in the indenture).</td><td rowspan="5">Customary negative covenants that may limit the Company's ability and the ability of certain subsidiaries to, among other things:
- incur additional indebtedness unless the net debt/EBITDA ratio is lower than 4.75/1.0.
- create liens;
- sell or dispose of assets;
- enter into certain transactions with affiliates;
- dissolve, consolidate, merge or acquire the business or assets of other entities;
- enter into sale/leaseback transactions;
- undergo changes of control without making an offer to purchase the Notes; and
- declare or pay any dividends or make any distributions related to securities issued by the Company (except for debt instruments convertible or exchangeable for such amounts), if (i) it is not in default in relation to the Notes; (ii) the Company can incur at least US$1.00 of debt under the terms of the net debt/EBITDA ratio test established in the indenture of the Notes; and (iii) the total value to be paid does not exceed a. 50% of the amount of the net income accrued on a cumulative basis during a certain period, taken as one accounting period, (as defined in the indenture), or if the aggregate net income is a loss, minus 100% of the amount of the loss, plus b. 100% of the net cash proceeds received from the issue or sale of its equity interests or other capital contributions subsequent to the issue date of the Notes, plus c. 100% of the fair market value of property other than cash received from the issue or sale of its equity interests or other capital contributions subsequent to the issue date of the Notes.</td><td rowspan="5">The indentures of Notes contain customary events of default. They include non-compliance with or violation of terms, restrictions and other agreements contained in the mentioned instrument, besides default of other debt in case the effect leads to anticipated payment, lack of payment within the grace periods applicable of other debt waived or extended, rendering of unfavorable sentences or court orders against the issuer or its subsidiaries, and certain events related to bankruptcy and insolvency. In case any event of default occurs, the trustee or the holders of at least 25% of the notes principal amount at the time may state to pay immediately the principal and accrued interest on the notes.</td></tr>
<tr><td>Bertin: Notes 2016</td><td>- JBS Global Luxembourg;
- JBS Holding Luxembourg;
- Burcher Pty Limited;
- Any significant subsidiary (as defined in the indenture).</td></tr>
<tr><td>JBS S.A.: Notes 2020</td><td rowspan="3">- JBS S.A.</td></tr>
<tr><td>JBS S.A.: Notes 2023</td></tr>
<tr><td>JBS S.A.: Notes 2024</td></tr>
<tr><td>JBS USA: Senior Secured Credit Facility</td><td>- JBS S.A.;
- JBS USA Holdings;
- All domestic subsidiaries of JBS USA except JBS Five Rivers and certain other immaterial subsidiaries.
- All material subsidiaries of JBS Australia guarantee JBS Australia borrowings.</td><td>- The facility is collateralized by a first priority perfected lien and interest in accounts receivable, finished goods and supply inventories of all of JBS USA LLC's subsidiaries except JBS Five Rivers and certain immaterial subsidiaries.
- The facility contains a springing financial covenant that requires a minimum fixed charge coverage ratio of not less than 1.00 to 1.00. This ratio is applicable if borrowing availability causes a covenant trigger period, which only occurs when borrowing availability falls below the greater of 10% of the maximum borrowing amount and US$70.0 million.

The facility also contains negative covenants that may limit JBS USA LLC ability and certain of our subsidiaries ability to, among other things:
- incur certain additional indebtedness;
- create certain liens on property, revenue or assets;
- make certain loans or investments;
- sell or dispose of certain assets;
- pay certain dividends and other restricted payments;
- prepay or cancel certain indebtedness;
- dissolve, consolidate, merge or acquire the business or assets of other entities;
- enter into joint ventures other than certain permitted joint ventures or create certain other subsidiaries;
- enter into new lines of business;
- enter into certain transactions with affiliates;
- agree to restrictions on the ability of the subsidiaries to make dividends;
- agree to enter into negative pledges in favor of any other creditor; and
- enter into certain sale/leaseback transactions.</td><td>The facility also contains customary events of default, including failure to perform or observe terms, covenants or agreements included facility, payment of defaults on other indebtedness, defaults on other indebtedness if the effect is to permit acceleration, entry of unsatisfied judgments or orders against a loan party or its subsidiaries, failure of any collateral document to create or maintain a priority lien, failure of any guaranty and certain events related to to bankruptcy and insolvency. If an event of default happens, the borrowers may, within other options, cease the agreement, state the entire balance to be paid, with accrued interest.</td></tr>
</table>

(Expressed in thousands of reais)

<table>
<tr><td>JBS USA:
Term Loan 2018</td><td rowspan="3">- JBS S.A.;
- JBS Global Luxembourg;
- JBS Holding Luxembourg;
- Burcher PTY Limited;
- JBS USA Holdings;
- Certain subsidiaries of JBS USA LLC.</td><td rowspan="3">- Secured by a perfected first priority security interest in all of JBS USA LLC and certain of its subsidiaries' fixed assets

The facility also contains negative covenants that may limit JBS USA LLC ability and certain of our subsidiaries ability to, among other things:

- incur certain additional indebtedness;
- create certain liens on property, revenue or assets;
- make certain loans or investments;
- sell or dispose of certain assets;
- pay certain dividends and other restricted payments;
- prepay or cancel certain indebtedness;
- dissolve, consolidate, merge or acquire the business or assets of other entities;
- enter into joint ventures other than certain permitted joint ventures or create certain other subsidiaries;
- enter into new lines of business;
- enter into certain transactions with affiliates;
- agree to restrictions on the ability of the subsidiaries to make dividends;
- agree to enter into negative pledges in favor of any other creditor; and
- enter into certain sale/leaseback transactions.

In addition, the facility has similar limitations on JBS S.A. and certain of its subsidiaries.</td><td rowspan="3">The facility also contains customary events of default.</td></tr>
<tr><td>JBS USA:
Term Loan due 2020</td></tr>
<tr><td>JBS USA:
Promissory note</td></tr>
<tr><td>JBS USA:
Notes 2020</td><td rowspan="4">- JBS S.A.;
- JBS Global Luxembourg;
- JBS Holding Luxembourg;
- Burcher PTY Limited;
- JBS USA Holdings;
- Certain subsidiaries of JBS USA LLC.</td><td rowspan="4">The Notes contain negative covenants that may limit JBS USA LLC ability and certain of our subsidiaries ability to, among other things:
- incur certain additional indebtedness;
- create certain liens on property, revenue or assets;
- sell or dispose of certain assets;
- pay certain dividends and other restricted payments;
- permit restrictions on dividends and other restricted payments to restricted subsidiaries
- prepay or cancel certain indebtedness;
- enter into certain transactions with affiliates;
- enter into certain sale/leaseback transactions; and
- undergo changes of control without making an offer to purchase the Notes
The indenture governing the Notes also restricts JBS S.A. from incurring any debt (subject to certain permitted exceptions), unless on the date of such incurrence and the application of the proceeds therefrom, its net debt to EBITDA ratio is less than 4.75 to 1.00. In addition, the indenture restricts JBS S.A.'s ability to make restricted payments and other distributions.</td><td rowspan="4">The indenture also contains customary events of default. In case any event of default occurs, the trustee or the holders of at least 25% of the notes principal amount at the time may state to pay immediately the principal and accrued interest on the notes.</td></tr>
<tr><td>JBS USA:
Notes 2021</td></tr>
<tr><td>JBS USA:
Notes 2024</td></tr>
<tr><td>JBS USA:
Notes 2025</td></tr>
<tr><td>PPC:
Notes 2025</td><td>- One of PPC's subsidiaries.</td><td>The Notes contain negative covenants that may limit PPC ability and certain of our subsidiaries ability to, among other things:
- incur certain additional indebtedness;
- create certain liens;
- pay certain dividends and other restricted payments;
- sell or dispose of certain assets;
- enter into certain transactions with affiliates;
- consolidate, merge or dissolve substantial all the assets of PPC.</td><td>The facility also contains customary events of default.</td></tr>
<tr><td>PPC:
Term Loan</td><td>- Certain of PPC's subsidiaries</td><td>- Secured by a first priority lien on i) the accounts receivable and inventories of PPC and its non-Mexico subsidiaries, ii) 100% of the equity interests in PPC's domestic subsidiaries, To-Ricos, Ltd. and To-Ricos Distribution Ltd., and 65% of the equity interests in PPC's direct foreign subsidiaries, iii) substantially all of the personal property and intangibles of the borrowers and guarantors under the U.S. Credit Facility and iv) substantially all of the real estate and fixed assets of PPC and the guarantors.

The facility also contains negative covenants that may limit PPC ability and certain of its subsidiaries ability to, among other things:
- incur certain additional indebtedness;
- create certain liens;
- pay certain dividends and other restricted payments;
- sell or dispose of certain assets;
- enter into certain transactions with affiliates; and
- consolidate, merge or dissolve substantial all the assets of PPC.

Covenants in the facility also require PPC to use the proceeds it receives from certain asset sales and specified debt or equity issuances and upon the occurrence of other events to repay outstanding borrowings under the facility. The U.S. Credit Facility also provides that we may not incur capital expenditures in excess of US$500.0 million in any fiscal year.</td><td>The facility also contains customary events of default.</td></tr>
</table>

(Expressed in thousands of reais)

Five Rivers: Term Loan 2019	- J&F Oklahoma	Secured by certain fixed assets, accounts receivable and inventories of JBS Five Rivers and accounts receivables and inventories of J&F Oklahoma; - The facility contains customary negative covenants that may limit JBS Five Rivers and its restricted subsidiaries' ability to, among other things, incur certain additional indebtedness, enter into certain acquisitions or sell or dispose of certain assets.	The facility also contains customary events of default, including failure to perform or observe terms, covenants or agreements included in the term loan agreement, payment of defaults on other indebtedness, defaults on other indebtedness if the effect is to permit acceleration, entry of unsatisfied judgments or orders against a loan party or its subsidiaries, failure of any collateral document to create or maintain a priority lien, certain events related to bankruptcy, certain events related to the Employee Retirement Income Security Act of 1974 and failure to comply with the terms of the Executive Succession Plan of J&F Oklahoma Holdings, Inc.
Canadian Credit Facility	- JBS USA Holdings - JBS S.A.	- Collateralized by a first priority lien on JBS Canada's accounts receivable, finished goods, feed, live inventory and supply inventories, machinery equipment and real estate. - The facility contains a springing financial covenant that requires a minimum fixed charge coverage ratio of not less than 1.00 to 1.00. This ratio is applicable if borrowing availability causes a covenant trigger period, which only occurs when borrowing availability falls below the greater of 10% of the maximum borrowing amount and CAD$10.0 million. The Canadian Credit Facility also contains negative covenants that may limit the ability of JBS Canada to, among other things: - incur certain additional indebtedness; - create certain liens on property, revenue or assets; - make certain loans or investments - sell or dispose of certain assets; - pay certain dividends and other restricted payments; - prepay or cancel certain indebtedness; - dissolve, consolidate, merge or acquire the business or assets of other entities; - enter into joint ventures other than certain permitted joint ventures or create certain other subsidiaries; - enter into new lines of business; - enter into certain transactions with affiliates; - agree to restrictions on the ability of the subsidiaries to make dividends; - agree to enter into negative pledges in favor of any other creditor; and - enter into certain sale/leaseback transactions.	The facility also contains customary events of default. If an event of default happens, the borrowers may, within other options, cease the agreement, state the entire balance to be paid, with accrued interest.
Moy Park: Notes 2021	- Moy Park (Newco) Limited; - Moy Park Limited; - O'Kane Poultry Limited; - Any significant subsidiary (as defined in the indenture).	Customary negative covenants that may limit the Moy Park's ability and the ability of certain subsidiaries to, among other things: - incur additional indebtedness unless the net debt/EBITDA ratio is lower than 3.5/1.0 and the net senior debt/EBITDA is lower than 3.0/1.0. - create liens; - sell or dispose of assets; - enter into certain transactions with affiliates; - dissolve, consolidate, merge or acquire the business or assets of other entities; - enter into sale/leaseback transactions; - make certain investments; - undergo changes of control without making an offer to purchase the Notes; and - declare or pay any dividends or make any distributions related to securities issued by Moy Park, if (i) it is not in default in relation to the Notes; (ii) Moy Park can incur at least GBP1.00 of debt under the terms of the net debt/ EBITDA ratio test and the net senior debt/EBITDA ratio test established in the indenture of the Notes; and (iii) the total value to be paid does not exceed a. 50% of the amount of the net income accrued on a cumulative basis during the period from the issue date, taken as one accounting period, , or if the aggregate net income is a loss, minus 100% of the amount of the loss, plus b. 100% of the net cash proceeds received from the issue or sale of its equity interests or other capital contributions subsequent to the issue date of the Notes, plus 100% of the fair market value of property other than cash received from the issue or sale of its equity interests or other capital contributions subsequent to the issue date of the Notes, plus c. the amount of certain guarantee unconditionally released in full if such guarantee was previously treated as restricted payment, plus the amount of an investment made in a person that becomes a restricted subsidiary, plus d. the amount by which indebtedness is reduced upon the conversion or exchange of any such indebtedness for capital stock, plus e. the amount equal to the net reduction of investments made by the Moy Park or any restricted subsidiary in any person.	The indentures of Notes contain customary events of default.

15 Operating and Finance leases

Leases which the Company assumes substantially all the risks and benefits of ownership are classified as financial leases, which are registered as financed purchase, recognizing, at its beginning, a fixed asset and a financial liability. If there is no significant transfer of the risks and inherent benefits of the property, the leases are classified as operational leases, and are recognized as expenses over the leasing period.

(Expressed in thousands of reais)

a. Operating Leases (recognized as expenses):

In the Company

The Company has operational leases agreements of industrial complexes, tanneries and distribution centers based in the states of Bahia, Goiás, Maranhão, Mato Grosso, Mato Grosso do Sul, Pará, Rio de Janeiro e São Paulo.

In the Consolidated

JBS USA has operational lease agreements for warehouses, commercial offices and vehicles maintenance facilities in the United States of America, as well marketing offices in Asia, distribution centers and warehouses in Australia. Additionally, JBS USA leases equipments, over the road transportation vehicles and other assets.

Seara Alimentos through its subsidiary JBS Aves is a tenant of productive units in the states of Rio de Janeiro, Rio Grande do Sul, Mato Grosso do Sul, Santa Catarina, Paraná and São Paulo.

The future minimum payments of noncancellable operational leases of with terms exceeding one year are as follows:

	Company	Consolidated
For the periods ending in :		
2015	**8,757**	**93,692**
2016	**30,477**	**324,226**
2017	**18,729**	**280,812**
2018	**14,048**	**225,705**
2019	**14,016**	**213,087**
Thereafter 2020	**55,591**	**250,415**
Total	**141,618**	**1,387,937**

b. Finance Leases (Recognized as an asset):

In the consolidated

JBS USA has financial lease agreements referring to wastewater treatment facility in Kentucky and Texas, which the book value recorded on property, plant and equipment is detailed below:

	Annual Depreciation Rates	Cost	Accumulated Depreciation	September 30, 2015	December 31, 2014
Others - Wastewater treatment facility	12%	149,774	(48,926)	**100,848**	69,568
Total		**149,774**	**(48,926)**	**100,848**	**69,568**

The future minimum payments of noncancellable finance leases with terms exceeding one year are as follows:

	Consolidated		
	Present Value	Adjustment to present value	Future payments
For the periods ending in:			
2015	**4,740**	**250**	**4,990**
2016	**12,058**	**799**	**12,857**
2017	**9,138**	**381**	**9,519**
2018	**6,817**	**151**	**6,968**
2019	**4,783**	**48**	**4,831**
Thereafter 2020	**54,274**	**12**	**54,286**
Total	**91,810**	**1,641**	**93,451**

(Expressed in thousands of reais)

16 Income taxes, payroll, social charges and tax obligation

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Payroll and related social charges	**117,728**	120,057	**828,525**	637,780
Accrual for labor liabilities	**268,338**	159,038	**2,365,011**	1,499,047
Income taxes	-	-	**391,604**	505,799
Withholding income taxes	**658**	1,848	**15,003**	7,128
ICMS / VAT / GST tax payable	**15,055**	12,913	**51,623**	80,297
PIS / COFINS tax payable	**11,968**	208	**14,857**	828
Taxes in installments	**170,178**	190,984	**240,859**	221,699
Others	**26,334**	35,907	**429,282**	297,613
	610,259	**520,955**	**4,336,764**	**3,250,191**
Breakdown:				
Current liabilities	**481,931**	369,756	**3,458,430**	2,611,077
Noncurrent liabilities	**128,328**	151,199	**878,334**	639,114
	610,259	**520,955**	**4,336,764**	**3,250,191**

Decree 8,426/2015 - PIS/COFINS over financial income: In July 2015, the Company and its subsidiaries filed an injunction to suspend the enforceability of PIS and COFINS debts over financial income. The Decree 8,426/2015 reestablished the levy of PIS and COFINS on financial revenues obtained by companies subject to the PIS and COFINS non-cumulative regime, at the rates of 4.65%. The Company has recorded under Income taxes, payroll, social charges and tax obligation the amount of R$11,598 in the Company and R$13,067 on the consolidated regarding to PIS/COFINS over financial income.

17 Declared dividends

Dividend distribution, when applicable, proposed by Management is equivalent to the mandatory minimum dividend of 25% and is recorded under the caption "Declared Dividends" in liabilities since it is considered a legal obligation established by the Company's laws.

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Declared dividends	**1,281**	484,013	**1,281**	484,013
	1,281	**484,013**	**1,281**	**484,013**

	September 30, 2015	December 31, 2014
Proposed dividends on 2012 - Residual	**230**	230
Proposed dividends on 2013 - Residual	**251**	254
Proposed dividends on 2014- Residual	**800**	483,529
	1,281	**484,013**

The residual amount of dividends corresponds to the unpaid dividends due to lack of updated bank information. These pending items by some minority shareholders avoid the realization of fully payment. The Company sent notification to such shareholders to update their information so the amount would be paid. The liability will be maintained during the statutory period in the short term, since once the register is updated, the payment is automatic.

18 Payables related to facilities acquisitions

Liabilities related to industrial units acquisition and/or liabilities from companies acquisition are recognized in this caption. If the payment term is equivalent to one year or less, suppliers are classified as current liabilities; otherwise, the corresponding amount is classified as noncurrent liabilities. When applicable, interest are added.

(Expressed in thousands of reais)

Company	Description of the acquisitions	Short term		Long term	
		September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
JBS	- Property and other industrial complexes.	**15,964**	47,894	**39,600**	44,904
JBS	- Company Moy Park.	**212,108**	–	–	–
JBS Global Meat	- Company Midtown.	**20,304**	21,415	–	–
JBS Foods	- Property and other industrial complexes Ana Rech.	**49,240**	49,350	**64,000**	100,000
JBS Foods	- Assets from Seara.	**32,693**	36,013	**88,138**	114,539
JBS Foods	- Slaughtering plant and pigs processing in Carambeí-PR.	**84,067**	79,049	–	79,049
JBS Foods	- Company Agrovêneto.	–	–	**29,342**	102,178
JBS Foods	- Company Frinal.	**11,825**	10,808	**11,769**	12,000
JBS Foods	- Company Avebom.	**4,000**	8,000	**12,000**	–
JBS Foods	- Company Sul Valle.	**6,000**	9,768	–	–
JBS Foods	- Company Novagro.	**7,634**	7,115	**17,449**	21,530
JBS Foods	- Property from the company Céu Azul.	**4,756**	75,469	–	16,261
JBS Foods	- Company Seara Alimentos Norte Ltda.	**30,579**	–	**6,218**	–
	Total	**479,170**	**344,881**	**268,516**	**490,461**

19 Income taxes

Current taxes

Current taxes are computed based on taxable income at tax rates in effect, according to prevailing legislation.

Deferred taxes

Deferred income tax (deferred tax) is calculated on the temporary differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax is determined using tax rates enacted and expected to be applied when the deferred tax assets are realized or when the income tax liability is settled.

Deferred tax assets are recognized only in proportion to the expectation or likelihood that future taxable income will be available against which the temporary differences, tax losses and tax credits can be used.

Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets and liabilities, and they are related to income taxes levied by the same taxation authority on the same taxable entity.

a. Reconciliation of income tax and social contribution expense:

	Company		Consolidated	
	For the nine months period ended on September 30,		For the nine months period ended on September 30,	
	2015	2014	2015	2014
Profit (loss) before income taxes (PBT)	**5,760,108**	**1,263,878**	**8,055,426**	**2,823,484**
Nominal rate	**(34)%**	**(34)%**	**(34)%**	**(34)%**
Expected tax expense	**(1,958,437)**	(429,719)	**(2,738,845)**	(959,985)
Adjustments to reconcile taxable income:				
Earnings and losses on equity	**1,156,305**	848,969	**16,413**	6,736
Loss carryforwards	–	–	**304,260**	13,496
Domestic production activities deduction - USA	–	–	**89,939**	–
Difference on tax rates for foreign subsidiaries	–	–	**25,306**	143,490
Dividends paid abroad	–	–	**(267,020)**	–
Others permanent differences	**(42,716)**	(265,999)	**(147,115)**	(327,705)
Current and deferred income tax (expense) benefit	**(844,848)**	**153,251**	**(2,717,062)**	**(1,123,968)**
Current income tax	**1,698**	1,659	**(2,205,675)**	(1,626,210)
Deferred income tax	**(846,546)**	151,592	**(511,387)**	502,242
	(844,848)	**153,251**	**(2,717,062)**	**(1,123,968)**
% IT/PBT	**(14.67)%**	**12.13 %**	**(33.73)%**	**(39.81)%**

(Expressed in thousands of reais)

	Company		Consolidated	
	For the nine months period ended on September 30,		For the nine months period ended on September 30,	
	2015	2014	2015	2014
Adjustments to reconcile taxable income [1]:				
Goodwill amortization - deferred	**881,563**	-	**936,910**	-
Prior years loss carryfowards - deferred	-	-	**(304,260)**	(13,496)
Dividends paid abroad - current	-	-	**267,020**	-
Current and deferred income tax (expense) benefit - ADJUSTED	**36,715**	**153,251**	**(1,817,392)**	**(1,137,464)**
Effective rate	**0.64%**	**12.13%**	**(22.56)%**	**(40.29)%**

	Company		Consolidated	
	For the three months period ended on September 30,		For the three months period ended on September 30,	
	2015	2014	2015	2014
Profit (loss) before income taxes - PBT	**4,701,303**	**934,942**	**5,538,491**	**1,816,430**
Nominal rate	**(34)%**	**(34)%**	**(34)%**	**(34)%**
Expected tax expense	**(1,598,443)**	(317,880)	**(1,883,087)**	(617,586)
Adjustments to reconcile taxable income:				
Earnings and losses on equity	**388,573**	548,065	**5,603**	2,804
Domestic production activities deduction - USA	-	-	**22,472**	-
Difference on tax rates for foreign subsidiaries	-	-	**(18,943)**	170,262
Dividends paid abroad	-	-	**(16,335)**	-
Others permanent differences	**(50,023)**	(72,242)	**(90,154)**	(143,870)
Current and deferred income tax (expense) benefit	**(1,259,893)**	**157,943**	**(1,980,444)**	**(588,390)**
Current income tax	**552**	563	**(698,247)**	(822,076)
Deferred income tax	**(1,260,445)**	157,380	**(1,282,197)**	233,686
	(1,259,893)	**157,943**	**(1,980,444)**	**(588,390)**
% IT/PBT	**(26.80)%**	**16.89 %**	**(35.76)%**	**(32.39)%**

	Company		Consolidated	
	For the three months period ended on September 30,		For the three months period ended on September 30,	
	2015	2014	2015	2014
Adjustments to reconcile taxable income [1]:				
Goodwill amortization - deferred	**750,543**	-	**805,317**	-
Prior years loss carryfowards - deferred	-	-	-	-
Dividends paid abroad - current	-	-	**16,335**	-
Current and deferred IT (expense) benefit - ADJUSTED	**(509,350)**	**157,943**	**(1,158,792)**	**(588,390)**
Effective rate	**(10.83)%**	**16.89%**	**(20.92)%**	**(32.39)%**

[1] - The Company believes that on effective tax rate calculation and presentation should be excluded the following items: i) deferred tax expense arising from goodwill amortization, ii) current tax over dividends paid abroad (once such expense is unrelated to our business), and iii) deferred tax assets on tax losses from prior years (recognized in the current year because companies became profitable and prior had no profitability perspective, not meeting criteria for recognition).

b. Composition of deferred income tax and social contribution

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
ASSETS	**417,267**	**382,251**	**1,542,261**	**1,071,404**
. On tax losses and negative basis of social contribution	**293,756**	**283,615**	**999,876**	**646,293**
. On temporary differences:				
Provision for contingencies	**65,213**	60,665	**213,279**	248,979
Allowance for doubtful accounts	**34,358**	30,287	**34,008**	36,472
Tax credit carryforwards	-	-	**71,723**	47,966
Other temporary differences	**23,940**	7,684	**223,375**	91,694

(Expressed in thousands of reais)

LIABILITIES	**(2,508,743)**	**(1,554,762)**	**(6,216,209)**	**(3,911,370)**
. On goodwill amortization	**(2,154,762)**	**(1,273,199)**	**(2,213,919)**	**(1,277,009)**
. On temporary differences:				
Business combinations	-	-	**(2,725,268)**	(1,694,666)
Market inventory valuation for absorption	-	-	**(102,719)**	(83,681)
Realization of revalution reserve / deemed cost	**(279,864)**	(281,563)	**(792,912)**	(788,789)
Other temporary differences	**(74,117)**	-	**(381,391)**	(67,225)
Total, net	**(2,091,476)**	**(1,172,511)**	**(4,673,948)**	**(2,839,966)**

20 Provision for lawsuits risk

Contingent liabilities are accrued when losses are probable and the amounts can be estimated reliably. Contingent liabilities classified as possible are only disclosed and contingent liabilities classified as remote are neither accrued nor disclosed. The Company and its subsidiaries are part of several lawsuits arising from its normal business course, for which provisions were recognized based on the estimative of its legal advisors. The main information related to these procedures on September 30, 2015 are as follows:

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Labor	**69,970**	63,845	**341,076**	241,104
Civil	**9,691**	11,103	**116,342**	78,261
Tax and Social Security	**112,141**	103,478	**485,702**	386,479
Total	**191,802**	**178,426**	**943,120**	**705,844**

Changes in provisions:

	Company			
	December 31, 2014	Additions	Reversals	September 30, 2015
Labor	63,845	6,125	-	**69,970**
Civil	11,103	-	(1,412)	**9,691**
Tax and Social Security	103,478	8,663	-	**112,141**
Total	**178,426**	**14,788**	**(1,412)**	**191,802**

	Consolidated					
	December 31, 2014	Acquisitions (1)	Additions	Reversals	Exchange rate variation	September 30, 2015
Labor	241,104	105,045	10,056	(18,445)	3,316	**341,076**
Civil	78,261	42,602	1,990	(8,413)	1,902	**116,342**
Tax and Social Security	386,479	92,580	8,663	(3,057)	1,037	**485,702**
Total	**705,844**	**240,227**	**20,709**	**(29,915)**	**6,255**	**943,120**

(1) - The acquisitions in the amount of R$240,227, primarily, refers to Grupo Big Frango in the consolidated of Seara Alimentos.

<u>**In the Company:**</u>

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 211 administrative proceedings against JBS, 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 does not recognize the Company's ICMS tax credits up to the amount of the ICMS tax guaranteed in such other states. JBS estimates that the claims under these administrative proceedings amount to R$1,719,775 in the aggregate on September 30, 2015. 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. Management believes, based on the advice of its legal counsel, that its arguments will prevail in these procedures, which is the reason why no provision has been made, considering as a remote loss.

b. Social contributions — Rural Workers' Assistance Fund (FUNRURAL): Social Contributions – On January 2001, JBS filed an injunction to suspend the collectability retention and transfer the Rural Workers' Assistance Fund - NOVO FUNRURAL). This sentence was reformulated by the Federal Regional Court of 3rd region. The Company filed an extraordinary appeal, which was halted on the basis of Article 543-B, § 1 of the Code of Civil Procedure, until the final decision of the Supreme Court on the matter. To avoid the institution to lose the right to require the contribution to the New Funrural, INSS released tax notifications, in a total of 21 infringement notices, in the amount of R$948,537.

JBS has presented its defense in those administrative proceedings, informing that it does not collect the amount due to a favorable court ruling, considering that there is no final decision of the writ of mandamus mentioned.

This matter was the subject of decisions favorable to the taxpayer, issued by the Supreme Court - STF for companies whose activities are similar to JBS's activity in the trials of Extraordinary Appeals number 363.852/MG and 596.177/RS. Currently, JBS does not make any rebate or payment. If a discount is made for commercial reasons, JBS will deposit it in court and, fulfill a court order. Based on the opinion of legal advisers and based on case law in favor of the Supreme Court in a similar case, management believes that its fundamentals will prevail and no provision was recorded for that contingency. The probability of loss is considered remote.

c. Other tax and social security procedures: JBS is part in additional 1,175 tax and social security proceedings, in which the individual contingencies are not relevant for its context. We highlight that the ones with probable loss risk have contingencies for R$112,141 which are 100% accrued on September 30, 2015.

Labor Proceedings

As of September 30, 2015 JBS was part to 13,415 labor and accident proceedings, involving total value of R$1,952,657. Based on the opinion of the Company's external legal counsel, JBS recorded a provision in the amount of R$69,970 for losses arising from such proceedings, already including payable social charges by the employee and JBS. Most of these lawsuits were filed by former employees of JBS seeking overtime payments and payments relating to their exposure to health hazards.

Civil Proceedings

a. Slaughter facility at Araputanga: In 2001, JBS (formerly known as Friboi Ltda.), entered into a purchase agreement with Frigorífico Araputanga S.A. (Frigorífico Araputanga) for the acquisition of one property and slaughter facilities located in Araputanga, State of Mato Grosso. Frigorífico Araputanga was a beneficiary of certain tax benefits and the property was floating charge, for this reason it was required the consent of SUDAM (Superintendência de Desenvolvimento da Amazônia) for the registration of the public deed with the applicable real estate notary. On September, 2004, Frigorífico Araputanga filed a lawsuit against JBS, alleging that the JBS had not paid the price and had not obtained the consent of that authority, requiring the ineffectiveness of the contract. The case was referred to the Federal Court of Cáceres, due to the Union's interest in the dispute. JBS obtained the consent of UGFIN, successor SUDAM, according to the 5ª Chamber of the Federal Court of the 1ª Region decision, thereby obtaining effective registration of the deed of purchase and sale. Recently a new and extremely rigorous forensic accounting evidence that examined only payments proved by documents was produced, and it concluded that Agropecuária Friboi paid almost the total price stipulated the Commitment to Buy and Sell Properties in Araputanga, State of Mato Grosso. The Parties expressed an interest in producing testimonial evidence and the Federal Court of Cáceres/MT pronouncement on this matter is pending. As the chances of defeat are remote, no provisioning was recorded.

b. Trademark Infringement: Also due to the barrier in Araputanga / MT, the seller distributed in the City of Araputanga / MT, filed a lawsuit for improper use of trademark, under the premise that Friboi Ltda. was using the mark Frigoara without its authorization. The amounts of the claim were based upon a report presented by Frigorífico Araputanga S.A. to the trial court, which appraised the value of the trademark "Frigoara" at R$315,000, seeking damages in the amount of R$100,000 and punitive damages in the amount of R $26,938. In its preliminary defense, JBS argued there is other lawsuit that is already under discussion claiming defense subject (the subject of this mentioned lawsuit contains the subject of the lawsuit here in described) in view that the claims are related to the main suit. On the merits, it was demonstrated that the mark was used only in a given period, upon contractual authorization and in response to a request from Frigoara which had been required to prove to SUDAM that the investments were being duly used and to obtain the Consent or the Certificate of Implemented Undertaking. In the defense, 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 Industrial Property Law. Almost all of the products manufactured by the Company were marketed under the trademark "Friboi." The only product marketed by JBS under the trademark "Frigoara" was minced meat, in limited amounts. The expected loss on September 30, 2015, R $600, has been provisioned.

c. Other civil proceedings: JBS is also part to other civil proceedings that in the opinion of the Management and its legal advisers. The expected loss on September 30, 2015, R$9,091, has been provisioned.

Other proceedings

On September 30, 2015, JBS had other ongoing civil, labor and tax proceedings, on the approximately amounting of R$130,818, whose materialization, according to the evaluation of legal advisors, it is possible to loss, but not probable, for which the Company's management does not consider necessary to set a provision for possible loss.

<u>In subsidiary Seara Alimentos:</u>

Labor Proceedings

As of September 30, 2015 the subsidiaries of Seara Alimentos were part of 14,068 labor proceedings, involving the total amount of R$964,710. Based on the opinion of the company's external legal council, the management recorded a provision in the amount of R$247,842 for losses arising from such proceedings. Most of these lawsuits are related to actions that deal with seeking damages for occupational disease, physical and esthetical damage, seeking overtime payments, payments relating to their exposure to health hazards, commuting time, interval for thermal recovery, seeking damages by accidents and exchanging uniform.

Civil proceedings

As of September 30, 2015 the subsidiaries of Seara Alimentos were part of 2,452 civil and administrative proceedings, involving the total amount of R$317,763. Based on the opinion of the company's external legal council, the company's management recorded a provision in the amount of R$98,914 for losses arising from such proceedings. Most of the lawsuits are related to indemnity for collective seeking damages, seeking damages for improper protest, repairing damages for termination of partner poultry or pigs integration, cancellation of industry or trade mark complaints and consumer contracts - product quality.

Tax Proceedings

a. Risk in the glosses of claims - PIS/COFINS: In between the years of 2003 to 2013 the subsidiary Seara Alimentos has sent requests for electronics reimbursement of PIS/COFINS to the Federal Revenue of Brazil. The tax authorities have assessed the applications for compensation for periods relating to the 4th quarter of 2009 and perpetuated an initial gloss of about 47% of the value, causing fiscal proceedings with probable losses in the approximately amount of R$159,891.

b. Others tax proceedings: On September 30, 2015 the companies of Seara Alimentos were part of others 2,451 tax proceedings, in which the contingencies individually do not present relevant in their contexts. We emphasize that the proceedings considered as probable of losses are properly provisioned, in the amount of R$205,940.

21 Equity

a. Capital Stock

The Capital Stock on September 30, 2015 is R$23,576,206 and it is represented by 2,856,857,505 ordinary shares, without nominal value. The Capital Stock is presented with a net effect in the balance sheet in the amount of expenses of R$54,865, being expenses of the period of 2010 in the amount of R$37,477 related to the costs of the transaction for securing resources to Initial Public Offering, and expenses in the amount of R$17,388 regarding the debentures issuance for the period of 2011. The Company is authorized to increase its capital by an additional 1,375,853,183 ordinary nominative shares. According with the social statute the Board of Directors shall determine the number, price, payment term and other conditions of the issuance of shares. The Company may grant options to purchase shares to directors, employees or persons who will provide services, or the directors, employees or person providing services companies under its control, excluding the preemptive rights of shareholders in issuing and exercise of stock options.

b. Capital reserves: Composed by i) goodwill in shares issuance, derived from the IPO in 2007, ii) capital transaction (see preparation an presentation of financial statements), iii) stock options and iv) treasury shares.

<u>Stock options</u>

- **Negotiation Premiums with trading options of "JBSS3":**

The Company trade selling put option of "JBSS3", according to the Board of Director's approval, in accordance among other guidelines that i. the maturity of the Put option must not exceed six months from the trade date, and ii. the premium received by selling Put options on JBSS3 should be allocated as collateral on BM&F Bovespa. The Company is also authorized the execution of other operations with shares and options referenced on JBSS3, exclusively for protecting the position of open options or to unwind them. The Company recognizes the premium received (when the sale of the stock option) as a liability, recognized in other current assets, on the options maturity date may occur one of the following circumstances:

(Expressed in thousands of reais)

i. when the put option is exercised ("JBSS3" stock price is below the strike price of the option) the Company has the obligation to purchase shares at the strike price minus the premium received at the trade date. The shares are them held in treasury;

ii. when the put option is not exercised ("JBSS3" stock price is above the strike price of the option), the put option value is zero and the premium is recognized on a capital reserve account.

Below is the summary of the operations with maturity for the nine months period ended on September 30, 2015:

Date	Number of option	Class and type of shares	Maturity of options	Premiums received	Mark-to-Market
Oct 14, 2014	2,000,000	JBSSM92	Jan 19, 2015	550	550
Nov 27, 2014	1,000,000	JBSSN40	Feb 9, 2015	185	185
Dec 1, 2014	2,000,000	JBSSN40	Feb 9, 2015	518	518
Dec 3, 2014	1,000,000	JBSSN40	Feb 9, 2015	285	285
Dec 22, 2014	1,000,000	JBSSN40	Feb 9, 2015	330	330
Dec 22, 2014	2,000,000	JBSSO10	Mar 16, 2015	350	350
Jan 6, 2015	1,000,000	JBSSO10	Mar 16, 2015	450	450
Feb 11, 2015	1,000,000	JBSSP10	Apr 20, 2015	230	230
Feb 11, 2015	1,000,000	JBSSP10	Apr 20, 2015	240	240
Mar 12, 2015	1,200,000	JBSSQ41	May 18, 2015	300	300
Mar 12, 2015	800,000	JBSSQ41	May 18, 2015	208	208
June 9, 2015	1,600,000	JBSSS64	July 20, 2015	384	384
June 9, 2015	400,000	JBSSS64	July 20, 2015	100	100
June 15, 2015	1,000,000	JBSSS64	July 20, 2015	160	160
June 15, 2015	1,000,000	JBSSS64	July 20, 2015	170	170
July 22, 2015	800,000	JBSST73	August 17, 2015	96	96
July 22, 2015	200,000	JBSST73	August 17, 2015	26	26
August 14, 2015	1,700,000	JBSSU14	September 21, 2015	544	544
August 14, 2015	300,000	JBSSU14	September 21, 2015	99	99
				Total kept in capital reserve:	**5,225**

- **Stock option grant plan:**

The Company operates a stock option grant plan, settled with shares, which the entity receives services from the employees as received consideration for equity instruments (options) from the Company, in order to awake the sense of ownership and personal involvement in the development and financial sucess of JBS. Executive officers, directors and general managers are eligible to the plan. The Company's Chairman establishes the criteria of granting the options, selecting the participating employees.

The fair value of employees services, received in exchange from the granting of options, is recognized as expense offsetting from capital reserve. The total amount of the expense is recognized during the period in which the right the right is acquired being determined by reference to the fair value of the options granted, excluding the impact of any vesting conditions based in the service and performance that are not from the market. The quantity of option that each beneficiary is entitled was calculated on the average of the Company´s stock price in the three months before the issuance date.

The stock option plan may only be exercised upon service condition, after the vesting period, from issuance date established in the agreements, and have the maximum term of ten years varying in accordance with each individual agreement. All options must be liquidated by physical delivery of the stocks.

At the balance sheet date, the Company reviews its estimates of the number of options which rights should be acquired and being required recognizes the impact from the review of the initial estimative from the income statement, with a corresponding adjustment in the equity. The average fair value of each options granted was estimated at the issuance date based on the pricing model of Black&Scholes-Merton. The main premises considered in the model were:

Grants					Fair value assumptions			
Program	Quantity of options	Fair value of the option	Exercise price in R$	Expected exercise term	Risk free interest rate	Volatility	Price of the share in the grant date	Dividend Yield
May-14	2,235,786	R$ 7,58 to R$ 7,74	0.00001	3 years	10,98% to 12,16%	42.16%	7.80	1.05%
Sep-14	200,000	R$ 9,59 to R$ 9,99	0.00001	5 years	11,05% to 11,25%	42.16%	10.10	1.05%
May-15	1,916,859	R$ 15,36 to R$ 15,58	0.00001	3 years	13,25% to 13,68%	55.69%	15.66	0.72%
	4,352,645							

Minimum deadline for exercise: Represents the minimum period in which the options may be exercised (vesting). The beneficiaries of May 2014 and May 2015 programs, according to the Plan´s terms established with each beneficiary, may exercise the first installment, equals to 1/3 of the total of the options in the 1° year, from February of the following year, and the remaining installments of 1/3 each, in the 2° and 3° year from the same period. The beneficiaries of September 2014 program, may exercise the first installment, equal to 1/5 of the total of the options after 1 year and the remaining installments of 1/5 each, after each following year until the 5° year.

Risk free interest rate: The Company uses as risk free interest rate the projection obtained from interpolation of BMF´s index Pré x DI in the date of the calculation with equivalent maturity to option term.

Volatility: The estimated volatility of the company shares was obtained in a market data terminal (Bloomberg).

Dividends yield: The dividend yield used was obtained in a market data terminal (Bloomberg) based on the payment expectation of dividends per share for the next 12 months.

(Expressed in thousands of reais)

The available position of grant option is:

Program	Grant	Acquisition date	Granted options	Options exercised	Options forfeiture	Options available	Option fair value Unit price
May-14	May 1, 2014	1/3 per year with final maturity in May 1,2017	2,235,786	(808,768)	(85,099)	1,341,919	R$ 7,58 to R$ 7,74
Sep-14	September 1,2014	1/5 per year with final maturity in Sep 1,2019	200,000	(40,000)	-	160,000	R$ 9,59 to R$ 9,99
May-15	May 1, 2015	1/3 per year with final maturity in May 1,2018	1,916,859	(20,511)	(61,530)	1,834,818	R$ 15,36 to R$ 15,58
			4,352,645	**(869,279)**	**(146,629)**	**3,336,737**	

In 2015, the expense with options plan totally R$24,345 recorded in the result under the caption "General and administrative expenses", with the respective offsetting in "Capital Reserve".

Treasury shares:

Below is presented the changes on treasury shares:

	Quantity	R$ thousand
Balance as of December 31, 2014	**54,829,482**	**451,700**
Purchase of treasury shares	32,826,300	529,099
Change of treasury shares	(87,727)	(982)
Cancellation of treasury shares [1]	(87,568,055)	(979,817)
Balance as of September 30, 2015	-	-

[1] - According to the material fact of October, 2015, the Company fully cancelled all treasury shares.

c. Revaluation reserve: Refers to revaluations on fixed assets prior to CPC/IFRS adoption. 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. Profit reserves:

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

Investments statutory: 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.

e. Other comprehensive income: Composed by valuation adjustments to equity and accumulated translation adjustments (on preparation and presentation of financial statements).

(Expressed in thousands of reais)

22 Net revenue

	Company		Consolidated	
	For the nine months period ended on September 30,		For the nine months period ended on September 30,	
	2015	2014	2015	2014
GROSS SALE REVENUE				
Products sales revenues				
Domestic sales	**14,049,544**	12,154,653	**83,857,902**	62,478,092
Foreign sales	**8,992,309**	8,102,690	**36,340,075**	26,957,322
	23,041,853	**20,257,343**	**120,197,977**	**89,435,414**
SALES DEDUCTION				
Returns and discounts	**(910,945)**	(777,892)	**(2,577,382)**	(1,769,951)
Sales taxes	**(997,192)**	(842,121)	**(1,867,316)**	(1,498,946)
	(1,908,137)	**(1,620,013)**	**(4,444,698)**	**(3,268,897)**
NET REVENUE	**21,133,716**	**18,637,330**	**115,753,279**	**86,166,517**

	Company		Consolidated	
	For the three months period ended on September 30,		For the three months period ended on September 30,	
	2015	2014	2015	2014
GROSS SALE REVENUE				
Products sales revenues				
Domestic sales	**4,422,737**	4,115,586	**30,637,488**	22,008,730
Foreign sales	**3,532,050**	2,898,738	**13,983,468**	9,922,275
	7,954,787	**7,014,324**	**44,620,956**	**31,931,005**
SALES DEDUCTION				
Returns and discounts	**(281,942)**	(275,722)	**(910,702)**	(648,156)
Sales taxes	**(324,349)**	(280,851)	**(681,328)**	(504,275)
	(606,291)	**(556,573)**	**(1,592,030)**	**(1,152,431)**
NET REVENUE	**7,348,496**	**6,457,751**	**43,028,926**	**30,778,574**

23 Financial income (expense), net

Results from daily settlements of future contracts used to protect assets and liabilities, as well as the marked to market value of instruments traded over the counter with the same purpose of protection are recognized under Results on Derivatives.

	Company		Consolidated	
	For the nine months period ended on September 30,		For the nine months period ended on September 30,	
	2015	2014	2015	2014
Exchange rate variation	**(8,368,741)**	(516,826)	**(9,470,232)**	(525,335)
Results on derivatives	**10,775,743**	(707,015)	**11,939,087**	(416,922)
Interest expense	**(1,529,379)**	(1,410,701)	**(2,649,552)**	(2,307,051)
Interest income	**681,052**	367,720	**761,545**	402,920
Taxes, contribution, tariff and others	**(70,079)**	(45,539)	**(144,846)**	(89,248)
	1,488,596	**(2,312,361)**	**436,002**	**(2,935,636)**

	Company		Consolidated	
	For the three months period ended on September 30,		For the three months period ended on September 30,	
	2015	2014	2015	2014
Exchange rate variation	**(5,341,327)**	(1,400,672)	**(6,074,650)**	(1,421,501)
Results on derivatives	**8,702,383**	900,699	**9,455,735**	1,140,418
Interest expense	**(528,374)**	(459,097)	**(948,310)**	(814,872)
Interest income	**285,125**	116,745	**266,533**	130,820
Taxes, contribution, tariff and others	**(18,440)**	(13,733)	**(46,716)**	(13,516)
	3,099,367	**(856,058)**	**2,652,592**	**(978,651)**

The amount of interest expense of R$1,529,379 for the nine months period ended September 30, 2015 includes the premium payment of US$37,125 (R$147,494) referring the redemption of the notes due to 2018.

(Expressed in thousands of reais)

24 Other income (expenses)

Other expenses for the nine months period ended on September 30, 2015, in the consolidated, in the amount of R$45,533 relates mainly to: in the Company, the result of the sale of fixed assets and, others with less representativeness; and, in the consolidated to other revenues referring to JBS Argentina, JBS USA and Seara Alimentos.

25 Net income per share

Basic: Calculated by dividing net income allocated to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

	For the nine months period ended on September 30,		For the three months period ended on September 30,	
	2015	2014	2015	2014
Net income attributable to shareholders	**4,915,260**	**1,417,129**	**3,441,410**	**1,092,885**
Average of the shares in the period	**2,944,316**	2,943,644	**2,944,426**	2,943,644
Average of the shares in the treasury	**(56,870)**	(65,646)	**(57,873)**	(48,894)
Average of shares circulating	**2,887,446**	**2,877,998**	**2,886,553**	**2,894,750**
Net income per shares - Basic - R$	**1.70**	**0.49**	**1.19**	**0.38**

Diluted: Calculated by dividing net income of the period attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for the effects of all dilutive potential common shares, adjusted for own shares held. From January 2015, the Company has only one category of potential common shares that would cause dilution: the option of purchasing stocks. Therefore, the calculation of the comparative for the same period in 2014 is not presented.

	For the nine months period ended on September 30,		For the three months period ended on September 30,	
	2015	2014	2015	2014
Net profit attributable to shareholders	**4,915,260**	**1,417,129**	**3,441,410**	**1,092,885**
Weighted average number of ordinary shares (basic) - R$	**2,887,446**	2,877,998	**2,886,553**	2,894,750
Effect of conversion of stock option plan	**3,515**	-	**4,353**	-
Weighted average number of ordinary shares (diluted)	**2,890,961**	**2,877,998**	**2,890,906**	**2,894,750**
Net profit per shares - Diluted - R$	**1.70**	**0.49**	**1.19**	**0.38**

26 Defined Benefit and Contribution Plans

Defined Contribution Plans

A defined contribution plan is a plan for post-employment benefits under which an entity pays fixed contributions into a separate entity (Provident Fund) and has no legal or constructive obligation to pay additional amounts. Obligations for contributions to pension plans to defined contribution plans are recognized as expenses for employee benefits in income in the periods during which employees render services. Prepaid contributions are recognized as an asset upon condition that reimbursement of cash or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employee renders service are discounted to their present values.

Defined Benefit Plans

The amount of the defined benefit plans that will be received by the beneficiaries are previously defined, calculated individually for each of the plan by using actuarial assumptions. The contributions can be adjusted in order to guarantee the payment of these benefits.

The recognized obligation for these contributions is the present value of the obligation defined in the closing, less the fair value of the assets of the plan, adjusted by actuarial gains or losses and past service costs.

The discount rate is yield at the reporting date on funds that have maturity dates approximating the terms of the appropriate indirect subsidiary PPC's obligation and that are denominated in the same currency in which benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.

When the calculation results in a benefit for the indirect subsidiary, the asset to be recognized is limited to the total cost of any unrecognized past service and present value of economic benefits available in the form of future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in indirect subsidiary. An economic benefit is available to the indirect subsidiary if it is achievable during the life of the plan or the liquidation of the plan liabilities.

When the benefits of a plan are increased, the portion of the increased benefit relating to past service by employees is recognized in the straight-line method over the average period until the benefits become vested. To the extent the benefits become vested immediately, the expense is recognized immediately in income.

All actuarial gains and losses arising from defined benefit plans are accounted for in other comprehensive income.

JBS USA Plans

JBS USA sponsors a tax-qualified employee savings and retirement plan (the “401(k) Savings Plan”) covering its US based employees, both union and non-union, excluding PPC employees. Pursuant to the 401(k) Savings Plan, eligible employees may elect to reduce their current compensation by up to the lesser of 75% of their annual compensation or the statutorily prescribed annual limit and have the amount of such reduction contributed to the 401(k) Savings Plan. The 401 (k) Savings Plan provides for additional matching contributions by JBS USA, based on specific terms contained in the 401(k) Savings Plan. The trustee of the 401(k) Savings Plan, at the direction of each participant, invests the assets of the 401(k) Savings Plan in participant designated investment options. The 401(k) Savings Plan is intended to qualify under Section 401 of the Internal Revenue Code ("IRC").

One of the JBS USA’s facilities participates in a multi-employer pension plan. Pursuant to a settlement agreement, JBS USA also participates in a multi-employer pension plan related to former employees at the idle Nampa, Idaho plant. One of the JBS USA’s facilities also participates in a supplemental executive retirement plan.

JBS Australia employees do not participate in JBS USA’s 401(k) Savings Plan. Under Australian law, JBS Australia contributes a percentage of employee compensation to a Superannuation fund, as required under the Australian “Superannuation Act of 1997”. Effective on July 1, 2014, the superannuation rate was increased to 9.5% of employee cash compensation. As the funds are administered by a third party, once this contribution is made to the Superannuation fund, JBS Australia has no obligation for payments to participants or oversight of the fund.

(Expressed in thousands of reais)

Pilgrim's Pride Plans - PPC

PPC sponsors programs that provide retirement benefits to most of their employees. These programs include qualified defined benefit pension plans, non-qualified defined benefit retirement plans, a defined benefit postretirement life insurance plan and defined contribution retirement savings plans.

Qualified Defined Benefit Pension Plans:

- the Pilgrim's Pride Retirement Plan for Union Employees (the "Union Plan");
- the Pilgrim's Pride Pension Plan for Legacy Gold Kist Employees (the "GK Pension Plan").

The Union Plan covers certain locations or work groups within PPC. The GK Pension Plan covers certain eligible US employees who were employed at locations that PPC acquired in its acquisition of Gold Kist, Inc. ("Gold Kist") in 2007. Participation in the GK Pension Plan was frozen as of February 8, 2007 for all participants with the exception of terminated vested participants who are or may become permanently and totally disabled. The plan was frozen for that group as of March 31, 2007.

Non-qualified Defined Benefit Retirement Plans:

- the Former Gold Kist Inc. Supplemental Executive Retirement Plan (the "SERP Plan"); and
- the Former Gold Kist Inc. Directors' Emeriti Retirement Plan (the "Directors' Emeriti Plan").

PPC assumed sponsorship of the SERP Plan and Directors' Emeriti Plan through its acquisition of Gold Kist in 2007. The SERP Plan provides benefits on compensation in excess of certain IRC limitations to certain former executives with whom Gold Kist negotiated individual agreements. Benefits under the SERP Plan were frozen as of February 8, 2007. The Directors' Emeriti Plan provides benefits to former Gold Kist directors.

Defined Benefit Postretirement Life Insurance Plan:

- the Gold Kist Inc. Retiree Life Insurance Plan (the "Retiree Life Plan").

PPC also assumed defined benefit postretirement medical and life insurance obligations, including the Retiree Life Plan, through its acquisition of Gold Kist in 2007. On January 2001, Gold Kist began to substantially curtail its programs for active employees. On July 1, 2003, Gold Kist terminated medical coverage for retirees age 65 and older, and only retired employees in the closed group between ages 55 and 65 could continue their coverage at rates above the average cost of the medical insurance plan for active employees. These retired employees reached the age of 65 by 2012 and liabilities of the postretirement medical plan ended.

Defined Benefit Plans Obligations and Assets

The change in benefit obligation, change in fair value of plan assets, funded status and amounts recognized in the Consolidated Balance Sheets for these plans were as follows:

	September 30, 2015		September 30, 2014	
Change in projected benefit obligation	**Pension Benefits**	**Other Benefits**	**Pension Benefits**	**Other Benefits**
Projected benefit obligation, beginning of the period	**756,444**	**6,583**	**389,305**	**3,904**
Interest cost	**23,102**	**199**	13,916	137
Actuarial losses	**3,897**	**(44)**	34,134	174
Benefits paid	**(18,363)**	**(381)**	(19,773)	(254)
Curtailments and settlements	**(56,673)**	–	–	–
Projected benefit obligation, end of the period	**708,407**	**6,357**	**417,582**	**3,961**

	September 30, 2015		September 30, 2014	
Change in plan assets	**Pension Benefits**	**Other Benefits**	**Pension Benefits**	**Other Benefits**
Fair value of plan assets, beginning of the period	**451,131**	–	**248,415**	–
Actual return on plan assets	**(15,184)**	–	8,126	–
Contributions by employer	**30,206**	**381**	26,312	254
Benefits paid	**(18,363)**	**(381)**	(19,773)	(254)
Curtailments and settlements	**(56,673)**	–	–	–
Fair value of plan assets, end of the period	**391,117**	–	**263,080**	–

	September 30, 2015		December 31, 2014	
Funded status	**Pension Benefits**	**Other Benefits**	**Pension Benefits**	**Other Benefits**
Unfunded benefit obligation, end of the period	**(317,290)**	**(6,357)**	(204,126)	(4,401)

	September 30, 2015		December 31, 2014	
Amounts recognized in the Consolidated Balance Sheets	**Pension Benefits**	**Other Benefits**	**Pension Benefits**	**Other Benefits**
Current payroll, taxes and social charges	**(37,177)**	**(398)**	(24,896)	(342)
Noncurrent payroll, taxes and social charges	**(280,113)**	**(5,844)**	(179,230)	(4,059)
Net amount recognized	**(317,290)**	**(6,243)**	**(204,126)**	**(4,401)**

(Expressed in thousands of reais)

	September 30, 2015		December 31, 2014	
Amounts recognized in the Consolidated Income Statement	**Pension Benefits**	**Other Benefits**	**Pension Benefits**	**Other Benefits**
Net actuarial losses	**160,736**	**(350)**	**91,787**	**(203)**

The accumulated benefit obligation for the defined benefit pension plans was US$178.3 million (R$708,407) and US$190 million (R$504,678) at September 30, 2015 and December 31, 2014, respectively. Each of PPC's defined benefit pension plans had accumulated benefit obligations that exceeded the fair value of plan assets at September 30, 2015 and December 31, 2014.

The following table provides the components of net periodic benefit cost (income) for the plans:

	September 30, 2015		September 30, 2014	
Net Periodic Benefit Cost	**Pension Benefits**	**Other Benefits**	**Pension Benefits**	**Other Benefits**
Interest cost	**22,716**	**195**	13,916	137
Estimated return on plan assets	**(19,583)**	-	(10,944)	-
Settlement loss (gain)	**14,177**	-	-	-
Amortization of net loss (gain)	**1,973**	-	21	-
Net periodic benefit cost	**19,283**	**195**	**2,993**	**137**

The following table presents the weighted average assumptions used in determining the pension and other postretirement plan obligations:

	September 30, 2015		December 31, 2014	
	Pension Benefits	**Other Benefits**	**Pension Benefits**	**Other Benefits**
Assumptions used to measure benefit obligation at end of the period:				
Discount rate	**4.45%**	**4.45%**	4.22%	4.22%

	September 30, 2015		September 30, 2014	
	Pension Benefits	**Other Benefits**	**Pension Benefits**	**Other Benefits**
Assumptions used to measure net pension and other postretirement costs:				
Discount rate	**4.22%**	**4.22%**	4.35%	4.35%
Expected return on plan assets	**6.00%**	**NA**	6.00%	NA

Discount rates were determined based on current investment yields on high-quality corporate long-term bonds. The expected rate of return on plan assets was determined based on the current interest rate environment and historical market premiums relative to the fixed income rates of equities and other asset classes. PPC also takes in consideration anticipated asset allocations, investment strategies and the views of various investment professionals when developing this rate.

The following table reflects the pension plans' actual asset allocations:

	September 30, 2015	December 31, 2014
Equity securities	**62%**	66%
Fixed income securities	**38%**	34%
Total assets	**100%**	**100%**

Absent regulatory or statutory limitations, the target asset allocation for the investment of pension assets in the pooled separate accounts is 50% in each of fixed income securities and equity securities and the target asset allocation for the investment of pension assets in the common collective trust funds is 30% in fixed income securities and 70% in equity securities. The plans only invest in fixed income and equity instruments for which there is a ready public market. PPC develops their expected long-term rate of return assumptions based on the historical rates of returns for equity and fixed income securities of the type in which PPC's plans invest.

The fair value measurements of plan assets fell into the following levels of the fair value hierarchy on September 30, 2015 and December 31, 2014:

	September 30, 2015			December 31, 2014		
	Level 1	**Level 2**	**Total**	**Level 1**	**Level 2**	**Total**
Cash and money market funds	**624**	-	**624**	88	-	**88**
Equity securities	-	**243,953**	**243,953**	-	199,303	**199,303**
Debt securities	-	**146,540**	**146,540**	-	102,227	**102,227**
Total assets	**624**	**390,493**	**391,117**	**88**	**301,529**	**301,617**

Benefit Payments

The following table reflects the benefits as of September 30, 2015 expected to be paid through 2024 from PPC's pension and other postretirement plans. Because PPC's pension plans are primarily funded plans, the anticipated benefits with respect to these plans will come primarily from the trusts established for these plans. Because PPC's other postretirement plans are unfunded, the anticipated benefits with respect to these plans will come from their own assets.

(Expressed in thousands of reais)

	Pension Benefits	Other Benefits
2015 (remaining)	**13,369**	**127**
2016	**51,397**	**516**
2017	**49,669**	**516**
2018	**46,757**	**516**
2019	**44,806**	**516**
Thereafter	**207,215**	**2,491**
Total	**413,213**	**4,682**

PPC anticipates contributing US$1.8 million (R$7,151), as required by funding regulations or laws, to their pension plans during the remainder of 2015. PPC does not anticipate making further contributions to their other postretirement plans during the remainder of 2015.

Unrecognized Benefit Amounts in Other Comprehensive Income

The amounts in other comprehensive income adjustments that were not recognized as components of net periodic benefits cost and the changes in those amounts are as follows:

	September 30, 2015		September 30, 2014	
	Pension Benefits	Other Benefits	Pension Benefits	Other Benefits
Net actuarial loss (gain), beginning of the period	**138,162**	**(306)**	17,816	(174)
Amortization	**(2,006)**	-	(21)	-
Curtailment and settlement adjustments	**(14,418)**	-	-	-
Liability loss (gain)	**3,898**	**(44)**	-	-
Asset loss (gain)	**35,100**	-	34,134	174
Others	-	-	2,821	-
Net actuarial loss (gain), end of the period	**160,736**	**(350)**	**54,750**	-

PPC expects to recognize in net pension cost throughout the remainder of 2015 an actuarial loss of US$200 thousand (R$781) that was recorded in other comprehensive income adjustments at September 30, 2015.

Defined Contribution Plans

PPC currently sponsors two defined contribution retirement savings plans:

- The Pilgrim's Pride Retirement Savings Plan (the "RS Plan"), a Section 401(k) salary deferral plan; and
- The To-Ricos Employee Savings and Retirement Plan (the "To-Ricos Plan"), a Section 1165(e) salary deferral plan.

PPC also maintains three postretirement plans for eligible Mexico employees as required by Mexican law that primarily covers termination benefits. Separate disclosure of the Mexican plan obligations is not considered material.

Under the RS Plan, eligible US employees may voluntarily contribute a percentage of their compensation. PPC matches up to 30% of the first 2.14% to 6% of salary based on the salary deferral and compensation levels up to US$245 thousand (R$973). The To-Ricos Plan is maintained for certain eligible Puerto Rican employees. Under the To-Ricos Plan, eligible employees may voluntarily contribute a percentage of their compensation and there are various company matching provisions.

Certain retirement plans that PPC sponsors invest in a variety of financial instruments. Certain postretirement funds in which PPC participates hold significant amounts of mortgage-backed securities. However, none of the mortgages collateralizing these securities are considered subprime.

PPC Incentive Compensation:

PPC sponsors a short-term incentive plan that provides the grant of either cash or share-based bonus awards payable upon achievement of specified performance goals (the "STIP"). Full-time, salaried exempt employees of JBS USA and its affiliates who are selected by the administering committee are eligible to participate in the STIP. PPC has accrued US$19.4 million (R$75,785) in costs related to the STIP at September 30, 2015 related to cash bonus awards that could potentially be awarded during the remainder of 2015 and 2016.

PPC also sponsors a performance-based, omnibus long-term incentive plan that provides for the grant of a broad range of long-term equity-based and cash-based awards to PPC's officers and other employees, members of the Board of Directors of PPC and any consultants (the "LTIP"). The equity-based awards that may be granted under the LTIP include "incentive stock options," within the meaning of the IRC, nonqualified stock options, stock appreciation rights, restricted stock awards ("RSAs") and restricted stock units ("RSUs"). At September 30, 2015, PPC has reserved approximately 5.1 million shares of common stock for future issuance under the LTIP.

(Expressed in thousands of reais)

The following awards existed at September 30, 2015:

Award Type	Benefit Plan	Award Quantity	Grant Date	Grant Date Fair Value per Award (1)	Vesting condition	Vesting date	Vesting Date Fair Value per Award (2)	Estimate Forfeiture Rate	Awards Forfeited to Date	Settlement Method
RSU	LTIP	608,561	Feb, 2013	8.89	Service	Dec 31, 2014	32.79	9.66%	144,382	Stock
RSA	LTIP	15,000	Feb, 2013	8.72	Service	Feb 24, 2015	27.55	-	-	Stock
RSA	LTIP	15,000	Feb, 2013	8.72	Service	Feb 24, 2016	-	-	15,000	Stock
RSU	LTIP	206,933	Feb, 2013	8.62	Service	Dec 31, 2014	32.79	-	-	Stock
RSU	LTIP	462,518	Feb, 2014	16.7	Service	Dec 31, 2016	-	13.49%	61,669	Stock
RSU	LTIP	269,662	Mar, 2014	17.18	Performance / Service	Dec 31, 2017	-	12.34%	23,499	Stock
RSU	LTIP	158,226	Feb, 2015	27.51	Performance / Service	Dec 31, 2018	-	-	13,158	Stock

(1) The fair value of each RSA and RSU granted represents the closing price of PPC's common stock on the respective grant date.
(2) The estimated forfeiture rate for these awards will be set if or when performance conditions associated with the awards are satisfied.

The following table presents compensation costs and the income tax benefit recognized for PPC's share-based compensation arrangements:

	September 30, 2015	September 30, 2014
Share-based compensation costs:		
Costs of goods sold	**1,684**	529
Selling, general and administrative expenses	**6,645**	7,494
Total	**8,329**	8,023
Income tax benefit	**2,422**	1,539

PPC's restricted share and restricted stock unit activity is included below:

	September 30, 2015		September 30, 2014	
	Number	Weighted Average Grant Date Fair Value	Number	Weighted Average Grant Date Fair Value
RSAs:				
Outstanding at beginning of the period	**30**	**34**	203	15
Vested	**(15)**	**34**	(173)	14
Forfeited	**(15)**	**34**	-	-
Outstanding at end of the period	-	-	**30**	**20**
RSUs:				
Outstanding at beginning of the period	**1,120**	**47**	729	20
Granted	**428**	**82**	462	38
Vested	**(671)**	**34**	-	-
Forfeited	**(85)**	**72**	(71)	24
Outstanding at end of the period	**792**	**19**	**1,120**	**27**

The total fair value of awards vested during the nine months periods ended September 30, 2015 and September 30, 2014 was US$22.4 million (R$88,993) and US$3.2 million (R $7,843), respectively.

At September 30, 2015, the total unrecognized compensation cost related to all nonvested awards was US$10 million (R$39,065). That cost is expected to be recognized over a weighted average period of 3 years.

Historically, PPC has issued new shares to satisfy award conversions.

Bertin USA Plans

Bertin USA has a defined benefit and a supplemental benefit pension plan covering retirees meeting certain age and service requirements. The plan benefits are based primarily on years of service and employee's compensation. The funding policy is to meet ERISA funding requirements and to accumulate plan assets, which will, over time, approximate the present value of projected benefits payable. Plan assets are invested solely in a group annuity contract. The defined benefit and supplemental benefit plans were frozen on December 31, 1995.

Bertin USA also provides certain health care and life insurance benefits for certain retired and terminated employees based on contractual obligations incurred by the previous owners of JBS USA Trading, Inc., formerly known as SB Holdings, Inc., doing business as The Tupman Thurlow Co., Inc. Bertin USA has elected immediate recognition of the unfunded accumulated postretirement benefit obligation in conjunction with the purchase of the common stock of JBS USA Trading. The postretirement payments are funded in monthly installments.

JBS Canada Plans

JBS Canada participates in the Canada Pension Plan (the "CPP"), a government provided pension plan required for all employees aged 18 to 70 who are not recipients of any retirement or disability pension under the CPP, who do not participate in the Quebec Pension Plan and whose earnings exceed the year's basic exemption of CAD$3.500 (R$10.380). The contribution rate is equal to 9.9% of the employment earnings in excess of the basic exemption up to the maximum pensionable earnings. The employee and the employer must each pay half of the contribution.

JBS Canada also provides a group of Registered Retirement Savings Plans ("RRSP") to union and non-union employees. A RRSP is an arrangement between an individual and an issuer (e.g. an insurance company or a trust company) under which contributions are made by individuals and a retirement income is payable at maturity. Contributions are tax deductible and investment earnings are tax-free. Payments out of a RRSP are taxable upon receipt. JBS Canada offers a group of RRSPs issued by Sun Life Assurance Company of Canada.

Seara Alimentos Plans

a. Pension plan

Seara Alimentos offered to its employees supplementary retirement plans, given that the plans were settled in June ,2015. Before its settlement, the calculated amounts in the technical report were receivable values, in other words, there it was no need of accounting record. In the settlement, the scenario presented in the technical report was achieved and there was no disbursement by Seara Alimentos and its subsidiaries, because the amount in the pension plan fund was sufficient to cover such disbursement.

b. Medical assistance plan

Seara Alimentos and its subsidiary Braslo offer to their employees supplementary plans of medical assistance. The technical report used to calculate the necessity of new provisions is held annually, given that the last one was held on December 31, 2014, therefore no change is needed in the period. On September 30, 2015, this liability is registered in the amount of R$11,728.

27 Deferred revenue

On October 22, 2008, JBS USA received a deposit in cash from a customer of US$175 million for the customer to secure an exclusive right to collect a certain by-product of the beef fabrication process in all of JBS USA plants. This agreement was formalized in writing as the Raw Material Supply Agreement ("Supply Agreement") on February 27, 2008 and matures on December 30, 2016. The customer's advance payment was recorded as deferred revenue in JBS USA. As the by-product is delivered to the customer over the term of the agreement, the deferred revenue is recognized within gross sales in the Consolidated Statements of Income.

To provide the customer with security, in the unlikely event JBS USA was to default on its commitment, the payment is evidenced by the Supply Agreement which bears interest at the three-month LIBOR plus 2%. The interest rate at September 30, 2015 was 2.3%. In the event of default, the Supply Agreement provides for a conversion into shares of common stock of JBS USA Holdings based on a formula stipulated in the Supply Agreement. Assuming default had occurred on September 30, 2015, the conversion right under the Supply Agreement would have equaled 2.96% of the outstanding common stock, or 2.96 shares.

The Supply Agreement contains affirmative and negative covenants which requires JBS USA to, among other things: maintain defined market share; maintain certain tangible net worth levels; and comply in all material respects with the Supply Agreement. JBS USA was in compliance with all covenants as of September 30, 2015. During the second quarter of 2012, the customer ceased taking product from JBS USA and, since the Supply Agreement makes no provision for an alternate form of calculating the repayment of the unamortized balance, JBS USA continues to accrue interest on the unamortized balance. JBS USA is in discussions with the customer; however, no agreement has been reached. The unamortized balance at both September 30, 2015 and December 31, 2014 was approximately US$100.8 million, being R$400,468 and R$267,745, respectively. At September 30, 2015 and December 31, 2014, JBS USA had accrued interest of US$8.4 million (R$33,372) and US$6.5 million (R$17,265), respectively. At September 30, 2015 and December 31, 2014, other deferred revenue was US$10.7 million (R$42,510) and US$9.4 million (R$24,968), respectively.

28 Operating segments

Management has defined the operational segments that are reported, based on the reports use to make strategic decisions, analyzed by the Executive Board of Officers, which are segmented as per the commercialized product point of view, and per geographical location.

The modalities of commercialized products include Beef, Chicken and Pork. Geographically, Management considers the operational performance of its unities in the USA (including Australia, Canada and Mexico) and South America (Brazil, Argentina, Paraguay and Uruguay).
The Beef segment performs slaughter facility, cold storage and meat processing operations for the production of beef preservatives, fat, feed and derivate products located in Brazil, United States of America, Canada, Australia, Argentina, Uruguay, Paraguay, the latter three with consolidated analyzes, as well as in United States of America, Australia, Canada and Mexico.

The Chicken segment is represented by "in natura" products, refrigerated as a whole or in pieces, whose productive units are located in United States of America, Mexico and Brazil, attending restaurant chains, food processors, distributors, supermarkets, wholesale and other retail distributors, in addition to exporting to the Eastern Europe (including Russia), the Eastern Hemisphere (including China), Mexico and other international markets.

The Pork segment is presented by the segment of slaughters, processing, cold storage of pork meat, delivers "in natura" meat and manufacture of products and subproducts of the same origin. It operates in Brazil and Unites States of America, attending the internal and the foreign market. The products also include specific industrial standards cuts, refrigerated.

Due to the significant percentage of the above-mentioned operational segments, the remaining segments and activities in which the Company acts are not relevant and are presented as "Others". In addition, all operations between segments will be eliminated in the group.

The accounting policies of the operational segments are the same described in the financial statements. The Company evaluates its performance per segment, based on the net operating income. Based on the net operating income that is calculated by the net income before taxes and social contribution, excluding the financial expense and equity in earnings of subsidiaries.

There are no revenues arising out of transactions with one only foreign client that represent 10% or more of the total revenues.

The information per businesses operational segment, analyzed by the Executive Board of Officers, and related to the nine months and three months period ended on September 30, 2015 and 2014, are as following:

(Expressed in thousands of reais)

Segments presented by product modality:

	Net revenue		Net operating income		Depreciation	
	For the nine months period ended on September 30,		For the nine months period ended on September 30,		For the nine months period ended on September 30,	
	2015	2014	2015	2014	2015	2014
Segments						
Beef	**71,988,359**	52,501,341	**2,122,779**	1,953,129	**817,143**	600,437
Chicken	**28,422,542**	20,156,940	**4,431,090**	2,735,175	**1,335,687**	841,518
Pork	**8,416,611**	7,518,663	**728,850**	683,965	**139,552**	132,219
Others	**6,925,767**	5,989,573	**288,432**	367,038	**278,639**	257,336
Total	**115,753,279**	**86,166,517**	**7,571,151**	**5,739,307**	**2,571,021**	**1,831,510**

	Net revenue		Net operating income		Depreciation	
	For the three months period ended on September 30,		For the three months period ended on September 30,		For the three months period ended on September 30,	
	2015	2014	2015	2014	2015	2014
Segments						
Beef	**26,509,416**	19,002,369	**1,071,142**	1,204,875	**301,293**	203,182
Chicken	**10,864,006**	7,096,031	**1,550,295**	1,310,402	**507,363**	284,760
Pork	**3,198,323**	2,542,308	**213,508**	114,736	**51,026**	31,617
Others	**2,457,181**	2,137,866	**34,476**	156,820	**95,733**	91,504
Total	**43,028,926**	**30,778,574**	**2,869,421**	**2,786,833**	**955,415**	**611,063**

Total of assets by product modality:

	September 30, 2015	December 31, 2014
Total of assets		
Beef	**42,211,503**	38,750,314
Chicken	**30,835,094**	18,420,843
Pork	**6,886,798**	5,261,728
Others	**42,563,664**	19,610,797
Total	**122,497,059**	**82,043,682**

Segments presented by geographic area:

	Net revenue		Net operating income		Depreciation	
	For the nine months period ended on September 30,		For the nine months period ended on September 30,		For the nine months period ended on September 30,	
	2015	2014	2015	2014	2015	2014
Segments						
United States of America	**79,543,622**	56,653,716	**4,949,797**	3,582,630	**1,467,252**	1,012,571
South America	**34,480,904**	27,887,337	**2,739,862**	2,133,496	**1,094,147**	812,193
Others	**1,728,753**	1,625,464	**(118,508)**	23,181	**9,622**	6,746
Total	**115,753,279**	**86,166,517**	**7,571,151**	**5,739,307**	**2,571,021**	**1,831,510**

	Net revenue		Net operating income		Depreciation	
	For the three months period ended on September 30,		For the three months period ended on September 30,		For the three months period ended on September 30,	
	2015	2014	2015	2014	2015	2014
Segments						
United States of America	**30,261,104**	20,404,139	**1,636,747**	2,147,159	**567,725**	334,890
South America	**12,159,188**	9,847,259	**1,291,615**	637,388	**383,781**	273,489
Others	**608,634**	527,176	**(58,941)**	2,286	**3,909**	2,684
Total	**43,028,926**	**30,778,574**	**2,869,421**	**2,786,833**	**955,415**	**611,063**

Total of assets by geographic area:

	September 30, 2015	December 31, 2014
Total of assets		
United States of America	**49,482,948**	23,823,509
South America	**65,026,436**	57,708,970
Others	**7,987,675**	511,203
Total	**122,497,059**	**82,043,682**

(Expressed in thousands of reais)

29 Expenses by nature

Following, the Income Statement's breakdown by nature and its respective classification by function:

	Company				Consolidated			
	For the nine months period ended on September 30,		For the three months period ended on September 30,		For the nine months period ended on September 30,		For the three months period ended on September 30,	
Classification by nature	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Depreciation and amortization	**(499,695)**	(424,219)	**(170,548)**	(143,404)	**(2,571,021)**	(1,831,510)	**(955,415)**	(611,063)
Personnel expense	**(2,093,307)**	(1,668,125)	**(763,328)**	(566,136)	**(11,519,696)**	(8,331,331)	**(4,378,852)**	(2,869,745)
Raw material use and consumption materials	**(17,048,754)**	(14,929,038)	**(5,753,207)**	(5,372,214)	**(92,773,101)**	(69,249,667)	**(34,391,690)**	(24,186,500)
Taxes, fees and contributions	**(2,384,326)**	(1,175,550)	**(1,760,357)**	(294,425)	**(5,135,582)**	(3,109,612)	**(2,835,392)**	(1,267,451)
Third party capital remuneration	**(14,265,993)**	(5,899,458)	**(9,118,228)**	(1,177,526)	**(16,643,207)**	(7,832,439)	**(10,098,392)**	(2,004,210)
Other income (expense), net	**17,517,570**	4,225,969	**13,775,614**	418,939	**20,896,481**	6,991,713	**15,152,828**	1,968,577
	(18,774,505)	**(19,870,421)**	**(3,790,054)**	**(7,134,766)**	**(107,746,126)**	**(83,362,846)**	**(37,506,913)**	**(28,970,392)**

	Company				Consolidated			
	For the nine months period ended on September 30,		For the three months period ended on September 30,		For the nine months period ended on September 30,		For the three months period ended on September 30,	
Classification by function	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Cost of goods sold	**(16,931,095)**	(14,449,358)	**(5,744,150)**	(5,034,529)	**(98,857,257)**	(72,929,295)	**(36,783,484)**	(25,218,124)
Selling expenses	**(2,235,326)**	(1,948,660)	**(778,959)**	(680,045)	**(6,561,286)**	(5,070,563)	**(2,400,373)**	(1,744,429)
General and administrative expenses	**(1,087,193)**	(930,795)	**(364,350)**	(342,418)	**(2,809,119)**	(2,183,822)	**(1,023,258)**	(787,788)
Financial expense, net	**1,488,596**	(2,312,361)	**3,099,367**	(856,058)	**426,007**	(2,935,636)	**2,642,597**	(978,651)
Other operational income (expense), net	**(9,487)**	(229,247)	**(1,962)**	(221,716)	**55,529**	(243,530)	**57,605**	(241,400)
	(18,774,505)	**(19,870,421)**	**(3,790,054)**	**(7,134,766)**	**(107,746,126)**	**(83,362,846)**	**(37,506,913)**	**(28,970,392)**

30 Insurance coverage

As of September 30, 2015, in the Company, the maximum individual limit for coverage was R$150,000. This coverage includes all types of casualties.

Regarding the subsidiary JBS Argentina, located in the Republic of Argentina, the insurance policy has the same above-mentioned characteristics; however, the maximum indemnification limit for September 30, 2015 was of US$37 million (equivalent to R$146,997).

Regarding the subsidiary JBS USA, located in the USA, the insurance policy has the same above-mentioned characteristics; however, the maximum indemnification limit for September 30, 2015 was of US$250 million (equivalent to R$993,225).

Regarding the subsidiary Seara Alimentos, located in Brazil, the insurance policy has the same above-mentioned characteristics; however, the maximum indemnification limit for September 30, 2015 was of R$150,000.

Regarding the subsidiary Moy Park, located in the United Kingdom, the insurance policy has the same above-mentioned characteristics; however, the maximum indemnification limit for September 30, 2015 was of GBP275 million (equivalent to R$1,651,485).

31 Risk management and financial instruments

The Company uses the measurement presented below in each date of the balance sheet in accordance with the rules established for each classification type of financial assets and liabilities:

Financial assets at fair value through profit or loss: Financial asset are classified by its fair value on the financial report if it is classified as held for trading or designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the company manages such investments and makes purchase and sale decisions based on their fair values in accordance with a documented risk management and investment strategy of the Company. The assets and liabilities are represented in the quarterly interim financial statements at cost and their appropriations of revenues and expenses are accounted for in accordance with its expected realization or settlement. The future derivatives fair values are calculated based on daily settlements as a result of changes in market prices of futures and commodities. The swap is obtained by calculating independently the assets and liabilities legs, bringing them to present value. The future prices used to calculate the curve of the contracts were drawn from the Blomberg database. Financial assets recorded at fair value through profit or loss are measured at fair value and changes in fair value of these assets are recognized in statement of income of the period. The financial instruments classified in this category are "financial investments" and "derivatives".

Loans granted and receivables: Loans granted and receivables are financial assets with fixed or estimated payment amounts that are not quoted in an active market. Such assets are initially recognized at fair value plus any attributable transaction costs. After initial recognition, loans and receivables are measured at amortized cost using the effective interest method, decreased by any loss on the impairment. The main assets of the Company classified in this category are "cash and cash equivalents", "trade accounts receivables" and "credits with related parties".

Held to maturity: In the case when the Company intends and is able to hold bonds to maturity, then such financial assets are classified as held to maturity. Investments held to maturity are initially recognized at fair value plus any directly attributable transaction costs. After initial recognition, investments held to maturity are measured at amortized cost using the effective interest method, decreased by any loss on the impairment. The Company has no financial instruments in this category.

Liabilities at amortized costs: The Company recognizes debt securities and subordinated debt on the date on which they originated. All other financial liabilities (including liabilities designated at fair value recorded in income) are initially recognized on the trade date on which the Company becomes a party to the contractual provisions of the instrument. The Company writes-off a financial liability when its contractual obligations are canceled or expired. The Company has the following non-derivative financial liabilities: loans, financing, trade accounts payable, debts with related parties, declared dividends, payables related to facilities acquisitions and other payables.

Derivative financial instruments and hedge activities: Based on a risk management policy of the JBS Group, the Company and/its subsidiaries, contract financial derivatives instruments in order to minimize the risk of losses due to the exposure to fluctuation in exchange rates, interest rates, commodities prices, and others, which can affect the valuation of current and noncurrent assets and liabilities, future cash flow and profit.These financial instruments are recognized after the Company and its subsidiaries become a party to the contractual provisions at the instruments. The fair value of derivative instruments is calculated by the treasury department, based on information of each contracted transaction and market information on the reporting dates such as interest rates and exchange rates.

(Expressed in thousands of reais)

Financial instruments:

All operations with financial instruments are recognized in the interim financial statements of the Company, according to the charts below:

		Company		Consolidated	
	Notes	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Assets					
Fair value through profit or loss					
Financial investments	4	**8,576,247**	5,314,674	**16,401,000**	6,541,899
Loans and receivables					
Cash and banks	4	**3,244,763**	4,189,249	**7,607,276**	8,368,528
Trade accounts receivable	5	**4,253,727**	3,502,612	**13,076,653**	9,577,548
Credits with related parties	9	**3,553,148**	3,301,146	**1,787,320**	370,072
Total		**19,627,885**	**16,307,681**	**38,872,249**	**24,858,047**
Liabilities					
Liabilities at amortized cost					
Loans and financings	14	**(27,172,289)**	(23,256,559)	**(65,715,367)**	(40,079,140)
Trade accounts payable	13	**(2,029,851)**	(1,567,402)	**(11,084,536)**	(6,942,933)
Debits with related parties	9	**(3,779,342)**	(140,695)	-	-
Fair value through profit or loss					
Payables derivatives, net		**(324,963)**	(279,890)	**(66,127)**	(241,899)
Total		**(33,306,445)**	**(25,244,546)**	**(76,866,030)**	**(47,263,972)**

During this period there has been no reclassification between categories, fair value through profit or loss, loans and receivables and liabilities at amortized cost, shown in the table above.

a. Fair value of assets and liabilities estimative through profit or loss:

The Company and its subsidiaries classify fair value measurements in accordance with the hierarchical levels that reflect the significance of the indexes used in this measurement, according to the following levels:

Level 1 - Quoted prices in active markets (unadjusted) for identical assets or liabilities;
Level 2 - Inputs other than Level 1, in which prices are quoted for similar assets and liabilities, either directly by obtaining prices in active markets or indirectly as valuation techniques that use data from active markets;
Level 3 - Indexes used for calculation are not derived from an active market. The Company and its subsidiaries do not have this level of measurement instruments.

	Company						Consolidated					
	Current assets				Current liabilities		Current assets				Current liabilities	
	Other investments		CDB-DI		Payables derivatives, net		Other investments		CDB-DI		Payables derivatives, net	
	Sep 30, 2015	Dec 31, 2014	Sep 30, 2015	Dec 31, 2014	Sep 30, 2015	Dec 31, 2014	Sep 30, 2015	Dec 31, 2014	Sep 30, 2015	Dec 31, 2014	Sep 30, 2015	Dec 31, 2014
Level 1	**3,166,100**	804,738	-	-	-	-	**4,180,663**	1,766,650	-	-	-	-
Level 2	-	-	**5,410,147**	4,509,936	**(324,963)**	(279,890)	-	-	**12,220,337**	4,775,249	**(66,127)**	(241,899)
Level 3	-	-	-	-	-	-	-	-	-	-	-	-

b. Fair value of loans and financings

The fair value of loans and financings is made only for the issued Notes under the rules 144-A and Reg. S, due to the fact of these notes are the only securities loans and financings that have liquidity and are negotiated in the secondary market. For this calculation, the Company uses the closing sale price of these securities informed by a financial newswire in September 30, 2015 and December 31, 2014. Except the referred item all financial instruments present its book value equal to the fair value.
Following, are the details of the estimated fair value of loans and financings:

(Expressed in thousands of reais)

	Company						Consolidated					
	September 30, 2015			December 31, 2014			September 30, 2015			December 31, 2014		
Description	Principal (US$)	Price (% of the Principal)	Market Value of the Principal (US$)	Principal (US$)	Price (% of the Principal)	Market Value of the Principal (US$)	Principal (US$)	Price (% of the Principal)	Market Value of the Principal (US$)	Principal (US$)	Price (% of the Principal)	Market Value of the Principal (US$)
JBS S.A. Notes 2016	**525,142**	**105.50**	**554,025**	487,713	110.99	541,313	**525,142**	**105.50**	**554,025**	487,713	110.99	541,313
Bertin Notes 2016	**749,599**	**106.50**	**798,323**	537,307	108.50	582,978	**749,599**	**106.50**	**798,323**	537,307	108.50	582,978
JBS S.A Notes 2020	**3,972,900**	**102.50**	**4,072,223**	2,656,200	103.55	2,750,495	**3,972,900**	**102.50**	**4,072,223**	2,656,200	103.55	2,750,495
JBS S.A Notes 2023	**3,078,998**	**92.91**	**2,860,543**	2,058,555	94.63	1,947,908	**3,078,998**	**92.91**	**2,860,543**	2,058,555	94.63	1,947,908
JBS S.A. Notes 2024	**2,979,675**	**98.50**	**2,934,980**	1,992,150	99.38	1,979,699	**2,979,675**	**98.50**	**2,934,980**	1,992,150	99.38	1,979,699
JBS USA Notes 2020	-	-	-	-	-	-	**2,781,030**	**103.40**	**2,875,585**	1,859,340	105.25	1,956,955
JBS USA Notes 2021	-	-	-	-	-	-	**4,568,835**	**101.50**	**4,637,368**	3,054,630	105.00	3,207,362
JBS USA Notes 2024	-	-	-	-	-	-	**2,979,675**	**97.44**	**2,903,395**	1,992,150	102.00	2,031,993
JBS USA Notes 2025	-	-	-	-	-	-	**3,575,610**	**97.66**	**3,491,941**	-	-	-
PPC Notes 2025	-	-	-	-	-	-	**1,986,450**	**98.50**	**1,956,653**	-	-	-
Moy Park (GBP thousand)	-	-	-	-	-	-	**1,801,620**	**101.97**	**1,837,094**	-	-	-
	11,306,314		**11,220,094**	**7,731,925**		**7,802,393**	**28,999,534**		**28,922,130**	**14,638,045**		**14,998,703**

Gains (losses) by category of financial instrument:	Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Fair value through profit or loss	**11,269,176**	(213,448)	**11,717,226**	298,245
Loans and receivables	**350,063**	285,038	**905,991**	256,350
Liabilities at amortized cost	**(10,060,564)**	(2,338,413)	**(12,052,365)**	(3,400,992)
Total	**1,558,675**	**(2,266,823)**	**570,852**	**(2,846,397)**

Risk management:

JBS and its subsidiaries incur, during the regular course of their operations, exposures to market, credit and liquidity risks. Those exposures are managed in an integrated way by the Risk Management Department, following directives from the Financial and Commodities Risk Management Policy defined by the Risk Management Committee and approved by the Board of Directors.

The Risk Management Department is responsible for mapping all the risk factors that may bring adverse financial results for the Company and propose strategies to mitigate those risks. Their proposals are submitted to the Risk Management Committee for further submission to the Board of Directors, which supervises the implementation of new solutions, noting limitations of scope and guidelines of the Financial and Commodities Risk Management Policy.

Following, are presented the risks and operations in which the Company is exposed in the current period. Additionally, is also presented the sensitivity analysis for each type of risk, consisting in the presentation of the effects in the financial income (expense), net, when needed possible changes, of 25% to 50%, in the relevant variables from each risk. To each probable scenario, the Company considers appropriate the use of the Value at Risk analysis Methodology (VaR), for the confidence interval (I.C.) of 99% and a horizon of one day. These scenarios include immediate hypothetical shocks, without taking in consideration the effects related to the interest rate.

a. Market Risk:

In particular, the exposure to market risk is continuously monitored, especially the risk factors related to foreign exchange, interest rates and commodity prices, which directly affect the value of financial assets and liabilities, future cash flow and net investments in operations abroad. In these cases, JBS and its subsidiaries may use financial hedge instruments, including derivatives, given the approval by the Board of Directors.

It is the function of the Risk Management Department to ensure that other areas of operations from JBS are within the exposure limits set by Management, are financially protected against price fluctuations, centralizing the exposures and applying the Financial and Commodities Risk Management.

The Risk Management Department uses proprietary and third party information systems specially developed to control and manage market risk, applying stress scenario and Value at Risk analysis (VaR) to measure the net exposure as well as the cash flow risk with the stock exchange.

a.1. Interest rate risk

Interest rate risk is related to potentially adverse results that JBS and its subsidiaries may arise from oscillations in interest rates, which may be caused by economic crisis, sovereign monetary policy alterations, or market movements. The Company has assets and mostly liabilities exposed to interest rates like the CDI (Certificado de Depósito Interbancário - Interbank Deposit Certificate), TJLP (Taxa de Juros de Longo Prazo - Long Term Interest Rate), UMBNDES (Unidade Monetária do BNDES - BNDES Monetary Unit), LIBOR (London Interbank Offer Rate) and EURIBOR (Euro Interbank Offer Rate), among others. The Financial and Commodities Risk Management Policy does not define the proportion between float and fixed exposures, but the Risk Management Department monitors market conditions and may propose to the Risk Management Committee strategies to rebalance the exposure.

The Board understands that quantitative figures regarding the exposure to interest rate risks of the Company on September 30, 2015 and December 31, 2014 are presented below in accordance with the Financial and Commodities Risk Management Policy and are representative of the exposure incurred during the period.

(Expressed in thousands of reais)

	Company		Consolidated	
Net liabilities and assets exposure to the CDI rate:	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
NCE / Compror / Others	**(3,774,072)**	(5,656,305)	**(4,604,547)**	(6,807,645)
Related parties	**2,249,175**	1,337,020	-	-
CDB-DI	**5,410,147**	4,509,936	**5,923,489**	4,775,249
National treasury bill	**3,166,100**	804,738	**3,166,100**	1,766,650
Total	**7,051,350**	**995,389**	**4,485,042**	**(265,746)**
Liabilities exposure to the EURIBOR rate:				
Working Capital - Euro	**(103,441)**	(38,192)	**(103,441)**	(198,295)
Total	**(103,441)**	**(38,192)**	**(103,441)**	**(198,295)**
Liabilities exposure to the LIBOR rate:				
Working Capital - USD	-	-	**(325,778)**	(916,307)
Pre-payment	**(3,507,524)**	(936,809)	**(6,963,623)**	(4,213,104)
Others	-	-	**(1,688)**	(418,475)
Total	**(3,507,524)**	**(936,809)**	**(7,291,089)**	**(5,547,886)**
Liabilities exposure to TJLP rate:				
FINAME	**(295,355)**	(360,704)	**(318,155)**	(398,385)
CDC	-	(11,898)	-	(11,898)
Total	**(295,355)**	**(372,602)**	**(318,155)**	**(410,283)**
Liabilities exposure to UMBNDES:				
CCB - BNDES	-	-	**(47,029)**	(57,080)
Total	-	-	**(47,029)**	**(57,080)**

Management considers that the exposure to interest rate fluctuations does not have a relevant effect, in that way, preferably, does not use derivatives financial instruments to manage this kind of risk, except the specific situations that may arise.

Sensitivity analysis:

			Scenario (I) VaR 99% I.C. 1 day			Scenario (II) Interest rate variation - 25%			Cenário (III) Variação da taxa em 50%		
				Effect on income			Effect on income			Effect on income	
Contracts exposure	Risk	Current scenario	Rate	Company	Consolidated	Taxa	Company	Consolidated	Taxa	Company	Consolidated
CDI	Decrease	14.1300%	14.0354%	(6,671)	(4,243)	10.5975%	(249,089)	(158,434)	7.0650%	(498,178)	(316,868)
Euribor	Increase	0.1420%	0.1420%	-	-	0.1775%	(37)	(37)	0.2130%	(73)	(73)
Libor	Increase	0.8511%	0.8513%	(7)	(15)	1.0639%	(7,464)	(15,515)	1.2767%	(14,928)	(31,031)
TJLP	Increase	6.5000%	6.5022%	(6)	(7)	8.1250%	(4,800)	(5,170)	9.7500%	(9,599)	(10,340)
UMBNDES	Increase	0.0803	0.0825	-	(1,262)	0.1004	-	(11,758)	0.1205	-	(23,515)
				(6,684)	**(5,527)**		**(261,390)**	**(190,914)**		**(522,778)**	**(381,827)**

a.2. Exchange rate risk

Exchange rate risk is related to potentially adverse results that the Company may arise from oscillations in this risk factor, which may be caused by economic crisis, sovereign monetary policy alterations, or market movements. The Company has assets and liabilities exposed to foreign exchange rate, however the Financial and Commodities Risk Management Policy does not believe in natural hedging from those opposite exposures, since other important issues like expiry matching and market volatility are very relevant and must be observed.

The Risk Management Department applies approved hedge instruments by the Board of Directors to protect financial assets and liabilities, potential future cash flow from commercial activities and net investments in foreign operations as future contracts, NDFs (non deliverable forwards), options and swaps may be used to hedge loans, investments, flows from interest payments, export estimate, acquisition of raw material, and other flows, whenever they are quoted in currencies different than the Company's functional currency. The main exposures to exchange rate risk are in US Dollars (US$), Canadian Dollars (C$), Euro (€) and the British Pound (£). In the consolidated, the Company disclosures as a combined way its exposure in relation on each indexer based on the functional currency of the country, highlighting the operations of JBS USA's subsidiaries indexed to the US Dollars (US$), in Australia, which the functional currency is Australian Dollar (AUD), Mexico, which the functional currency is the Mexican Pesos (MXN) and exposures in Japanese Yen (JPY) and New Zealand Dollars (NZD), of less representativeness.

The Board understands that quantitative figures regarding the foreign currency exposure risk of the Company on September 30, 2015 and December 31, 2014 are presented below, in accordance with the Financial and Commodities Risk Management Policy. However, it should be mentioned that during the period there were representative movement due to hedging operations at the exchange as a result of financial and commercial operations.

(Expressed in thousands of reais)

a.2.1 EXPOSURE in US$ (American dollar):

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
OPERATING				
Cash and cash equivalents	**1,885,982**	2,178,112	**2,864,846**	3,448,839
Trade accounts receivable	**2,829,493**	2,406,882	**4,444,300**	3,384,133
Sales orders	**1,416,712**	705,399	**2,663,556**	1,271,129
Trade accounts payable	**(156,661)**	(63,515)	**(197,891)**	(140,452)
Purchase orders	-	-	**(840,129)**	(256,393)
Subtotal	**5,975,526**	**5,226,878**	**8,934,682**	**7,707,256**
FINANCIAL				
Related parties transaction (net)	**(3,051,444)**	(14,145)	**(4,055,563)**	-
Net debt in subsidiaries	**(19,608,049)**	-	**(19,608,049)**	-
Loans and financings	**(22,918,079)**	(17,320,720)	**(28,370,178)**	(22,299,809)
Subtotal	**(45,577,572)**	**(17,334,865)**	**(52,033,790)**	**(22,299,809)**
Total exposure	**(39,602,046)**	**(12,107,987)**	**(43,099,108)**	**(14,592,553)**
DERIVATIVES				
Future contracts	**22,312,800**	6,820,724	**24,432,342**	7,786,253
Non Deliverable Forwards (NDF´s)	**23,122,278**	12,165,396	**26,202,857**	13,662,776
Swap (Assets)	-	22,464	**1,985,043**	139,460
Swap (Liabilities)	-	(22,758)	**(1,455,676)**	(22,758)
Overdue balance at ptax rate in 30.09 (*)	**(9,810,481)**	-	**(9,810,481)**	-
Total of derivatives	**35,624,597**	**18,985,826**	**41,354,085**	**21,565,731**
NET EXPOSURE	**(3,977,449)**	**6,877,839**	**(1,745,023)**	**6,973,178**

(*) In order to increase the transparency of its financial statements, the Company understands to be important to disclose the balance of the American dollar future contracts (US$) of BM&F due October, 1st 2015 which had not its renewal contracted (long balance of R$9,810,481). Although these operations are still current in September 30, 2015, its results are already set once using the PTAX American dollar rate for these calculations, having no effect for protection purposes of its foreign currency exposure from this date.

Sensitivity analysis:

			Scenario (i) VaR 99% I.C. 1 day			Scenario (ii) Interest rate variation - 25%			Scenario (iii) Interest rate variation - 50%		
				Effect on income			Effect on income			Effect on income	
Exposure of R$	**Risk**	**Current exchange rate**	**Exchange rate**	**Company**	**Consolidated**	**Exchange rate**	**Company**	**Consolidated**	**Exchange rate**	**Company**	**Consolidated**
Operating	Appreciation	3.9729	3.8648	(130,090)	(210,607)	2.9797	(1,195,237)	(1,935,007)	1.9865	(2,390,473)	(3,870,014)
Financial	Depreciation	3.9729	3.8648	706,614	882,283	2.9797	6,492,217	8,106,231	1.9865	12,984,434	16,212,462
Hedge derivatives	Appreciation	3.9729	3.8648	(969,322)	(1,125,217)	2.9797	(8,905,925)	(10,338,261)	1.9865	(17,811,850)	(20,676,522)
				(392,798)	**(453,541)**		**(3,608,945)**	**(4,167,037)**		**(7,217,889)**	**(8,334,074)**

Derivatives financial instruments breakdown:

			Company					
			September 30, 2015			December 31, 2014		
Instrument	**Risk factor**	**Nature**	**Quantity**	**Notional**	**Fair value**	**Quantity**	**Notional**	**Fair value**
Future Contracts BM&F	American dollar	Long	**14,775**	**2,934,980**	**(63,975)**	14,760	1,960,276	(33,215)
	DDI	Long	**97,550**	**19,377,820**	**(235,626)**	36,597	4,860,448	(117,438)

			Consolidated					
			September 30, 2015			December 31, 2014		
Instrument	**Risk factor**	**Nature**	**Quantity**	**Notional**	**Fair value**	**Quantity**	**Notional**	**Fair value**
Future Contracts BM&F	American dollar	Long	**25,445**	**5,054,522**	**(84,391)**	22,030	2,925,805	(49,679)
	DDI	Long	**97,550**	**19,377,820**	**(235,626)**	36,597	4,860,448	(117,438)

			Company					
			September 30, 2015			December 31, 2014		
Instrument	**Risk factor**	**Nature**	**Notional (USD)**	**Notional (R$)**	**Fair value**	**Notional (USD)**	**Notional (R$)**	**Fair value**
Non Deliverable Forwards	American dollar	Long	**5,820,000**	**23,122,278**	**(25,963)**	4,580,000	12,165,396	(147,741)

(Expressed in thousands of reais)

			Consolidated					
			September 30, 2015			December 31, 2014		
Instrument	Risk factor	Nature	Notional (USD)	Notional (R$)	Fair value	Notional (USD)	Notional (R$)	Fair value
Non Deliverable Forwards	American dollar	Long	**6,595,398**	**26,202,857**	**(21,368)**	5,143,730	13,662,776	(153,390)

			Company									
			September 30, 2015					December 31, 2014				
Instrument	Initial date	Expiry date	Notional (USD)	Notional (R$)	Fair value (assets) R$	Fair value (liabilities) R$	Fair value	Notional (USD)	Notional (R$)	Fair value (assets) R$	Fair value (liabilities) R$	Fair value
Swap (*)	03.02.09	04.02.15	-	-	-	-	-	26,317	69,903	22,464	(22,758)	(294)

(*) On September 30, 2015 the Company does not have an open balance.

			Consolidated									
			September 30, 2015					December 31, 2014				
Instrument	Initial date	Expiry date	Notional (USD)	Notional (R$)	Fair value (assets) R$	Fair value (liabilities) R$	Fair value	Notional (USD)	Notional (R$)	Fair value (assets) R$	Fair value (liabilities) R$	Fair value
	11.27.13	10.23.18	**100,000**	**397,290**	**413,933**	**(278,480)**	**135,453**	100,000	265,620	281,012	(252,056)	28,956
	11.29.13	11.19.15	**60,000**	**238,374**	**248,016**	**(158,981)**	**89,035**	60,000	159,372	161,608	(145,044)	16,564
Swap	04.10.14	10.15.18	**149,800**	**595,140**	**597,309**	**(362,464)**	**234,845**	149,800	397,899	419,821	(364,952)	54,869
	05.20.14	10.29.18	**50,000**	**198,645**	**201,440**	**(130,060)**	**71,380**	50,000	132,810	143,410	(124,972)	18,438
	09.08.15	09.08.16	**135,000**	**536,342**	**524,345**	**(525,691)**	**(1,346)**	135,000	358,587	358,070	(359,901)	(1,831)
	02.03.09	02.04.15	-	-	-	-	-	26,317	69,903	22,464	(22,758)	(294)

a.2.2 EXPOSURE in C$ (Canadian Dollar):

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
OPERATING				
Cash and cash equivalents	**1,901**	3,274	**3,236**	3,277
Trade accounts receivable	**901**	1,165	**15,644**	10,217
Trade accounts payable	**(13)**	(10)	**(13)**	(10)
Subtotal	**2,789**	**4,429**	**18,867**	**13,484**
Total exposure	**2,789**	**4,429**	**18,867**	**13,484**
DERIVATIVES				
Future contracts	**(6,228)**	(4,126)	**(6,228)**	(4,126)
Non Deliverable Forwards (NDF´s)	-	-	**(41,096)**	(32,360)
Total of derivatives	**(6,228)**	**(4,126)**	**(47,324)**	**(36,486)**
NET EXPOSURE	**(3,439)**	**303**	**(28,457)**	**(23,002)**

Sensitivity analysis:

			Scenario (i) VaR 99% I.C. 1 day			Scenario (ii) Interest rate variation - 25%			Scenario (iii) Interest rate variation - 50%		
				Effect on income			Effect on income			Effect on income	
Exposure of R$	Risk	Current exchange rate	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated
Operating	Appreciation	2.9657	3.0513	80	545	3.7071	697	4,717	4.4486	1,395	9,434
Hedge derivatives	Depreciation	2.9657	3.0513	(180)	(1,366)	3.7071	(1,557)	(11,831)	4.4486	(3,114)	(23,663)
				(100)	**(821)**		**(860)**	**(7,114)**		**(1,719)**	**(14,229)**

Derivatives financial instruments breakdown:

			Company					
			September 30, 2015			December 31, 2014		
Instrument	Risk factor	Nature	Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts BM&F	Canadian dollar	Short	**35**	**(6,228)**	**89**	30	(4,126)	71

(Expressed in thousands of reais)

			Consolidated					
			September 30, 2015			December 31, 2014		
Instrument	Risk factor	Nature	Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts BM&F	Canadian dollar	Short	**35**	**(6,228)**	**89**	30	(4,126)	71

			Consolidated					
			September 30, 2015			December 31, 2014		
Instrument	Risk factor	Nature	Notional (CAD)	Notional (R$)	Fair value	Notional (CAD)	Notional (R$)	Fair value
Non Deliverable Forwards	Canadian dollar	Short	**(13,857)**	**(41,096)**	**103**	(12,183)	(32,361)	(96)

a.2.3 EXPOSURE in € (EURO):

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
OPERATING				
Cash and cash equivalents	**70,600**	43,904	**70,608**	44,061
Trade accounts receivable	**105,081**	43,671	**277,872**	73,603
Sales orders	-	1,505	**209,400**	3,153
Trade accounts payable	**(38,278)**	(18,965)	**(75,977)**	(30,384)
Purchase orders	-	-	-	(9,898)
Subtotal	**137,403**	**70,115**	**481,903**	**80,535**
FINANCIAL				
Related parties transaction (net)	**452,653**	-	**452,653**	706,148
Subtotal	**452,653**	-	**452,653**	**706,148**
Total exposure	**590,056**	**70,115**	**934,556**	**786,683**
DERIVATIVES				
Future contracts	**(92,024)**	32,270	**(269,420)**	48,405
Non Deliverable Forwards (NDF´s)	**93,133**	-	**95,890**	(1,474)
Total of derivatives	**1,109**	**32,270**	**(173,530)**	**46,931**
NET EXPOSURE	**591,165**	**102,385**	**761,026**	**833,614**

Sensitivity analysis:

			Scenario (i) VaR 99% I.C. 1 day			Scenario (ii) Interest rate variation - 25%			Scenario (iii) Interest rate variation - 50%		
				Effect on income			Effect on income			Effect on income	
Exposure of R$	Risk	Current exchange	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated
Operating	Appreciation	4.4349	4.2976	(4,254)	(14,919)	3.3262	(34,350)	(120,473)	2.2175	(68,700)	(240,946)
Financial	Appreciation	4.4349	4.2976	(14,014)	(14,014)	3.3262	(113,161)	(113,161)	2.2175	(226,321)	(226,321)
Hedge derivatives	Depreciation	4.4349	4.2976	(34)	5,372	3.3262	(277)	43,382	2.2175	(554)	86,763
				(18,302)	**(23,561)**		**(147,788)**	**(190,252)**		**(295,575)**	**(380,504)**

Derivatives financial instruments breakdown:

			Company					
			September 30, 2015			December 31, 2014		
Instrument	Risk factor	Nature	Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts BM&F	Euro	Short	**415**	**(92,024)**	**1,931**	-	-	-
		Long	-	-	-	200	32,270	(601)

			Consolidated					
			September 30, 2015			December 31, 2014		
Instrument	Risk factor	Nature	Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts BM&F	Euro	Short	**1,215**	**(269,420)**	**5,646**	-	-	-
		Long	-	-	-	300	48,405	(961)

(Expressed in thousands of reais)

			Company					
			September 30, 2015			December 31, 2014		
Instrument	Risk factor	Nature	Notional (EUR)	Notional (R$)	Fair value	Notional (EUR)	Notional (R$)	Fair value
Non Deliverable Forwards	Euro	Long	**21,000**	**93,133**	**(416)**	-	-	-

			Consolidated					
			September 30, 2015			December 31, 2014		
Instrument	Risk factor	Nature	Notional (EUR)	Notional (R$)	Fair value	Notional (EUR)	Notional (R$)	Fair value
Non Deliverable Forwards	Euro	Long	**21,622**	**95,890**	**(1,869)**	(555)	(1,474)	(60)

a.2.4 EXPOSURE in £ (British Pound):

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
OPERATING				
Cash and cash equivalents	-	-	**1,347**	4,126
Trade accounts receivable	**49,537**	49,969	**88,019**	104,154
Sales orders	**6,507**	1,149	**6,507**	97,186
Trade accounts payable	**(43)**	(195)	**(43)**	(195)
Subtotal	**56,001**	**50,923**	**95,830**	**205,271**
Total exposure	**56,001**	**50,923**	**95,830**	**205,271**
DERIVATIVES				
Future contracts	**(40,987)**	(21,738)	**(40,987)**	(31,158)
Non Deliverable Forwards (NDF´s)	-	(103,513)	**(80,102)**	(186,025)
Total of derivatives	**(40,987)**	**(125,251)**	**(121,089)**	**(217,183)**
NET EXPOSURE	**15,014**	**(74,328)**	**(25,259)**	**(11,912)**

Sensitivity analysis:

			Scenario (i) VaR 99% I.C. 1 day			Scenario (ii) Interest rate variation - 25%			Scenario (iii) Interest rate variation - 50%		
				Effect on income			Effect on income			Effect on income	
Exposure of R$	Risk	Current exchange rate	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated
Operating	Appreciation	6.0054	6.1710	1,544	2,643	7.5068	14,001	23,958	9.0081	28,001	47,915
Hedge derivatives	Depreciation	6.0054	6.1710	(1,130)	(3,339)	7.5068	(10,247)	(30,273)	9.0081	(20,494)	(60,545)
				414	**(696)**		**3,754**	**(6,315)**		**7,507**	**(12,630)**

Derivatives financial instruments breakdown:

			Company					
			September 30, 2015			December 31, 2014		
Instrument	Risk factor	Nature	Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts BM&F	British pound	Short	**195**	**(40,987)**	**588**	150	(21,738)	404

			Consolidated					
			September 30, 2015			December 31, 2014		
Instrument	Risk factor	Nature	Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts BM&F	British pound	Short	**195**	**(40,987)**	**588**	215	(31,158)	579

			Company					
			September 30, 2015			December 31, 2014		
Instrument	Risk factor	Nature	Notional (GBP)	Notional (R$)	Fair value	Notional (GBP)	Notional (R$)	Fair value
Non Deliverable Forwards	British pound	Short	-	-	-	(25,000)	(103,513)	(2,903)

			Consolidated					
			September 30, 2015			December 31, 2014		
Instrument	Risk factor	Nature	Notional (GBP)	Notional (R$)	Fair value	Notional (GBP)	Notional (R$)	Fair value
Non Deliverable Forwards	British pound	Short	**(13,338)**	**(80,102)**	**3,468**	(56,064)	(186,025)	(2,885)

(Expressed in thousands of reais)

a.2.5 EXPOSURE in ¥ (Japanese Yen):

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
OPERATING				
Cash and cash equivalents	-	-	**2,630**	-
Trade accounts receivable	-	-	**28,364**	-
Sales orders	-	-	**743**	-
Trade accounts payables	-	-	**(585)**	-
Subtotal	-	-	**31,152**	-
Total exposure	-	-	**31,152**	-
DERIVATIVES				
Non Deliverable Forwards (NDF´s)	-	-	**(76,212)**	-
Total derivatives	-	-	**(76,212)**	-
NET EXPOSURE	-	-	**(45,060)**	-

Sensitivity analysis:

			Scenario (i) VaR 99% I.C. 1 day			Scenario (ii) Interest rate variation - 25%			Scenario (iii) Interest rate variation - 50%		
				Effect on income			Effect on income			Effect on income	
Exposure of R$	Risk	Current exchange rate	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated
Operating	Appreciation	0.0332	0.0343	-	1,032	0.0415	-	7,788	0.0498	-	15,576
Hedge derivatives	Depreciation	0.0332	0.0343	-	(2,525)	0.0415	-	(19,053)	0.0498	-	(38,106)
				-	(1,493)		-	(11,265)		-	(22,530)

Derivatives financial instruments breakdown:

			Consolidated					
			September 30, 2015			December 31, 2014		
Instrument	Risk factor	Nature	Notional (JPY)	Notional (R$)	Fair value	Notional (JPY)	Notional (R$)	Fair value
Non Deliverable Forwards	Japanese Yen	Short	**(2,298,315)**	**(76,212)**	**2,857**	-	-	(137)

a.2.6 EXPOSURE in NZD (New Zealand Dollar):

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
OPERATING				
Cash and cash equivalents	-	-	**6,090**	-
Trade accounts receivable	-	-	**6,071**	-
Trade accounts payable	-	-	**(28)**	-
Subtotal	-	-	**12,133**	-
Total exposure	-	-	**12,133**	-
DERIVATIVES				
Future contracts	-	-	**(15,705)**	-
Total derivatives	-	-	**(15,705)**	-
NET EXPOSURE	-	-	**(3,572)**	-

Sensitivity analysis:

			Scenario (i) VaR 99% I.C. 1 day			Scenario (ii) Interest rate variation - 25%			Scenario (iii) Interest rate variation - 50%		
				Effect on income			Effect on income			Effect on income	
Exposure of R$	Risk	Current exchange rate	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated
Operating	Appreciation	2.5391	2.6161	-	368	3.1739	-	3,033	3.8087	-	6,067
Hedge derivatives	Depreciation	2.5391	2.6161	-	(476)	3.1739	-	(3,926)	3.8087	-	(7,853)
				-	(108)		-	(893)		-	(1,786)

(Expressed in thousands of reais)

Derivatives financial instruments breakdown:

			Consolidated					
			September 30, 2015			December 31, 2014		
Instrument	**Risk factor**	**Nature**	**Notional (NZD)**	**Notional (R$)**	**Fair value**	**Notional (NZD)**	**Notional (R$)**	**Fair value**
Non Deliverable Forwards	New Zealand dollar	Short	**(6,185)**	**(15,705)**	**2,161**	-	-	(49)

b. Commodity price risk

The Company operates globally in different areas related to the Agribusiness (the entire livestock protein chain, biodiesel, among others) and the regular course of its operations brings exposures to price oscillations in feeder cattle, live cattle, lean hogs, corn, soybean complex, and energy, especially in the American, Australian and Brazilian markets. Commodity markets are characterized by volatility arising from external factors like climate, supply levels, transportation costs, agricultural policies, storage costs, among others. The Risk Management Committee is responsible for mapping the exposures to commodity prices of the Company and its subsidiaries and propose strategies to the Risk Management Committee, in order to mitigate such exposures.

A very important part of the raw materials needs of the Company and its subsidiaries are biological assets sensitive to stockpiling. In order to maintain future supply of these materials the Company contracts anticipated purchases from suppliers. To complement this purchase, ensuring minimum price and volume to the materials purchased for a planning horizon pre-defined by the Risk Management Committee and approved by the Board of Directors, as well as aiming at mitigating price oscillations risks on inventories and sales contracts, the Company and its subsidiaries use hedging instruments specific for each exposure, most notably futures contracts. The Company deems appropriate to take the average amount spent with materials as a parameter indicative of operational value to be protected by firm contracts.

b.1. Position balance in commodities (cattle) contracts of the Company

The field of activity of the Company is exposed to volatility in cattle prices, which changes arise from factors beyond the Company's control, such as climate, the supply volume, transportation costs, agricultural policies and others. The Company, in accordance with its policy of stock management, maintains its strategy of risk management, based on physical control, which includes anticipated purchases, combined with future market operations, and reducing the daily position of anticipated purchases contracts for future delivery through future contracts of cattle on BM&F, aimed at bringing the position to zero and ensuring the market price.

The parameters for reducing the cattle purchase risk are based on the physical position of term contracts of cattle purchase considering negotiated values and terms. The internal controls used for coverage and risk management are made through spreadsheets and monitoring of operations performed and calculation of VAR for 1 day, with a confidence interval of 99%.

The Company understands that quantitative figures regarding the exposure risk on the cattle's arroba price changes of the Company on September 30, 2015 and December 31, 2014 are presented below in accordance with the Financial and Commodities Risk Management Policy and are representative of the exposure incurred during the period.

EXPOSURE	**September 30, 2015**	**December 31, 2014**
Firm Contracts of cattle purchase	**177,539**	36,953
TOTAL	**177,539**	**36,953**

Sensitivity analysis:

			Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) @ Variation - 25%		Scenario (ii) @ Variation - 50%	
				Effect on income		Effect on income		Effect on income
Exposure	**Risk**	**Current price**	**Price**	**Company**	**Price**	**Company**	**Price**	**Company**
Operational	Cattle arroba depreciation	148.06	146.15	(2,286)	111.05	(44,385)	74.03	(88,770)
Hedging derivatives of cattle	Cattle arroba appreciation	148.06	146.15	1,780	111.05	34,558	74.03	69,117
				(506)		**(9,827)**		**(19,653)**

The exposure operating risk in firm contracts of cattle purchase is the rise of cattle arroba price, thereby, it is calculated the risk of market price appreciation of the cattle market price.

Derivatives financial instruments breakdown:

			September 30, 2015			December 31, 2014		
Instrument	**Risk factor**	**Nature**	**Quantity**	**Notional**	**Fair value**	**Quantity**	**Notional**	**Fair value**
Future Contracts BM&F	Cattle	Short	**4,758**	**(138,233)**	**(921)**	555	(25,871)	9

b.2. Position balance in commodities (corn) derivatives financial instruments of JBS Foods:

The business segment of JBS Foods is exposed to price volatility of corn, which changes arise from factors beyond the Administration's control, such as climate, the supply volume, transportation costs, agricultural policies and others.

JBS Foods, in accordance with its policy of inventory management, started the strategy of risk management of corn's price based on physical control, including expectations of future consumption, anticipated purchases, combined with future market operations, by hedging with corn futures on BM&F, CME and Over the Counter (OTC), through Non Deliverable Forwards (NDF's), in order to guarantee the market price.

The internal controls used for coverage and risk management are made through spreadsheets and monitoring of operations performed and calculation of VAR for 1 day, with a confidence interval of 99%.

Management understands that quantitative figures regarding the exposure risk on the corn's sacks price changes of JBS Foods on September 30, 2015 and December 31, 2014 are presented below in accordance with the Financial and Commodities Risk Management Policy and are representative of the exposure incurred during the period.

(Expressed in thousands of reais)

EXPOSURE (in Commodities Corn)	JBS Foods September 30, 2015
OPERATING	
Purchase orders	708,319
Subtotal	708,319
DERIVATIVES	
Non Deliverable Forwards (NDF´s)	-
Subtotal	-
TOTAL EXPOSURE	708,319

Sensitivity analysis:

			Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Price variation - 25%		Scenario (ii) Price variation - 50%	
				Effect on income		Effect on income		Effect on income
Exposure	Risk	Current price	Price	JBS Foods	Price	JBS Foods	Price	JBS Foods
Operational	Depreciation of corn price	387.75	373.42	(26,177)	290.81	(177,084)	193.88	(354,150)
Hedging derivatives	Appreciation of corn price	387.75	373.42	-	290.81	-	193.88	-
				(26,177)		(177,084)		(354,150)

b.3. Position balance in commodities derivatives financial instruments of JBS USA:

Management understands that quantitative figures regarding the exposure risk of the commodities price changes of the subsidiary JBS USA on September 30, 2015 and December 31, 2014 are presented below in accordance with the Financial and Commodities Risk Management Policy and are representative of exposure incurred during the period.

	JBS USA	
EXPOSURE	September 30, 2015	December 31, 2014
OPERATIONAL		
Forwards - commodities	3,265,346	(3,936,680)
Subtotal	3,265,346	(3,936,680)
DERIVATIVES		
Future and option commodity contracts	6,017,585	5,662,129
Subtotal	6,017,585	5,662,129
TOTAL EXPOSURE	9,282,931	1,725,449

Sensitivity analysis:

		Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Price variation - 25%		Scenario (ii) Price variation - 50%	
			Effect on income		Effect on income		Effect on income
Exposure	Risk	Price	JBS USA	Price	JBS USA	Price	JBS USA
Operating	Commodities price depreciation	(0.93)%	(30,368)	(25.00)%	(816,337)	(50.00)%	(1,632,673)
Hedging derivatives	Commodities price depreciation	(0.93)%	(55,964)	(25.00)%	(1,504,396)	(50.00)%	(3,008,793)
			(86,332)		(2,320,733)		(4,641,466)

Derivatives financial instruments breakdown:

			September 30, 2015			December 31, 2014		
Instrument	Risk factor	Nature	Notional (USD)	Notional (R$)	Fair value	Notional (USD)	Notional (R$)	Fair value
Non Deliverable Forwards	Commodities	Long	1,514,658	6,017,585	(265,561)	2,131,665	5,662,129	26,049

c. Credit risk

The Company and its subsidiaries are potentially subject to credit risk related to accounts receivable, investments and hedging contracts. In the case of trade accounts receivable, the Financial and Commodities Risk Management Policy understands that the diversity of the portfolio contributes significantly to reduce the credit risk, but parameters are set to operations where credit is provided, observing financial ratios and operational health, as well as consults to credit monitoring entities.

In case of the counter party of a financial operation is a financial institution (investments and hedging contracts), the Company employs exposure limits set by the Risk Management Committee, based on risk ratings (ratings) of specialized international agencies.

(Expressed in thousands of reais)

Amounts invested in private bonds (notably bank certificates of deposit) and accumulated fair values receivables in hedging transactions contracted with banks, must comply with the following table limits, in order that, the total volume does not exceed a specified percentage of the equity of the financial institution (% Equity). In conjunction, the maturity of the application should be no longer than the maximum horizon.

Category	% Equity	Maximum horizon
Triple A	2%	5 years
Double A	1%	3 years
Single A	0.5%	2 years
Triple B	0.25%	1 year

Observations:

• In case of different ratings for the same financial institution, must adopt the most conservative;
• The associates banks should be consolidated at its headquarters;
• Financial institutions without rating are not eligible;
• In the absence of rating in the national scale, use the global rating scale;
• If the Company holds debt and applications with particular counterparty, the net value of the transactions should be considered;
• Exceptions can occur if previously approved by the Risk Management Committee .

Besides private bonds, the Company can also invest funds in federal national treasury bill: LFT, LTN, NTN-F and NTN-B. For these cases there is no pre-established limits. It is also permitted to invest in fixed income funds of low risk that have policy of investment applications in assets directly related to the basic interest rate (SELIC).

The book value of financial assets that represent the maximum exposure to credit risk at the financial statement date was:

		Company		Consolidated	
	Note	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Assets					
Cash and cash equivalents	4	**11,821,010**	9,503,923	**24,008,276**	14,910,427
Trade accounts receivable	5	**4,253,727**	3,502,612	**13,076,653**	9,577,548
Credits with related parties	9	**3,553,148**	3,301,146	**1,787,320**	370,072
		19,627,885	**16,307,681**	**38,872,249**	**24,858,047**

d. Liquidity risk

Liquidity risk arises from the management of working capital of the Company and amortization of financing costs and principal of the debt instruments. It is the risk that the Company will find difficulty in meeting their financial obligations falling due.

The Company manages its capital based on parameters optimization of capital structure with a focus on liquidity and leverage metrics that enable a return to shareholders over the medium term, consistent with the risks assumed in the transaction.

The Management of the Company's liquidity is done taking into account mainly the acid test ratio, represented by the level of cash plus financial investments divided by short-term debt. It is also maintained a focus on managing the overall leverage of the Company to monitor the ratio of net debt to "EBITDA" at levels we considered to be manageable for continuity of operations.

Based on the analysis of these indicators, the management of working capital has been defined to maintain the natural leverage of the Company at levels equal to or less than the leverage ratio that the Company would like to achieve.

The index of liquidity and leverage consolidated are shown below:

	Consolidated	
	September 30, 2015	December 31, 2014
Cash and cash equivalents	**24,008,276**	14,910,427
Loans and financings - Current	**(18,950,173)**	(13,686,975)
Acid test ratio	**1.27**	1.09
Leverage indicator (*)	**2,5x**	**2,1x**

(*) To calculate the leverage indicator the Company used the dollar and the euro correction rates of the last day of the year (closing rate). This criteria is intended to equalize the net debt and EBITDA at the same exchange rate.

The table below shows the fair value of financial liabilities of the Company and its subsidiaries according to their maturities:

	Company									
	September 30, 2015					December 31, 2014				
	Trade accounts payable	Debits w/ related parties	Loans and financings	Derivatives financing (liabilities) assets	Fair value	Trade accounts payable	Debits w/ related parties	Loans and financings	Derivatives financing (liabilities) assets	Fair value
Less than1 year	**(2,029,851)**	-	**(11,950,698)**	**(324,963)**	**(14,305,512)**	(1,567,402)	-	(9,567,475)	(279,890)	**(11,414,767)**
Between 1 and 2 years	-	-	**(4,314,978)**	-	**(4,314,978)**	-	-	(3,276,569)	-	**(3,276,569)**
Between 3 and 5 years	-	-	**(4,755,934)**	-	**(4,755,934)**	-	-	(3,639,882)	-	**(3,639,882)**
More than 5 years	-	**(3,779,342)**	**(6,150,679)**	-	**(9,930,021)**	-	(140,695)	(6,772,633)	-	**(6,913,328)**
Fair value	**(2,029,851)**	**(3,779,342)**	**(27,172,289)**	**(324,963)**	**(33,306,445)**	**(1,567,402)**	**(140,695)**	**(23,256,559)**	**(279,890)**	**(25,244,546)**

(Expressed in thousands of reais)

	Consolidated							
	September 30, 2015				December 31, 2014			
	Trade accounts payable	Loans and financings	Derivatives financing (liabilities) assets	Fair value	Trade accounts payable	Loans and financings	Derivatives financing (liabilities) assets	Fair value
Less than1 year	**(11,084,536)**	**(18,950,173)**	**(66,127)**	**(30,100,836)**	(6,942,933)	(13,686,975)	(241,899)	**(20,871,807)**
Between 1 and 2 years	-	**(7,825,797)**	-	**(7,825,797)**	-	(4,625,423)	-	**(4,625,423)**
Between 3 and 5 years	-	**(17,947,596)**	-	**(17,947,596)**	-	(6,881,514)	-	**(6,881,514)**
More than 5 years	-	**(20,991,801)**	-	**(20,991,801)**	-	(14,885,228)	-	**(14,885,228)**
Fair value	**(11,084,536)**	**(65,715,367)**	**(66,127)**	**(76,866,030)**	**(6,942,933)**	**(40,079,140)**	**(241,899)**	**(47,263,972)**

The Company has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at September 30, 2015 is R$3,174,031 (R$1,122,266 at December 31, 2014). This guarantee is superior to the need presented for these operations.

The indirect subsidiary JBS USA and its subsidiaries, has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at September 30, 2015 is R$676,982.16 (R$316,088 at December 31, 2014). This guarantee is superior to the need presented for these operations.

Other guarantees considered relevant are described in detail in the note for Loans and financings.

The Company and its subsidiaries have no guarantees received from third parties deemed relevant.

* * * * *

(Expressed in thousands of reais)

32 Approval of the interim financial statements

The approval of these quarterly interim financial statements was given at the Board of Directors' meeting held on November 11, 2015.

BOARD OF DIRECTORS

Chairman:	Joesley Mendonça Batista
Vice-Chairman:	Wesley Mendonça Batista
Board Member:	José Batista Sobrinho
Board Member:	Humberto Junqueira de Farias
Board Member:	João Carlos Ferraz
Board Member:	Marcio Percival Alves Pinto
Independent Board Member:	Carlos Alberto Caser
Independent Board Member:	Tarek Mohamed Noshy Nasr Mohamed Farah

FISCAL COUNCIL REPORT

The Fiscal Council reviewed the quarterly interim financial statements of the Company for the period ended on September 30, 2015.

Our review included: (a) analysis of the quarterly financial statements prepared by the Company; (b) monitoring of the review done by the external independent auditors through questions and discussions; and (c) questions about relevant actions and transactions made by the Management of the Company.

Based on our review, according to the information and explanations received, and considering the Independent Auditors Review, the Fiscal Council is not aware of any fact that would lead to believe that the quarterly Financial Statements above mentioned do not reflect at all relevant aspects of the information contained therein and are in condition to be disclosed by the Company, wherein do not have any qualified opinion or comments.

FISCAL COUNCIL

Chairman:	Florisvaldo Caetano de Oliveira
Council Member:	José Paulo da Silva Filho
Council Member:	Demetrius Nichele Macei
Council Member:	Francisco Vicente Santana Silva Telles

AUDIT COMMITTEE

Chairman:	Humberto Junqueira de Farias
Committee Member:	Silvio Roberto Reis de Menezes Júnior
Committee Member:	Paulo Sérgio Dortas

STATEMENT OF OFFICERS ON THE QUARTTERLY INTERIM FINANCIAL STATEMENTS AND ON THE INDEPENDENT AUDITORS REVIEW REPORT

The Company's Officers declare for the purposes of Article 25, paragraph 1, item V and VI of CVM Instruction No. 480 of December 7, 2009, that:

(i) They reviewed, discussed and agreed with the views expressed in the review report of the independent auditors on the quarterly interim financial statements for the period ended on September 30, 2015, and

(ii) They reviewed, discussed and agreed with the quarterly interim financial statements for the period ended on September 30, 2015.

EXECUTIVE BOARD

Chief Executive Officer:	Wesley Mendonça Batista
Administrative and Control Officer:	Eliseo Santiago Perez Fernandez
Investor Relations Officer:	Jeremiah Alphonsus O'Callaghan
Institutional Relations Executive Officer:	Francisco de Assis e Silva

Accountant:	Agnaldo dos Santos Moreira Jr. (CRC SP: 244207/O-4)

* * * * *

3Q15 Results

JBS reports Net Income of R$3.4 billion and Sales of R$43.0 billion in 3Q15

JBS reports net income of R$3.4 billion in the third quarter of 2015 (3Q15) equivalent to R$1.19 per share. Adjusted Net Income in the period was R$4.2 billion, considering goodwill amortization of R$805.3 million at Parent Company and at JBS Foods which is non cash. Net sales totaled R$43.0 billion, an increase of 39.8% compared with 3Q14.

“We had a quarter of sustainable sales growth, consistent operating results and robust cash generation and net income”, stated Wesley Batista, Global CEO of JBS.

“We have great confidence in our global food production platform which is being boosted by stronger an increased value added product portfolio and with well recognized brands. We envisage several opportunities to expand our business in the prepared foods and value added segment. To achieve this goal, we will continue to invest in high quality products, innovation and brands”, concluded Wesley Batista.

3Q15 Highlights

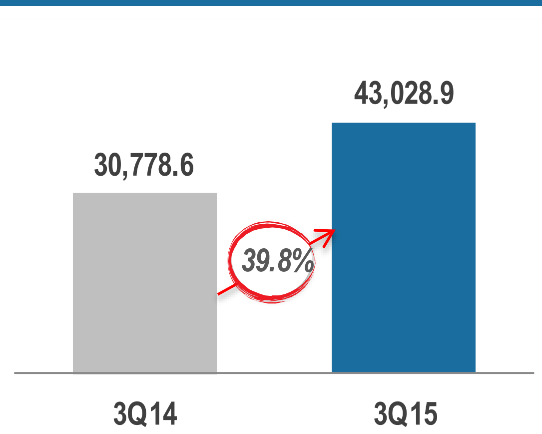
Net revenue in the period was **R$43.0 billion,** which represents **an increase of 39.8%** compared with 3Q14.

Gross profit in 3Q15 was **R$6.2 billion, 12.3% higher** than the same period last year.

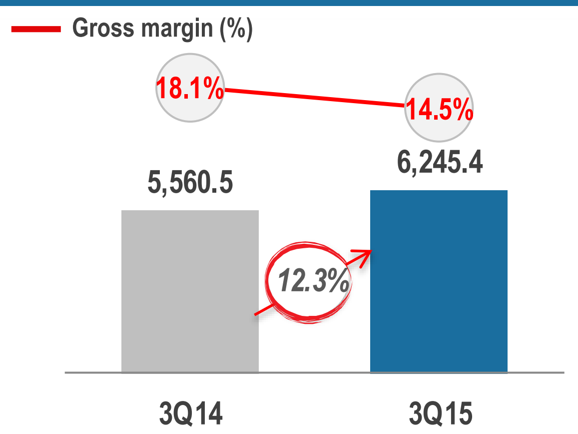
EBITDA in 3Q15 was **R$3.8 billion, an increase of 6.0%** over 3Q14**. EBITDA margin was 8.9%.**

JBS posted **net income** of **R$3.4 billion**, equivalent to **R$1.19 per share. Adjusted net income** was **R$4.2 billion** in 3Q15.

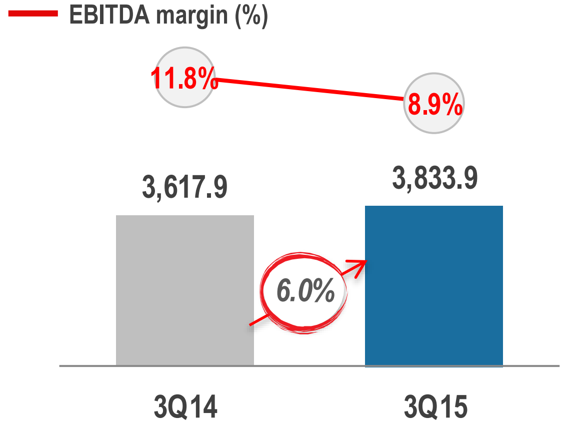
Consolidated Net Revenue (R$ Million)



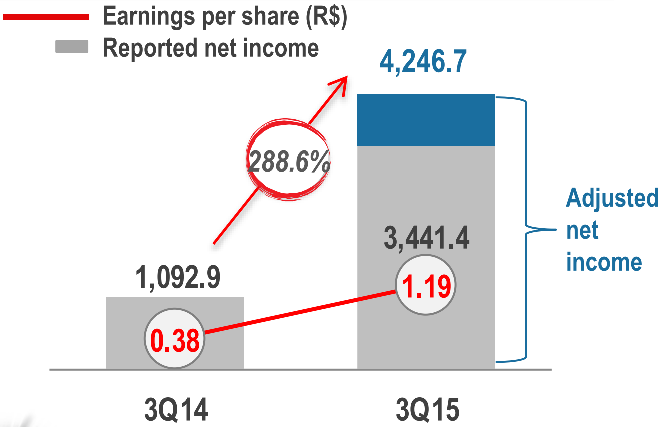
Consolidated Gross Profit (R$ Million)



Consolidated EBITDA (R$ Million)



Consolidated Net Income (R$ Million)



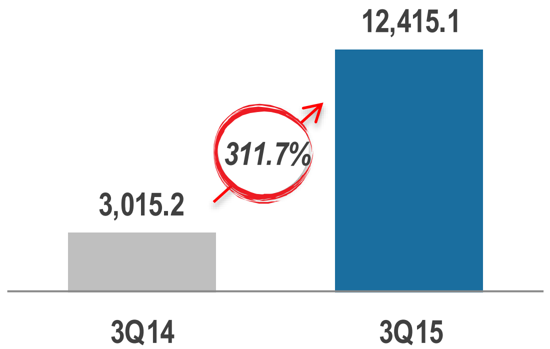
3Q15 Highlights

In 3Q15, the Company generated net operating cash of **R$12.4 billion,** an increase of 311.7% in relation to 3Q14. **Free Cash Flow Generation** was **R$5.1 billion, after paying approximately R$6.0 billion for Moy Park at the end of the quarter.**

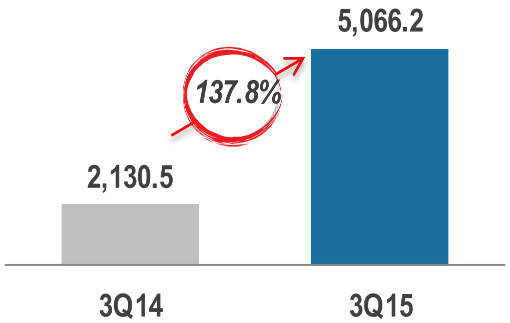
JBS ended 3Q15 with **net debt of R$41.7 billion.** Net debt translated to US dollars was **US$10.5 billion** at the end of 3Q15, stable when compared with 3Q14.

Leverage at the end of this quarter was **2.55x.** Including proforma results from Moy Park and other recent acquisitions, leverage was **2.32x**.

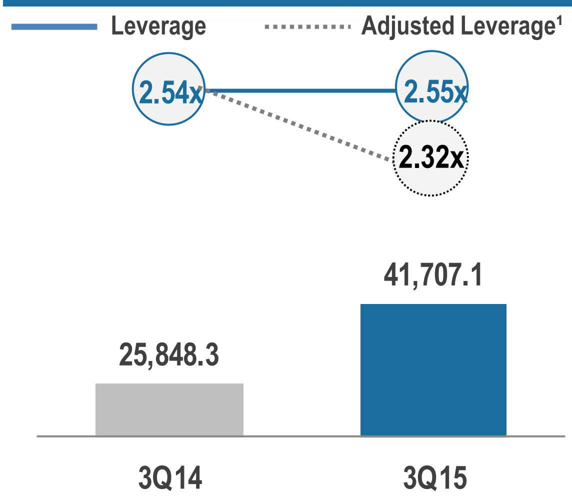
Net Operating Cash Generation (R$ Million)



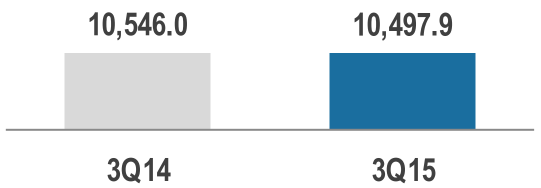
Free Cash Flow Generation (R$ million)



Net Debt (R$ Million) and Leverage



Net Debt (US$ Million)



Note 1: Adjusted leverage including the proforma results of Tyson in Brazil and Mexico, Céu Azul, Primo and Moy Park.

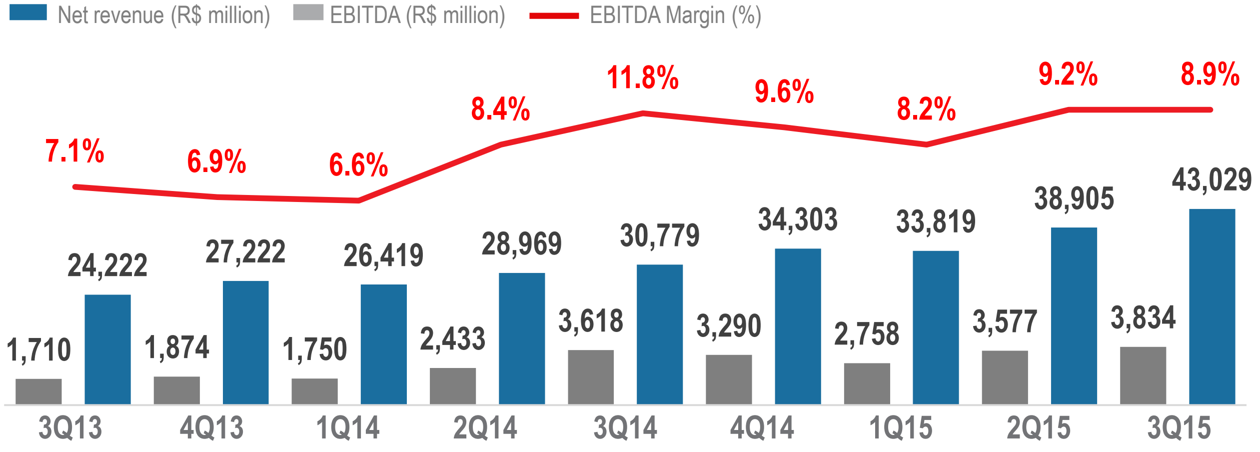
Highlights

Net Revenue and EBITDA Evolution

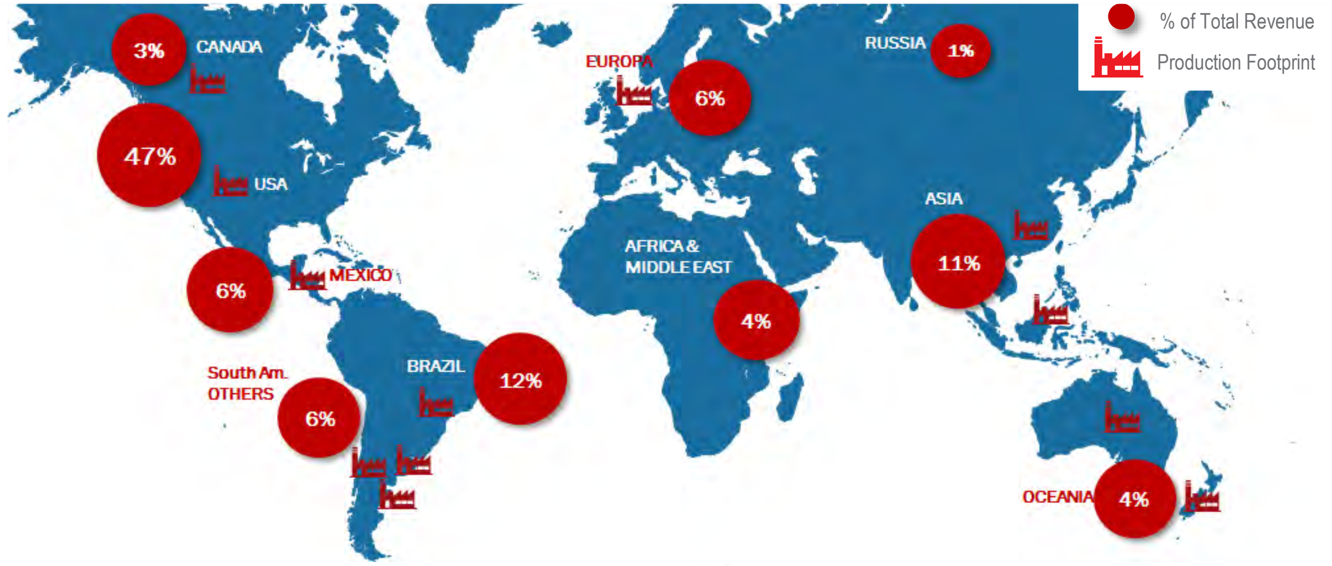
LTM, JBS **reached R$150.1 billion in net revenue with EBITDA of R$13.5 billion**, equivalent to an **EBITDA margin of 9.0%**.

Updating the results using FX at the end of 3Q15 and adding proforma results from recent acquisitions, **LTM net revenue reached R$204.2 billion with LTM EBITDA of R$18.0 billion**

Consistent results with sustainable growth, thanks to geographic and product diversification, including various proteins and a range of value added products as well as access to a global costumer base.



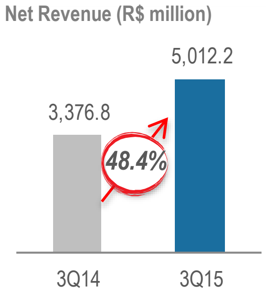
Revenue Breakdown by Region



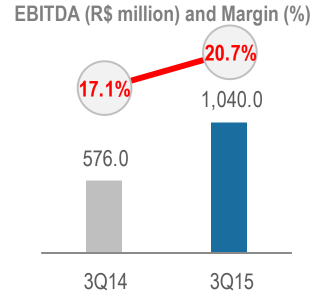
Note 1. Revenues by region includes domestic sales and imports.

3Q15 Highlights by Business Units

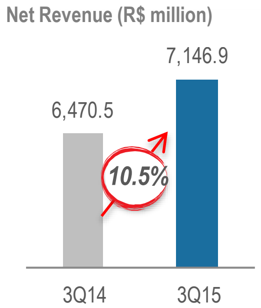
JBS Foods



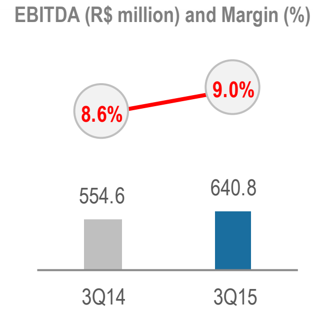
- In 3Q15, **JBS Foods net revenue** reached **R$5.0 billion,** an increase of 48.4% over 3Q14**.**
- **EBITDA** in the quarter was **R$1,040.0 million,** 80.5% higher than 3Q15**. EBITDA margin was 20.7%.**



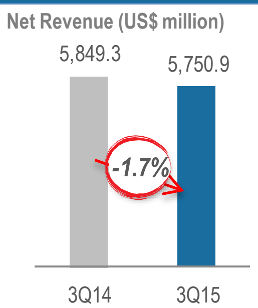
JBS Mercosul



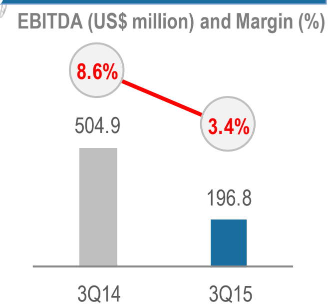
- In 3Q15, **JBS Mercosul** had **net revenue of R$7.1 billion,** an increase of 10.5% compared to 3Q14**.**
- **EBITDA** in the quarter was **R$640.8 million,** an increase of 15.5% over 3Q14**. EBITDA margin was 9.0%.**



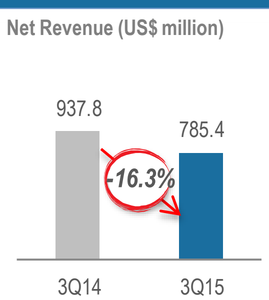
JBS USA Beef (Including Canada and Australia)



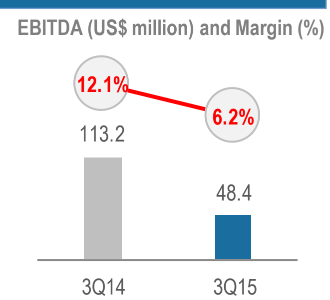
- In 3Q15, **JBS USA Beef** posted net revenue of **US$5.8 billion,** a decrease of 1.7% over 3Q14**.**
- **EBITDA** in the quarter was **US$196.8 million,** a decrease of 61.0% over 3Q14. **EBITDA margin was 3.4%.**



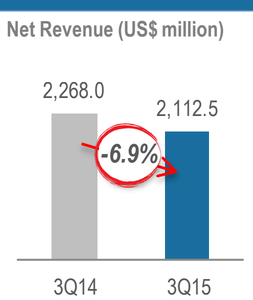
JBS USA Pork



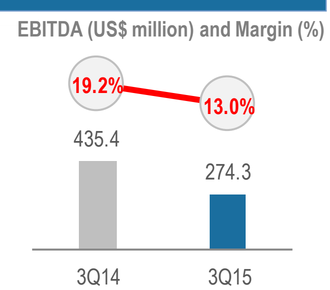
- In 3Q15, **JBS USA Pork** net revenue was **US$785.4 million,** a decrease of 16.3% in relation to 3Q14**.**
- **EBITDA** was **US$48.4 million** in the quarter, 57.2% lower than 3Q14. **EBITDA margin was 6.2%.**



JBS USA Chicken – Pilgrim's Pride (PPC)



- In 3Q15, **PPC** reported net revenue of **US$2.1 billion,** reduction of 6.9% in relation to 3Q14**.**
- **EBITDA** in the period was **US$274.3 million,** 37.0% lower than 3Q14. **EBITDA margin was 13.0%.**

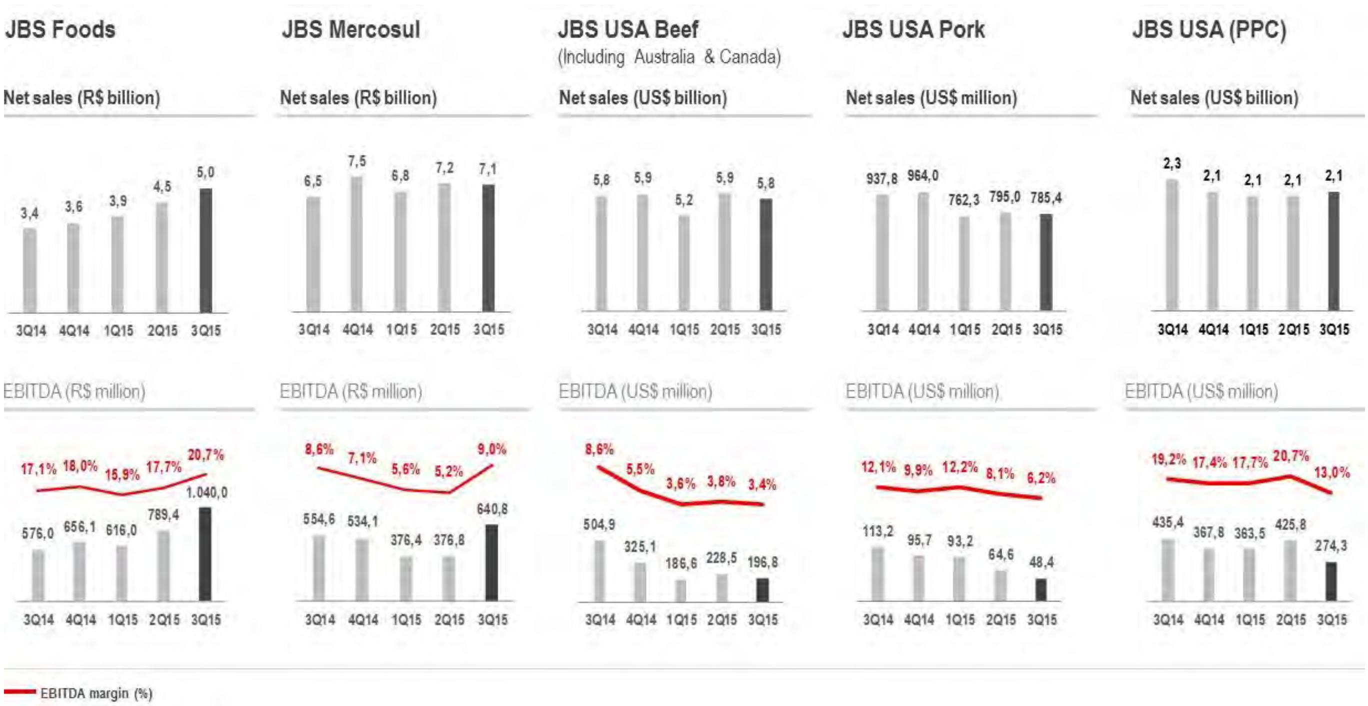


3Q15 Consolidated Results

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

Million		3Q15	2Q15	Δ%	3Q14	Δ%
Net Revenue						
JBS Foods	R$	5,012.2	4,459.6	12.4%	3,376.8	48.4%
JBS Mercosul	R$	7,146.9	7,205.4	-0.8%	6,470.5	10.5%
JBS USA Beef	US$	5,750.9	5,941.9	-3.2%	5,849.3	-1.7%
JBS USA Pork	US$	785.4	795.0	-1.2%	937.8	-16.3%
JBS USA Chicken	US$	2,112.5	2,053.9	2.9%	2,268.0	-6.9%
EBITDA						
JBS Foods	R$	1,040.0	789.4	31.7%	576.0	80.5%
JBS Mercosul	R$	640.8	376.8	70.1%	554.6	15.5%
JBS USA Beef	US$	196.8	228.5	-13.9%	504.9	-61.0%
JBS USA Pork	US$	48.4	64.6	-25.1%	113.2	-57.2%
JBS USA Chicken	US$	274.3	425.8	-35.6%	435.4	-37.0%
EBITDA Margin						
JBS Foods	%	20.7%	17.7%	3.05 p.p.	17.1%	3.69 p.p.
JBS Mercosul	%	9.0%	5.2%	3.74 p.p.	8.6%	0.39 p.p.
JBS USA Beef	%	3.4%	3.8%	-0.42 p.p.	8.6%	-5.21 p.p.
JBS USA Pork	%	6.2%	8.1%	-1.96 p.p.	12.1%	-5.90 p.p.
JBS USA Chicken	%	13.0%	20.7%	-7.75 p.p.	19.2%	-6.21 p.p.

Performance by Business Unit



3Q15 Consolidated Results

Consolidated analysis of the main operational indicators of JBS

	3Q15		2Q15		Δ%	3Q14		Δ%
R$ million	R$ MM	% NR	R$ MM	% NR	3Q15 vs 2Q15	R$ MM	% NR	3Q15 vs 3Q14
Net Revenue	**43,028.9**	*100.0%*	**38,905.4**	*100.0%*	10.6%	**30,778.6**	*100.0%*	39.8%
Cost of Goods Sold	**(36,783.5)**	*-85.5%*	(33,032.6)	*-84.9%*	11.4%	(25,218.1)	*-81.9%*	45.9%
Gross Income	**6,245.4**	*14.5%*	**5,872.7**	*15.1%*	6.3%	**5,560.5**	*18.1%*	12.3%
Selling Expenses	(2,400.4)	*-5.6%*	(2,205.7)	*-5.7%*	8.8%	(1,744.4)	*-5.7%*	37.6%
General and Adm. Expenses	(1,023.3)	*-2.4%*	(942.6)	*-2.4%*	8.6%	(787.8)	*-2.6%*	29.9%
Net Financial Income (expense)	2,652.6	*6.2%*	(2,300.5)	*-5.9%*	-	(978.7)	*-3.2%*	-
Equity in earnings of subsidiaries	16.5	*0.0%*	7.7	*0.0%*	115.0%	8.2	*0.0%*	99.8%
Other Income (expense)	47.6	*0.1%*	(4.2)	*0.0%*	-	(241.4)	*-0.8%*	-
Operating Income	**5,538.5**	*12.9%*	**427.5**	*1.1%*	1195.5%	**1,816.4**	*5.9%*	204.9%
Income and social contribution taxes	(1,980.4)	*-4.6%*	(175.3)	*-0.5%*	1029.8%	(588.4)	*-1.9%*	236.6%
Participation of non-controlling shareholders	(116.6)	*-0.3%*	(172.1)	*-0.4%*	-32.2%	(135.2)	*-0.4%*	-13.7%
Net Income (Loss)	**3,441.4**	*8.0%*	**80.1**	*0.2%*	4194.7%	**1,092.9**	*3.6%*	214.9%
Adjusted EBITDA	**3,833.9**	*8.9%*	**3,577.1**	*9.2%*	7.2%	**3,617.9**	*11.8%*	6.0%
Net Income per share (R$)	**1.19**		**0.03**		4186.7%	**0.38**		215.2%

Net Revenue

JBS consolidated net revenue in 3Q15 totaled R$43,028.9 million, an increase of R$12,250.4 million or 39.8% above 3Q14.

The business units that reported sales growth in 3Q15 were JBS Foods, which registered 48.4%, and JBS Mercosul, with 10.5% growth compared to 3Q14.

In 3Q15, approximately 69% of JBS global sales were came from the markets where the company operates and 31% through exports.

3Q15 Consolidated Results

EBITDA

EBITDA for the quarter was R$3,833.9 million, an increase of 6.0% compared with 3Q14, with an EBITDA margin of 8.9%. This result was driven by a strong growth in EBITDA at JBS Foods and JBS Mercosul, which recorded an increase of 80.5% and 15.5%, respectively, when compared with 3Q14.

R$ million	3Q15	2Q15	Δ%	3Q14	Δ%
Net income for the period	**3,558.0**	**252.2**	1310.6%	**1,228.0**	189.7%
Financial income (expense), net	(2,652.6)	2,300.5	-	978.7	-
Current and diferred income taxes	1,980.4	175.3	1029.8%	588.4	236.6%
Depreciation and amortization	955.4	839.2	13.8%	611.1	56.4%
Equity in subsidiaries	(16.5)	(7.7)	115.0%	(8.2)	99.8%
Restructuring, reorganization, donations and indemnity	9.1	17.6	-48.2%	220.0	-95.9%
(=) EBITDA	**3,833.9**	**3,577.1**	7.2%	**3,617.9**	6.0%

Net Financial Results

JBS registered net financial income of R$2,652.6 million in 3Q15. Expense from FX variation was R$6,074.7 million, while derivative results which include expenses related to the Company's instruments to protect its balance sheet from FX variation, amounted to a positive R$9,455.7 million. Interest expense was R$948.3 million, while interest revenue was R$266.5 million. Taxes, contributions, tariffs and others resulted in an expense of R$46.7 million.

Income Tax and Social Contribution

In 3Q15, income tax and social contribution (IT/SC) were R$1,980.4 million, equivalent to an effective tax rate of 35.8%.

Current income taxes were R$698.2 million, while deferred income taxes were R$1,282.2 million.

Net Income

Net income in 3Q15 was R$3,441.4 million, equivalent to R$1.19 per share (EPS).

Adjusted net income was R$4,246.7 million in the quarter, excluding the portion of deferred income tax related to goodwill amounting to R$805.3 million (R$750.5 million at the parent Company and another R$54.8 million at JBS Foods) which does not represent a cash disbursement.

CAPEX

In 3Q15, total Capital Expenditure (CAPEX) was R$7,348.9 million, of which R$5,353.2 million is related to the acquisition of Moy Park, including the equity effect from acquired companies. From the remaining balance, approximately 24% was related to other acquisitions and 76% to maintenance, expansion and facility modernization.

3Q15 Consolidated Results

Cash Generation

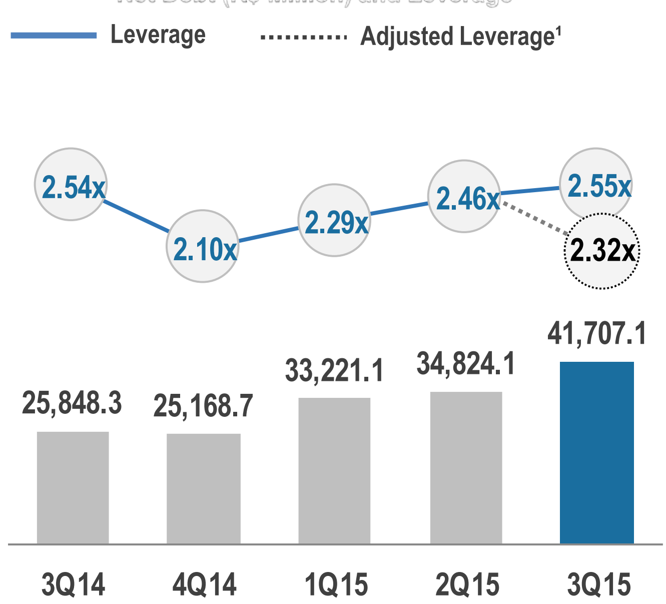
In 3Q15, JBS generated R$12,415.1 million in net cash from operations. Free Cash Flow after CAPEX was R$5,066.2 million, after paying approximately R$6.0 billion for Moy Park at the end of the quarter (~US$1.5 billion).

Indebtedness

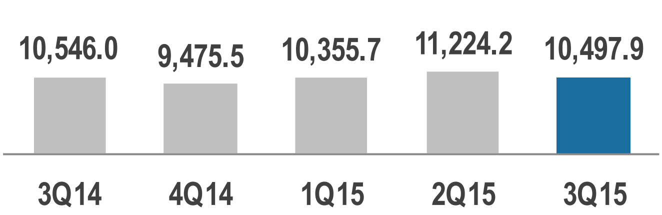
JBS ended 3Q15 with net debt of R$41,707.1 million and leverage of 2.55x. Including the proforma results of recent acquisitions, leverage was 2.32x.

R$ million	09/30/15	06/30/15	Var.%
Gross debt	**65,715.4**	**48,731.8**	**34.9%**
(+) Short Term Debt	18,950.2	15,982.6	18.6%
(+) Long Term Debt	46,765.2	32,749.2	42.8%
(-) Cash and Equivalents	24,008.3	13,907.7	72.6%
Net debt	**41,707.1**	**34,824.1**	**19.8%**
Net debt/EBITDA	**2.55x**	**2.46x**	

Net Debt (R$ Million) and Leverage



Net Debt (US$ million)



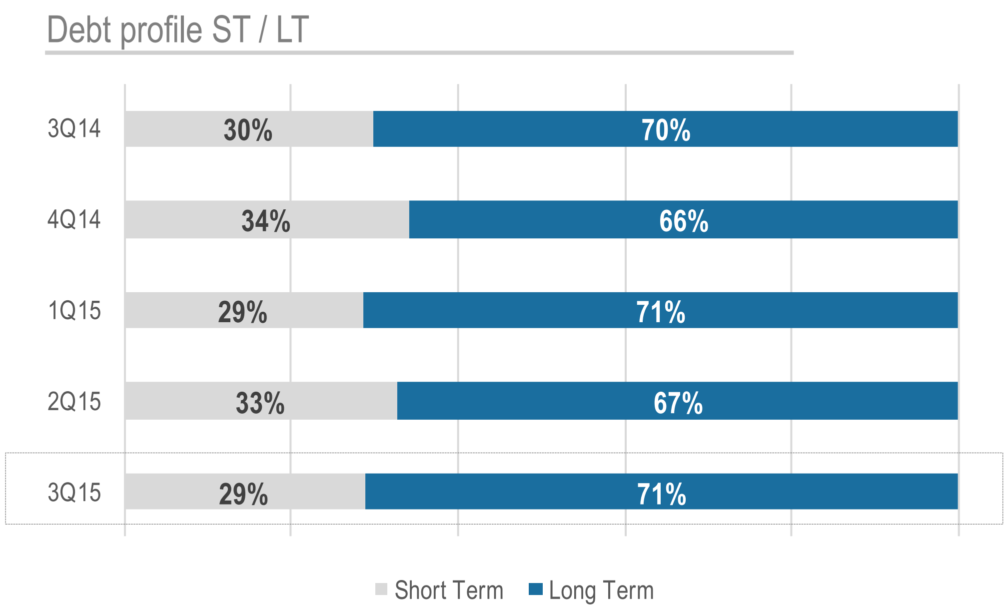
Note 1: Adjusted leverage including the proforma results of Tyson in Brazil and Mexico, Céu Azul, Primo and Moy Park.

3Q15 Consolidated Results

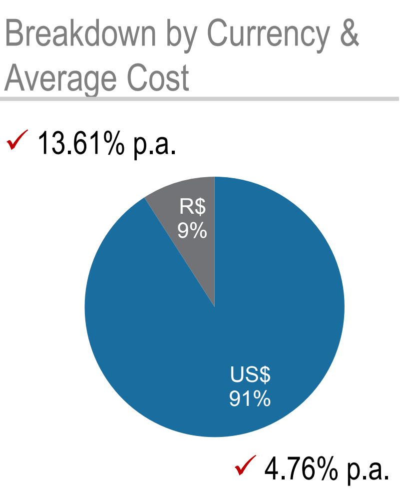
Indebtedness (cont.)

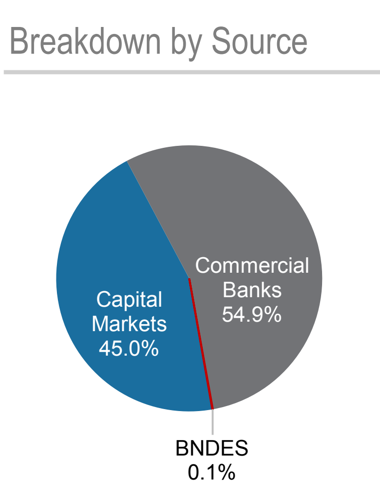
The Company ended the quarter with R$24,008.3 million in cash. This amount includes the credit facility raised in September to finance the acquisition of Cargill Pork. This acquisition was concluded on the 30th of October, with the consequent disbursement of R$5.5 billion. Additionally, JBS USA has a US$1.36 billion fully available unencumbered line under its revolving credit facilities which, if added to the current cash position, represents 155% of short term debt.

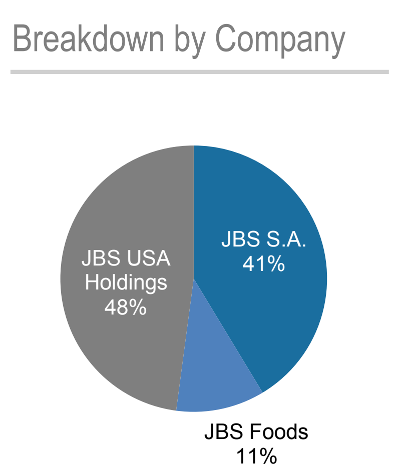
The percentage of short-term debt (ST) in relation to total debt was 29% at the end of 3Q15.



At the end of the period, 91% of JBS consolidated debt was denominated in U.S. dollars, with an average cost of 4.76% per annum. The proportion of debt denominated in BRL, 9% of the consolidated, carried an average cost of 13.61% per annum.







3Q15 Results by Business Unit

JBS Foods

JBS Foods reported net sales of R$5,012.2 million for the quarter, an increase of 48.4% in relation to 3Q14, as a result of organic growth and the incorporation of acquired companies. Compared to 2Q15, net sales expanded 12.4%, with growth in the domestic market and a strong performance in exports, which presented an increment of volume sold in fresh poultry and pork, combined with higher sales prices due to the exchange rate variation in the period.

In the domestic market, one of the highlights was the fresh poultry sales and volume growth of 83.2% and 97.6%, respectively, comparing to 3Q14. This was primarily related to the incorporation of Big Frango, Tyson do Brasil and Céu Azul, in addition to an increase of volume sold of higher value added products, that have a higher degree of practicality and convenience to consumers. In relation to 2Q15, the fresh poultry segment reported a slight increase in sales, as a result of lower volumes (due to increased exports), compensated by an increase of 11.1% in sales prices.

In the processed foods segment sales grew by 5.4% in volumes and 7.7% on average prices. In comparison with 2Q15, sales increased by 6.0% and volume sold by 5.8%, with stable pricing. This demonstrates the Company's focus on profitability by managing its product mix, prioritizing the profitability of the business. Despite the high level of promotion in the market during the quarter, JBS Foods continued to present expansion in market share, a reflection of a consistent strategic discipline in value creation with the focus on winning over consumer preference with higher quality products, innovation, strong and well-know brands and consistent evolution of service levels and execution at the point of sale.

The export market posted robust expansion in net sales, 71.1% higher compared with 3Q14. The highlight was the fresh poultry segment, where sales grew by 88.0%, 41.6% of which from incremental volume and 32.8% from higher sales prices. The fresh pork segment also posted an increase in sales, primarily due to higher volume sold, while the processed foods segment had lower volume sold partially compensated by an increase of sales prices of 39.2% in BRL, related to product mix sold and markets. In the quarter, the main destinations were Middle East, Asia and the Americas.

The Company's Management restate its commitment with the profitability of this business unit and focus on gaining costumer preference through quality and innovation of its products, excellence in service levels with the consequent expansion of its customer base.

Highlights

R$ Million	3Q15		2Q15		Δ%	3Q14		Δ%
	R$	% NR	R$	% NR	QoQ	R$	% NR	YoY
Net Revenue	**5,012.2**	***100.0%***	**4,459.6**	***100.0%***	**12.4%**	**3,376.8**	***100.0%***	**48.4%**
COGS	(3,464.3)	*-69.1%*	(3,241.5)	*-72.7%*	6.9%	(2,413.9)	*-71.5%*	43.5%
Gross Profit	1,548.0	*30.9%*	1,218.1	*27.3%*	27.1%	962.9	*28.5%*	60.8%
EBITDA	**1,040.0**	**20.7%**	**789.4**	**17.7%**	31.7%	**576.0**	**17.1%**	**80.5%**

JBS Foods	3Q15	2Q15	Δ%	3Q14	Δ%
Birds Processed (thousand)	343,645.6	327,357.5	5.0%	241,167.5	42.5%
Hogs processed (thousand)	1,327.7	1,208.2	9.9%	1,138.5	16.6%

3Q15 Results by Business Unit

JBS Foods

Breakdown of Net Revenue[1]

Domestic Market	3Q15	2Q15	Δ%	3Q14	Δ%
Net Revenue (million R$)					
Fresh Poultry	755.3	748.0	1.0%	412.3	83.2%
Fresh Pork	86.2	108.7	-20.7%	113.7	-24.1%
Processed / Prepared Products	1,162.0	1,096.0	6.0%	1,024.0	13.5%
Others	49.3	64.2	-23.2%	97.1	-49.2%
TOTAL	**2,052.9**	**2,016.9**	**1.8%**	**1,647.1**	**24.6%**
Volume (thousand tons)					
Fresh Poultry	141.6	155.9	-9.2%	71.7	97.6%
Fresh Pork	13.9	15.9	-12.9%	15.7	-11.6%
Processed / Prepared Products	177.9	168.1	5.8%	168.8	5.4%
Others	-	24.1	-	10.0	-
TOTAL	**333.4**	**364.0**	**-8.4%**	**266.2**	**25.3%**
Average Price (R$/Kg)					
Fresh Poultry	5.33	4.80	11.1%	5.75	-7.3%
Fresh Pork	6.22	6.82	-8.9%	7.25	-14.2%
Processed / Prepared Products	6.53	6.52	0.2%	6.07	7.6%
Others	-	2.67	-	9.70	-

Exports	3Q15	2Q15	Δ%	3Q14	Δ%
Net Revenue (million R$)					
Fresh Poultry	2,532.7	2,109.0	20.1%	1,347.0	88.0%
Fresh Pork	328.0	231.9	41.5%	288.7	13.6%
Processed / Prepared Products	98.7	101.8	-3.1%	82.7	19.3%
Others	-	-	-	11.3	-
TOTAL	**2,959.4**	**2,442.7**	**21.2%**	**1,729.7**	**71.1%**
Volume (thousand tons)					
Fresh Poultry	402.4	366.1	9.9%	284.3	41.6%
Fresh Pork	35.9	28.8	24.8%	31.4	14.5%
Processed / Prepared Products	10.8	11.7	-7.6%	12.6	-14.3%
Others	-	-	-	2.9	-
TOTAL	**449.2**	**406.6**	**10.5%**	**331.1**	**35.6%**
Average Price (R$/Kg)					
Fresh Poultry	6.29	5.76	9.3%	4.74	32.8%
Fresh Pork	9.13	8.06	13.3%	9.20	-0.8%
Processed / Prepared Products	9.11	8.69	4.8%	6.55	39.2%
Others	-	-	-	3.93	-

Note 1: certain categories were reclassified due to a change in the criteria of classification.

3Q15 Results by Business Unit

JBS Mercosul

JBS Mercosul had net sales of R$7,146.9 million, 10.5% higher than 3Q14, boosted by higher sales pries compared to 3Q14, both in the domestic and international markets, compensated by lower volume of fresh beef sold. The number of livestock processed was 14.3% lower than the same period in 2014.

EBITDA at JBS Mercosul was R$640.8 million, an expansion of 15.5% over 3Q14, due to an improvement in the gross margin. EBITDA margin was 9.0%. Compared to 3Q15, EBITDA increased 70.1%.

The performance of JBS Mercosul is a result of a better balance between raw material costs and the prices of good sold.

Exports recovered gradually throughout the year and main destinations were South America, Asia – primarily China – Middle East, Europe and Russia.

Highlights

R$ Million	3Q15		2Q15		∆%	3Q14		∆%
	R$	% NR	R$	% NR	QoQ	R$	% NR	YoY
Net Revenue	**7,146.9**	***100.0%***	**7,205.4**	***100.0%***	**-0.8%**	**6,470.5**	***100.0%***	**10.5%**
COGS	(5,462.0)	*-76.4%*	(5,801.8)	*-80.5%*	-5.9%	(4,979.2)	*-77.0%*	9.7%
Gross Profit	1,685.0	*23.6%*	1,403.6	*19.5%*	20.0%	1,491.3	*23.0%*	13.0%
EBITDA	**640.8**	**9.0%**	**376.8**	**5.2%**	**70.1%**	**554.6**	**8.6%**	**15.5%**

JBS Mercosul	3Q15	2Q15	∆%	3Q14	∆%
Bovines processed (thousand)	1,986.2	2,165.9	-8.3%	2,316.7	-14.3%

3Q15 Results by Business Unit

JBS Mercosul

Breakdown of Net Revenue

Domestic Market	3Q15	2Q15	Δ%	3Q14	Δ%
Net Revenue (million R$)					
Fresh and Chilled Products	2,584.3	3,130.5	-17.4%	2,605.9	-0.8%
Processed Products	389.9	405.1	-3.7%	335.6	16.2%
Others	436.0	521.4	-16.4%	449.0	-2.9%
TOTAL	**3,410.2**	**4,056.9**	**-15.9%**	**3,390.5**	**0.6%**
Volume (thousand tons)					
Fresh and Chilled Products	264.9	314.2	-15.7%	322.7	-17.9%
Processed Products	44.0	45.9	-4.2%	45.6	-3.5%
Others	151.3	144.0	5.1%	161.3	-6.2%
TOTAL	**460.2**	**504.1**	**-8.7%**	**529.6**	**-13.1%**
Average Price (R$/Kg)					
Fresh and Chilled Product	9.76	9.96	-2.0%	8.08	20.8%
Processed Items	8.87	8.83	0.5%	7.36	20.5%
Others	2.88	3.62	-20.4%	2.78	3.6%

Exports	3Q15	2Q15	Δ%	3Q14	Δ%
Net Revenue (million R$)					
Fresh and Chilled Products	2,172.7	1,982.9	9.6%	1,980.7	9.7%
Processed Products	232.6	254.7	-8.7%	201.1	15.6%
Others	1,331.5	910.7	46.2%	898.1	48.3%
TOTAL	**3,736.8**	**3,148.4**	**18.7%**	**3,080.0**	**21.3%**
Volume (thousand tons)					
Fresh and Chilled Products	167.0	146.2	14.3%	187.9	-11.1%
Processed Products	18.4	18.7	-1.7%	15.6	18.3%
Others	100.8	57.7	74.8%	74.0	36.4%
TOTAL	**286.3**	**222.6**	**28.6%**	**277.4**	**3.2%**
Average Price (R$/Kg)					
Fresh and Chilled Beef	13.01	13.56	-4.1%	10.54	23.4%
Processed Beef	12.63	13.60	-7.1%	12.92	-2.2%
Others	13.20	15.79	-16.3%	12.14	8.7%

3Q15 Results by Business Unit

JBS USA Beef (including Australia and Canada)

Net sales at this business unit totaled US$5,750.9 million, a decrease of 1.7% over 3Q14, due to a decline in export prices, coupled with the devaluation of the Australian dollar against the US dollar. In the domestic markets, volumes sold increased primarily related to the consolidation of Primo Smallgoods in Australia.

EBITDA was US$196.8 million, 61.0% lower compared with the same quarter last year, with an EBITDA margin of 3.4%. The performance of this business unit reflects a scenario of better stability in the US industry, with softening cattle prices, after a capacity reduction in the sector and consequent lower beef sales prices, reflecting in higher imports in the period.

In Australia export volumes declined, reflecting less availability of cattle there. An increase in cattle prices in Australia has been partially compensated by the devaluation of the Australian dollar. Primo integration is advanced and management remains positive that the target to capture AU$30 million in synergies in the short term will be reached.

Highlights (US GAAP)

US$ Million	3Q15		2Q15		Δ%	3Q14		Δ%
	US$	% NR	US$	% NR	QoQ	US$	% NR	YoY
Net Revenue	**5,750.9**	***100.0%***	**5,941.9**	***100.0%***	**-3.2%**	**5,849.3**	***100.0%***	**-1.7%**
COGS	(5,553.3)	*-96.6%*	(5,694.7)	*-95.8%*	-2.5%	(5,343.0)	*-91.3%*	3.9%
Gross Profit	197.6	*3.4%*	247.2	*4.2%*	-20.1%	506.3	*8.7%*	-
EBITDA	**196.8**	**3.4%**	**228.5**	**3.8%**	**-13.9%**	**504.9**	**8.6%**	**-61.0%**

JBS USA Beef (including AUS and CAN)	3Q15	2Q15	Δ%	3Q14	Δ%
Bovines processed (thousand)	2,426.7	2,422.1	0.2%	2,411.7	0.6%

Breakdown of Net Revenue

Domestic Market	3Q15	2Q15	Δ%	3Q14	Δ%
Net Revenue (US$ million)	4,271.1	4,338.4	-1.6%	4,203.8	1.6%
Volume (tons)	985.4	952.3	3.5%	903.3	9.1%
Average Price (US$/Kg)	4.33	4.56	-4.9%	4.65	-6.9%

Exports	3Q15	2Q15	Δ%	3Q14	Δ%
Net Revenue (US$ million)	1,479.8	1,603.5	-7.7%	1,645.5	-10.1%
Volume (tons)	333.6	349.1	-4.4%	332.0	0.5%
Average Price (US$/Kg)	4.44	4.59	-3.4%	4.96	-10.5%

3Q15 Results by Business Unit

JBS USA Pork

JBS USA Pork business unit reported net sales of US$785.4 million in 3Q15, a decrease of 16.3% compared with 3Q14. EBITDA was US$48.4 million, a decline of 57.2% over the same period last year, with an EBITDA margin of 6.2%.

This result was impacted by a relevant drop in pork prices, as a consequence of an increase in supply during the period. The number of animals processed in 3Q15 was 18.7% higher than the same quarter in 2014.

JBS USA Pork has a strong track record of profitability in the industry and JBS' Management continues to focus on expanding sales and production capacity of case ready and high value added products through partnerships with key customers in the retail and food service segments.

The acquisition of the Cargill Pork business in the US, concluded on October 30th, 2015, provides an opportunity to expand the customer base and enhance the portfolio of prepared and branded products, in addition to capturing and estimated US$75 million in synergies.

Highlights (US GAAP)

US$ Million	3Q15		2Q15		∆%	3Q14		∆%
	US$	% NR	US$	% NR	QoQ	US$	% NR	YoY
Net Revenue	**785.4**	***100.0%***	**795.0**	***100.0%***	**-1.2%**	**937.8**	***100.0%***	**-16.3%**
COGS	(734.6)	*-93.5%*	(729.1)	*-91.7%*	0.8%	(820.0)	*-87.4%*	-10.4%
Gross Profit	50.8	*6.5%*	65.9	*8.3%*	-22.9%	117.8	*12.6%*	-56.9%
EBITDA	**48.4**	**6.2%**	**64.6**	**8.1%**	**-25.1%**	**113.2**	**12.1%**	**-57.2%**

JBS US Pork	3Q15	2Q15	∆%	3Q14	∆%
Hogs Processed (thousand)	3,414.4	3,315.0	3.0%	2,877.3	18.7%

Breakdown of Net Revenue

Domestic Market	3Q15	2Q15	∆%	3Q14	∆%
Net Revenue (US$ million)	681.8	643.2	6.0%	825.4	-17.4%
Volume (thousand tons)	302.8	299.7	1.0%	260.4	16.3%
Average Price (US$/Kg)	2.25	2.15	4.9%	3.17	-29.0%

Exports	3Q15	2Q15	∆%	3Q14	∆%
Net Revenue (US$ million)	103.6	151.8	-31.8%	112.4	-7.8%
Volume (thousand tons)	53.9	70.3	-23.3%	39.0	38.3%
Average Price (US$/Kg)	1.92	2.16	-11.0%	2.88	-33.4%

3Q15 Results by Business Unit

JBS USA Chicken (PPC)

Pilgrim's Pride recorded net sales of US$2,112.5 million in the quarter, a decrease of 6.9% in comparison with 3Q14, due to lower chicken cut prices and lower volumes exported, partially compensated by a 30% increase in Mexican sales, related to the acquisition of Tyson's operations there.

EBITDA totaled US$274.3 million, a decrease of 37.0% over the same period of 2014, impacted by a reduction in domestic and exports poultry prices, compensated by lower input costs. In the quarter, PPC operations were impacted by non recurring operating and maintenance costs in the US and operational costs in Mexico associated with the integration of the acquired company.

Net income was US$137.1 million, a reduction of 46.0% compared to 3Q14, while free cash generation was US$196.0 million. Leverage (net debt/EBITDA) was 0.42x at the end of 3Q15.

PPC's well-balanced product mix, combined with its diversification strategy based on bird sizes, customers, end markets and geographies provide PPC a more stability and a more consistent performance over an extended period of time.

PPC has a leading position in high growth categories and a significant portion of its investments will continue to be dedicated to enhance its prepared foods capacity. Pilgrim's is continuing to work with key retail customers to develop innovative solutions to add value to its customer base.

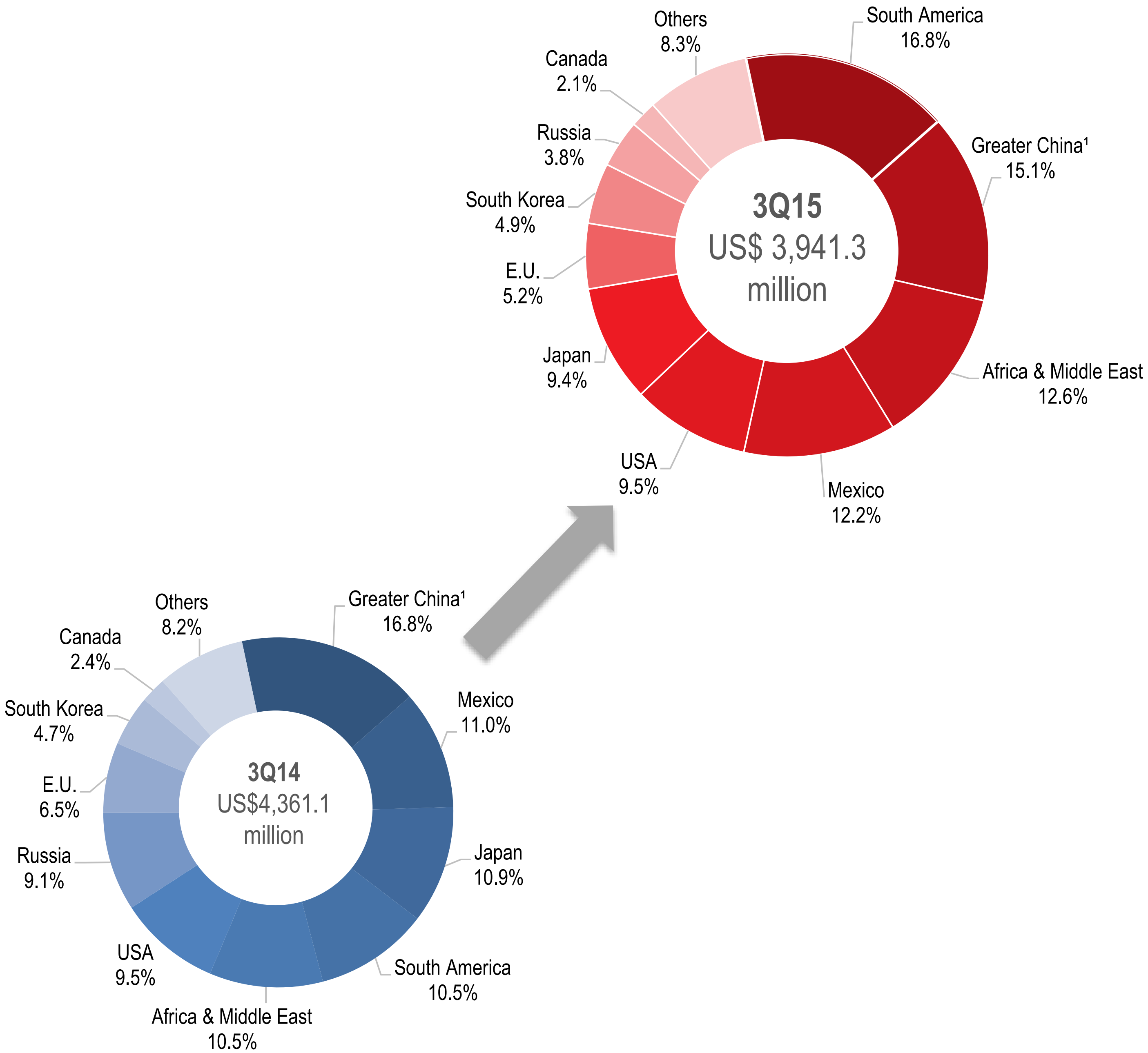
PPC's management remains on target to achieve US$ 200 million in operational improvements. The integration of its newly acquired business in Mexico is going well with synergies expected to be around US$50.0 million on an annualized basis there.

Highlights (US GAAP)

US$ Million	3Q15		2Q15		Δ%	3Q14		Δ%
	US$	% NR	US$	% NR	QoQ	US$	% NR	YoY
Net Revenue	**2,112.5**	***100.0%***	**2,053.9**	***100.0%***	**2.9%**	**2,268.0**	***100.0%***	**-6.9%**
COGS	(1,828.0)	*-86.5%*	(1,621.9)	*-79.0%*	12.7%	(1,817.8)	*-80.1%*	0.6%
Gross Profit	284.5	*13.5%*	432.0	*21.0%*	-34.1%	450.3	*19.9%*	-36.8%
EBITDA	**274.3**	**13.0%**	**425.8**	**20.7%**	**-35.6%**	**435.4**	**19.2%**	**-37.0%**

Tables and Charts

Graph I - JBS Consolidated Exports Breakdown in 2Q14 and 2Q15



Note 1. Considers China and Hong Kong

Table I – 3Q15 Breakdown of Production Costs by Business Unit (%)

3Q15 (%)	Consolidated	JBS Mercosul	JBS Foods	USA Beef	USA Pork	USA Chicken
Raw material (livestock)	82.2%	86.8%	66.7%	87.3%	82.1%	56.7%
Processing (including ingredients and packaging)	8.8%	7.4%	21.4%	5.1%	7.6%	25.8%
Labor Cost	9.0%	5.8%	11.9%	7.6%	10.3%	17.5%

Indexes

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3Q15 Results

JBS S.A.

Balance sheets
(In thousands of Reais)

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	11,821,010	9,503,923	24,008,276	14,910,427
Trade accounts receivable, net	4,253,727	3,502,612	13,076,653	9,577,548
Inventories	2,467,175	2,417,608	12,246,273	8,273,110
Biological assets	–	–	2,372,216	1,567,866
Recoverable taxes	1,456,223	1,310,521	2,550,653	2,300,624
Prepaid expenses	30,702	17,449	364,786	181,881
Other current assets	315,651	416,599	1,115,504	730,776
TOTAL CURRENT ASSETS	20,344,488	17,168,712	55,734,361	37,542,232
NONCURRENT ASSETS				
Long-term assets				
Biological assets	–	–	1,004,110	633,689
Recoverable taxes	766,971	779,147	1,734,645	1,546,038
Credits with related parties	–	3,160,451	1,787,320	370,072
Other noncurrent assets	568,247	506,785	3,002,678	2,121,092
Total long-term assets	1,335,218	4,446,383	7,528,753	4,670,891
Investments in associate, subsidiaries and joint ventures	23,283,058	10,161,077	359,538	295,350
Property, plant and equipment, net	11,110,696	10,590,430	32,740,045	24,098,697
Intangible assets, net	9,551,714	9,550,264	26,134,362	15,436,512
TOTAL NONCURRENT ASSETS	45,280,686	34,748,154	66,762,698	44,501,450
TOTAL ASSETS	65,625,174	51,916,866	122,497,059	82,043,682

3Q15 Results

JBS S.A.

Balance sheets
(In thousands of Reais)

	Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade accounts payable	2,029,861	1,567,402	11,084,636	6,942,933
Loans and financings	11,860,888	9,567,475	18,860,173	13,686,975
Income taxes	-	-	381,804	505,799
Payroll, social charges and tax obligation	481,831	369,756	3,066,828	2,105,278
Declared dividends	1,281	484,013	1,281	484,013
Payables related to facilities acquisitions	228,072	47,894	478,170	344,881
Other current liabilities	1,660,207	740,635	1,261,664	738,122
TOTAL CURRENT LIABILITIES	16,262,040	12,777,176	35,226,144	24,888,001
NONCURRENT LIABILITIES				
Loans and financings	15,221,681	13,689,094	48,786,194	26,392,165
Payroll, social charges and tax obligation	128,328	151,199	878,334	639,114
Payables related to facilities acquisitions	38,800	44,904	268,516	490,461
Deferred income taxes	2,091,478	1,172,511	4,873,848	2,839,966
Provision for lawsuits risk	191,802	178,426	843,120	705,844
Debit with related parties	228,184	-	-	-
Other noncurrent liabilities	33,630	29,744	794,849	465,606
TOTAL NONCURRENT LIABILITIES	17,932,621	15,266,868	54,324,081	31,633,156
EQUITY				
Capital stock	23,676,208	21,506,247	23,676,208	21,506,247
Capital reserve	368,811	(148,569)	368,811	(148,569)
Revaluation reserve	84,217	87,877	84,217	87,877
Profit reserves	1,212,039	4,261,815	1,212,039	4,261,815
Other comprehensive income	1,282,320	(1,833,547)	1,282,320	(1,833,547)
Retained earnings	4,816,820	-	4,816,820	-
Attributable to controlling interest	31,440,613	23,873,823	31,440,613	23,873,823
Attributable to noncontrolling interest	-	-	1,607,241	1,768,702
TOTAL EQUITY	31,440,613	23,873,823	32,847,854	25,642,525
TOTAL LIABILITIES AND EQUITY	65,626,174	51,916,866	122,497,069	82,043,682

3Q15 Results

JBS S.A.

Statements of income for the three months period ended on September 30, 2015 and 2014
(In thousands of Reais)

	Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
NET REVENUE	7,348,488	6,457,761	43,028,926	30,778,674
Cost of goods sold	(5,744,160)	(5,034,529)	(36,783,484)	(25,218,124)
GROSS INCOME	1,604,348	1,423,222	6,245,442	5,560,450
OPERATING INCOME (EXPENSE)				
General and administrative expenses	(384,360)	(342,418)	(1,028,257)	(787,788)
Selling expenses	(778,968)	(580,045)	(2,400,378)	(1,744,429)
Financial expense, net	3,088,387	(356,058)	2,662,582	(978,651)
Equity in earnings of subsidiaries	1,142,881	1,611,957	16,478	9,248
Other income (expenses), net	(1,982)	(221,716)	47,809	(241,400)
	3,096,957	(488,280)	(708,951)	(3,744,020)
NET INCOME BEFORE TAXES	4,701,305	934,942	5,538,491	1,816,430
Current income taxes	562	563	(698,247)	(822,076)
Deferred income taxes	(1,260,445)	157,380	(1,282,197)	233,686
	(1,259,883)	157,943	(1,880,444)	(588,390)
NET INCOME	3,441,410	1,092,886	3,658,047	1,228,040
ATTRIBUTABLE TO:				
Controlling interest			3,441,410	1,092,885
Noncontrolling interest			116,637	135,155
			3,658,047	1,228,040
Net income per shares (basic) - in reais	1.19	0.38	1.19	0.38
Net income per shares (diluted) - in reais	1.19	0.38	1.19	0.38

3Q15 Results

JBS S.A.

Statements of cash flows for the three months period ended on September 30, 2015 and 2014
(In thousands of Reais)

	Company		Consolidated	
	2015	2014	2015	2014
Cash flow from operating activities				
Net income attributable to controlling interest	**3,441,410**	1,092,885	**3,441,410**	1,092,885
Adjustments to reconcile net income to cash provided on operating activities				
. Depreciation and amortization	**170,548**	143,404	**955,415**	611,063
. Allowance for doubtful accounts	**-**	-	**(12,421)**	(25,436)
. Equity in earnings of subsidiaries	**(1,142,861)**	(1,611,957)	**(16,478)**	(8,248)
. Loss (gain) on assets sales	**1,963**	3,404	**(44,016)**	1,604
. Deferred income taxes	**1,260,445**	(157,380)	**1,282,197**	(233,686)
. Current and non-current financial charges	**5,750,563**	1,853,539	**6,549,042**	1,980,268
. Provision for lawsuits risk	**4,659**	3,913	**(4,983)**	(85,730)
	9,486,727	**1,327,808**	**12,150,166**	**3,332,720**
Decrease (increase) in operating assets				
Trade accounts receivable	**(101,873)**	37,799	**348,270**	(104,641)
Inventories	**(491,037)**	(232,567)	**(649,060)**	(816,783)
Recoverable taxes	**(62,065)**	(22,830)	**2,059**	(83,778)
Other current and non-current assets	**61,656**	(53,184)	**(399,035)**	(195,848)
Related party receivable	**758,254**	923,810	**(998,832)**	5,488
Biological assets	**-**	-	**(409,783)**	(127,031)
Increase (decrease) operating liabilities				
Trade accounts payable	**788,407**	26,378	**589,949**	397,367
Other current and non-current liabilities	**433,499**	(160,655)	**889,340**	368,367
Noncontrolling interest	**-**	-	**116,637**	135,155
Valuation adjustments to equity in subsidiaries	**-**	-	**775,354**	104,218
Changes in operating assets and liabilities	**1,386,841**	**518,751**	**264,899**	**(317,486)**
Net cash provided by operating activities	**10,873,568**	**1,846,559**	**12,415,065**	**3,015,234**
Cash flow from investing activities				
Additions to property, plant and equipment and intangible assets	**(4,286,036)**	(451,207)	**(6,134,012)**	(878,648)
Decrease (increase) in investments in subsidiaries	**(1,256,429)**	1,482,027	**(266)**	-
Equity effect of acquired company	**-**	-	**(1,214,578)**	(6,094)
Net cash provided by (used in) investing activities	**(5,542,465)**	**1,030,820**	**(7,348,856)**	**(884,742)**
Cash flow from financing activities				
Proceeds from loans and financings	**398,464**	1,420,391	**13,284,329**	5,961,498
Payments of loans and financings	**(2,736,076)**	(2,541,561)	**(8,891,637)**	(6,120,629)
Payments of dividends	**-**	-	**(501,758)**	-
Premium received from share options	**1,435**	-	**1,435**	-
Capital transactions	**-**	-	**7,540**	2,763
Shares acquisition of own emission	**(496,131)**	-	**(496,131)**	-
Net cash provided by (used in) financing activities	**(2,832,308)**	**(1,121,170)**	**3,403,778**	**(156,368)**
Effect of exchange variation on cash and cash equivalents	**-**	**-**	**1,630,577**	**306,598**
Variance in cash and cash equivalents	**2,498,795**	1,756,209	**10,100,564**	2,280,722
Cash and cash equivalents at the beginning of the period	**9,322,215**	5,511,099	**13,907,712**	10,297,747
Cash and cash equivalents at the end of the period	**11,821,010**	**7,267,308**	**24,008,276**	**12,578,469**

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.