JBS S.A. 3Q17 Results

Record EBITDA of R$4.3 billion*

Record free cash flow of R$3.2 billion

- **EBITDA** was **R$4.3 billion** with **EBITDA margin up** from 7.6% in 3Q16 **to 10,5% in 3Q17.***
- **Net income** was **R$1.9 billion** excluding the effects of PERT. Reported net income was R$323.0 million.
- **Free cash flow** was **R$3.2 billion**, an increase of **312.1%** compared with 3Q16.
- **Net debt reduction** of **R$4.8 billion.**
- **Leverage reduced to 3.42x** in 3Q17 from 4.16x in 2Q17.
- **Total liquidity** increased to **R$17.4 billion.**

*Adjusted to exclude impact from the adherence to Special Tax Regularization Program (PERT).

JBS S.A. (B3: JBSS3; OTCQX: JBSAY)

São Paulo, November 13th, 2017

JBS S.A. 3Q17 Results

A Message from Management

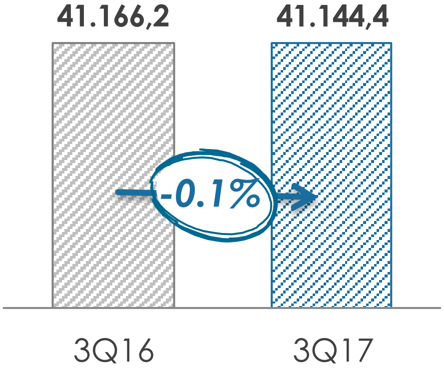
"We posted an extraordinary set of results this quarter thanks to the effort and dedication of our team members and the support of our clients, suppliers, lenders and shareholders. Consistent with our mission of being the best in what we set out to do, we continue to work effortlessly to be a reference in compliance and corporate governance, while delivering solid and consistent results" said **José Batista Sobrinho, President of JBS S.A**.

Commenting on the quarter, **Gilberto Tomazoni, Global Chief Operating Officer of JBS S.A.** said, "We achieved excellent results driven by strong performance in our international operations and solid improvement in our Seara business. EBITDA increased 37.4% year-on-year to a record R$4.3 billion, and EBITDA margins grew 286 basis points to 10.5%. An impressive improvement in free cash flow for the quarter, the majority of which was generated by operations, helped increase our liquidity and significantly reduce our leverage. Our total liquidity at the end of the quarter was greater than our short-term debt."

"Our international business is performing much better than the market in each segment and country we operate. In Brazil, we continue to work hard to enhance our business and the improvement in Seara's results is a good example. In the Brazilian beef unit, we have had a challenging quarter, but maintained our production capacity and are confident in the perspectives for this business. We have an experienced, stable operational management team and a strong track record of excellent quality and innovation across our products and services. Looking forward, we see significant opportunities to continue to strengthen and grow our business," concluded Tomazoni.

3Q17 FINANCIAL HIGHLIGHTS

NET REVENUE



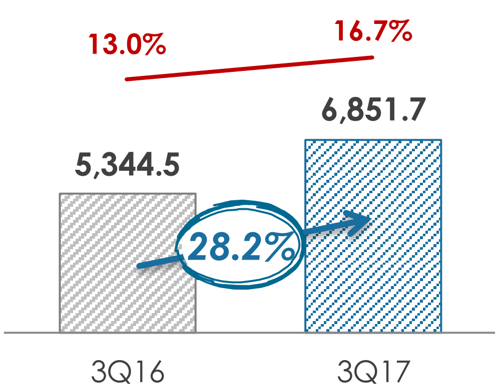
R$41.1 Bn

Stable compared with 3Q16

GROSS PROFIT

R$6.9Bn

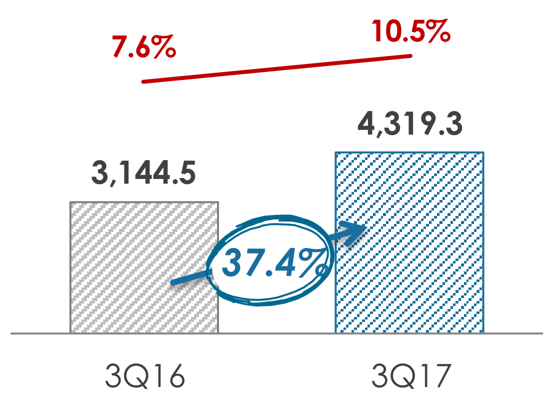
Increase in gross margin from 13.0% in 3Q16 to 16.7% in 3Q17



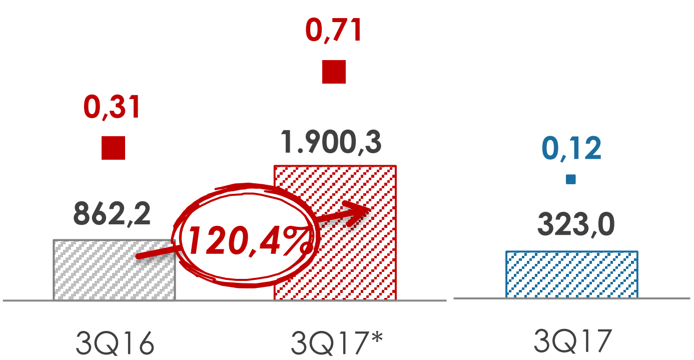
EBITDA

R$4.3Bn

Increase in EBITDA margin from 7.6% in 3Q16 to 10.5% in 3Q17



NET INCOME



*Excluding the effect of PERT, net income was

R$1.9Bn

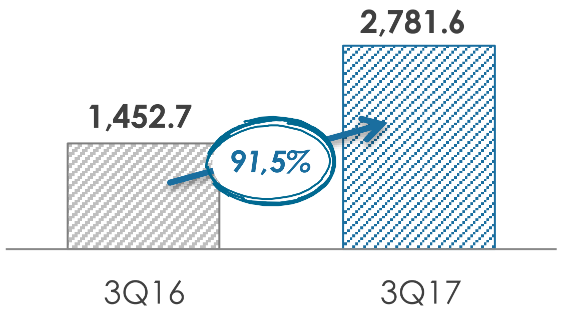
Reported net income was **R$323Mn** with EPS of **R$0.12**

Note: graphs are in R$ million

3Q17 FINANCIAL HIGHLIGHTS

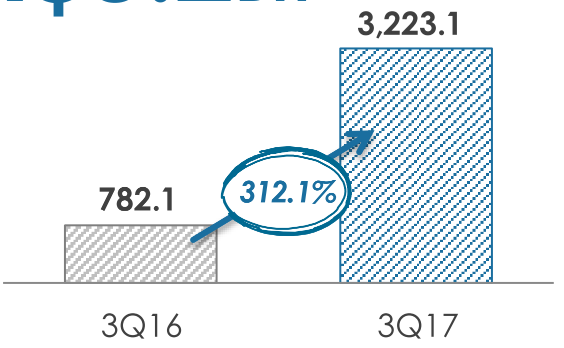
OPERATIONAL CASH GENERATION

R$2.8Bn

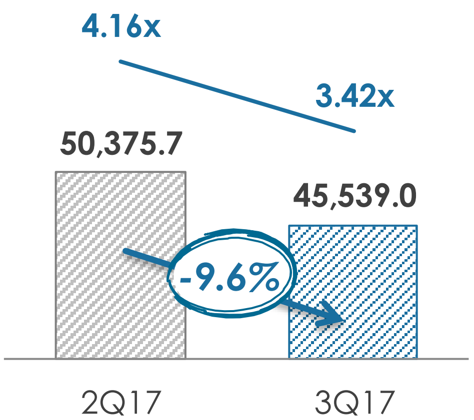


FREE CASH GENERATION

R$3.2Bn



NET DEBT AND LEVERAGE



Reduction of **R$4.8Bn** in **net debt** and **leverage** down from 4.16x in 2Q17 to **3.42x in 3Q17**.

JBS Consolidated Financial Income

	3Q17		2Q17		Δ%	3Q16		Δ%
R$ Million	**R$ MM**	**% ROL**	**R$ MM**	**% ROL**	**3Q17 vs 2Q17**	**R$ MM**	**% ROL**	**3Q17 vs 3Q16**
Net Revenue	**41.144,4**	*100,0%*	**41.674,8**	*100,0%*	-1,3%	**41.166,2**	*100,0%*	-0,1%
Cost of Goods Sold	**(34.292,7)**	*-83,3%*	(35.515,7)	*-85,2%*	-3,4%	(35.821,7)	*-87,0%*	-4,3%
Gross Profit	**6.851,7**	*16,7%*	**6.159,1**	*14,8%*	11,2%	**5.344,5**	*13,0%*	28,2%
Selling Expenses	(2.125,8)	*-5,2%*	(2.209,7)	*-5,3%*	-3,8%	(2.212,2)	*-5,4%*	-3,9%
General and Adm. Expenses	(3.321,0)	*-8,1%*	(1.325,2)	*-3,2%*	150,6%	(1.069,4)	*-2,6%*	210,6%
Net Financial Income (expense)	(898,5)	*-2,2%*	(2.210,8)	*-5,3%*	-59,4%	(1.378,7)	*-3,3%*	-34,8%
Equity in earnings of subsidiaries	9,3	*0,0%*	6,1	*0,0%*	51,8%	8,3	*0,0%*	11,6%
Other Income (expense)	(161,2)	*-0,4%*	0,0	*0,0%*	-	29,9	*0,1%*	-
Operating Income	**354,6**	*0,9%*	**419,5**	*1,0%*	-15,5%	**722,5**	*1,8%*	-50,9%
Income and social contribution taxes	124,3	*0,3%*	55,3	*0,1%*	124,7%	232,8	*0,6%*	-46,6%
Minority interest	(155,8)	*-0,4%*	(165,0)	*-0,4%*	-5,5%	(68,1)	*-0,2%*	128,8%
Net Income (Loss)	**323,0**	*0,8%*	**309,8**	*0,7%*	4,3%	**862,2**	*2,1%*	-62,5%
Adjusted EBITDA	**4.319,3**	*10,5%*	**3.757,8**	*9,0%*	14,9%	**3.144,5**	*7,6%*	37,4%
Earnings per Share	**0,12**		**0,12**		0,0%	**0,32**		-62,5%

Note: graphs are in R$ million

Net Revenue

JBS posted a consolidated net revenue of R$41,144.4 million in 3Q17, stable in relation to 3Q16.

In 3Q17, approximately 73% of JBS global sales came from markets where the company operates and 27% from exports.

EBITDA

JBS EBITDA in 3Q17 was a record R$4,319.3 million, an increase of 37.4% in relation to 3Q16, supported by the strong EBITDA increases of 84% for PPC, 51.9% for Seara, 50.1% for JBS USA Beef and 35.4% for JBS USA Pork. Consolidated EBITDA margin increased from 7.6% in 3Q16 to 10.5% in 3Q17.

R$ Million	3Q17	2Q17	∆%	3Q16	∆%
Net income for the period (including minority interest)	**478,9**	**474,8**	**0,9%**	**930,3**	**-48,5%**
Financial income (expense), net	898,5	2.210,8	-59,4%	1.378,7	-34,8%
Current and deferred income taxes	(124,3)	(55,3)	124,7%	(233,3)	-46,7%
Depreciation and amortization	1.127,5	1.133,6	-0,5%	1.061,1	6,3%
Equity in subsidiaries	(9,3)	(6,1)	51,8%	(8,3)	11,6%
Write-off of Mercosul	109,6	0,0	-	0,0	-
Results from adhesion to PERT	1.763,8	0,0	-	0,0	-
Other income / expenses	74,6	0,0	-	(9,4)	-
Investigation impacts due to the leniency agreement	0,0	0,0	-	25,4	-
(=) Adjusted EBITDA	**4.319,3**	**3.757,8**	**14,9%**	**3.144,5**	**37,4%**

Net Financial Results

JBS recorded a 59.4% reduction in net financial expense to R$898.5 million in 3Q17. Net results from foreign exchange variation and the fair value of adjustments of derivatives was R$872.6 million. Interest expense was R$1,805.9 million, including R$927.1 million related to PERT, while interest income was R$71.0 million. Taxes, contributions, tariffs and other expenses resulted in an expense of R$36.2 million.

Net Income

JBS registered net income of R$323.0 million in the quarter, impacted by the Special Tax Regularization Program (PERT). The impact in this quarter was R$2,254.9 million of which R$1,763.8 million was booked as an Administrative Expense and R$927.1 million was booked as Financial Expense. This amount includes a gain of R$436.0 million related to Deferred Income Tax. Excluding this impact, net income was R$1,900.3 million. 3Q17 EPS was R$0.12.

Cash Flow Provided by Operating Activities and Free Cash Generation

In 3Q17, net cash generated by JBS' operating activities was R$2,781.6 million, a 91.5% increase compared to 3Q16. Free cash generation (after capital expenditure) was R$3,223.1 million, a 312.1% increase compared to 3Q16.

Cash Flow Used in Investing Activities

In 3Q17, total cash flow from investments was R$441.6 million, of which R$964.3 million was related to the sale of JBS assets in Mercosul.

Indebtedness

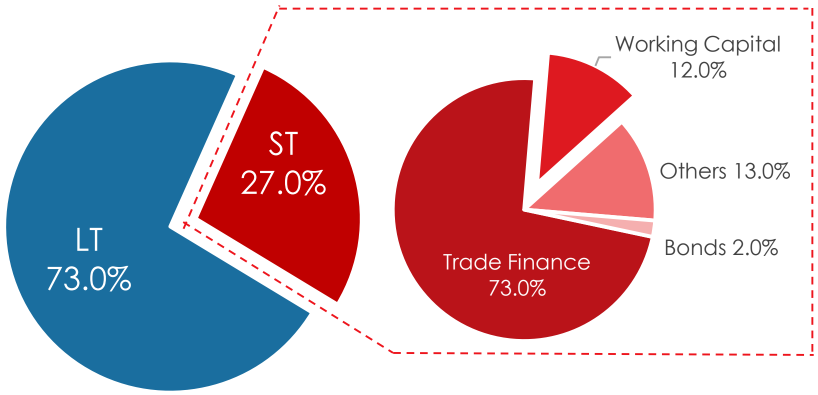
JBS ended 3Q17 with R$14,097.3 million in cash. In addition, JBS USA has a US$1,037.9 million fully available unencumbered line under revolving credit facilities, equivalent to R$3,288.1 million at the exchange rate prevailing at the end of the quarter. Net debt decreased 9.6% from R$50,375.7 million in 2Q17 to R$45,539.0 million at the end of 3Q17. Leverage was down from 4.16x in 2Q17 to 3.42x in 3Q17.

Subsequent Events

After this quarter's end, as announced in the Material Facts dated September 11th and October 26th, the Company concluded the sale of Moy Park operations and its 19.43% ownership in Vigor. The proceeds of those transactions were used to pay down debt, improving the company's debt profile.

R$ Million	09/30/17	06/30/17	Var.%
Gross Debt	**59,636.2**	**61,676.1**	**-3.3%**
(+) Short Term Debt	16,384.3	18,252.8	-10.2%
(+) Long Term Debt	43,252.0	43,423.2	-0.4%
(-) Cash and Equivalents	14,097.3	11,300.4	24.8%
Net Debt	**45,539.0**	**50,375.7**	**-9.6%**
Leverage	**3.42x**	**4.16x**	

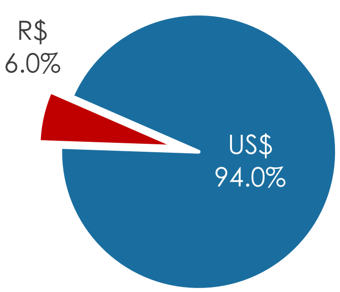
Debt profile Short-Term / Long-Term



At the end of 3Q17, short-term debt in relation to total debt was 27%, of which 73% is trade finance related to exports from the JBS Brazilian businesses.

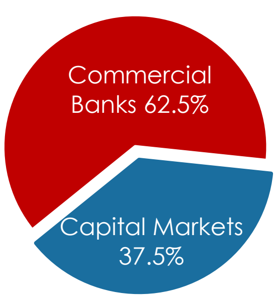
Currency & Cost Breakdown

✓ **9.87% p.a.**

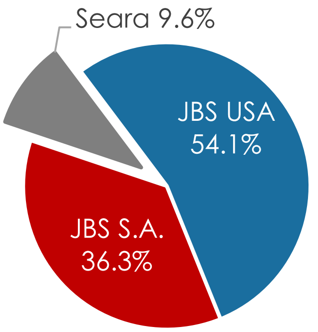


✓ **5.21% p.a.**

Source Breakdown



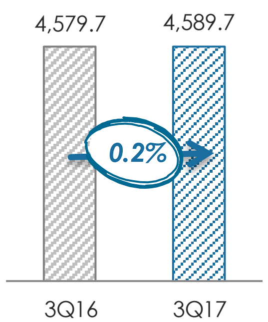
Entity Breakdown



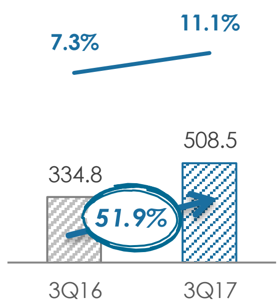
BUSINESS UNITS 3Q17

Seara (R$)

Net Revenue (million)

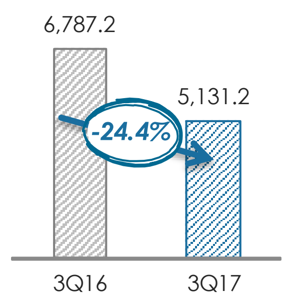


EBITDA (million) and EBITDA Margin

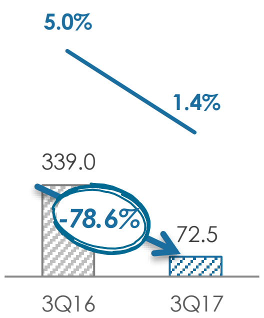


JBS Brazil (R$)

Net Revenue (million)

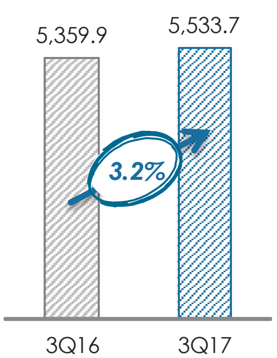


EBITDA (million) and EBITDA Margin

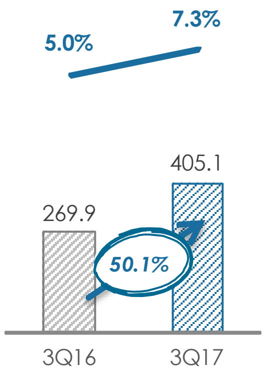


JBS USA Beef (US$)

Net Revenue (million)

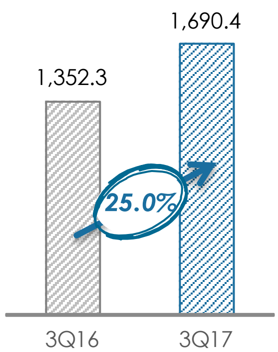


EBITDA (million) and EBITDA Margin

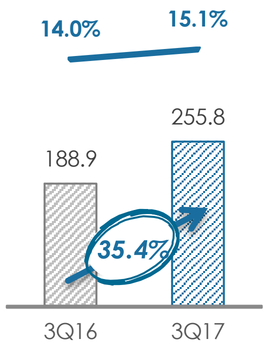


JBS USA Pork (US$)

Net Revenue (million)

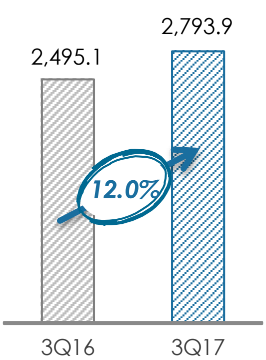


EBITDA (million) and EBITDA Margin

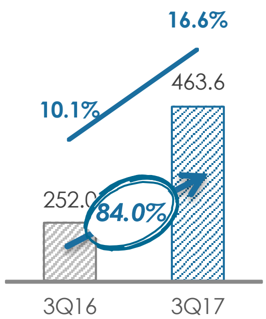


Pilgrim's Pride[1] (US$)

Net Revenue (million)



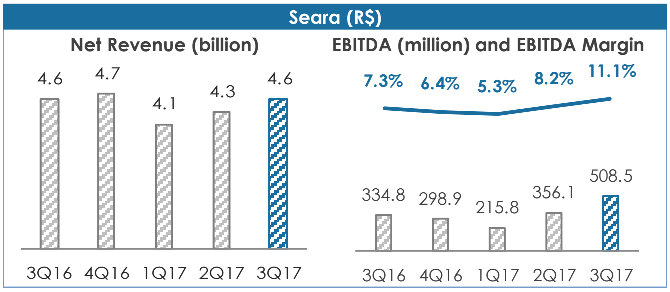
EBITDA (million) and EBITDA Margin

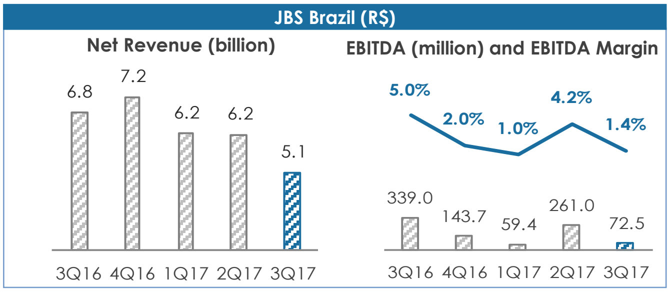


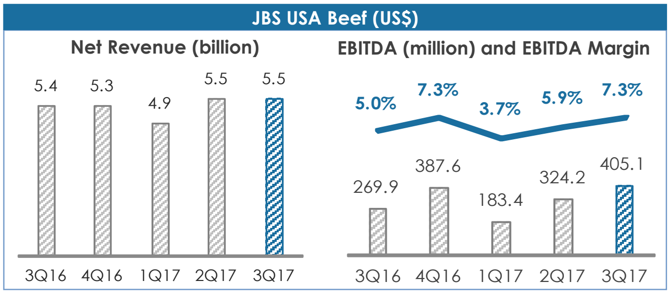
Note 1: includes Moy Park results in 3Q16

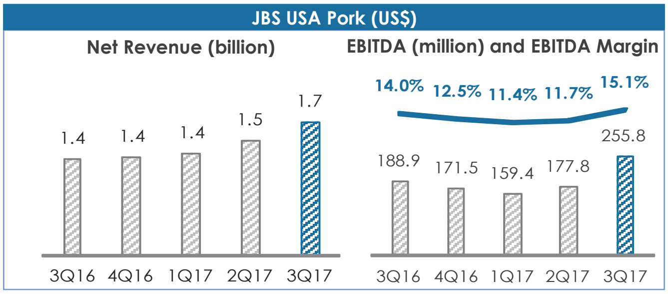
BUSINESS UNITS 3Q17

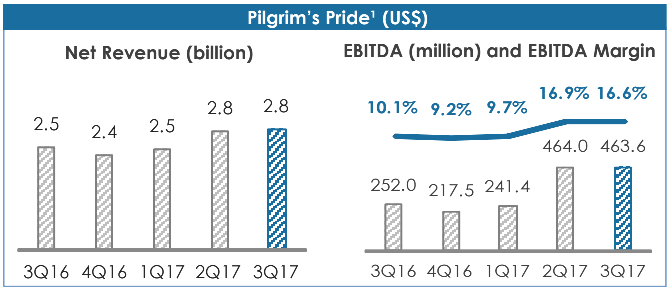
Million		3Q17	2Q17	Δ%	3Q16	Δ%
Net Revenue						
Seara	R$	4,589.7	4,323.6	6.2%	4,579.7	0.2%
JBS Brazil	R$	5,131.2	6,185.7	-17.0%	6,787.2	-24.4%
JBS USA Beef	US$	5,533.7	5,525.7	0.1%	5,359.9	3.2%
JBS USA Pork	US$	1,690.4	1,525.3	10.8%	1,352.3	25.0%
Pilgrim's Pride	US$	2,793.9	2,752.8	1.5%	2,495.1	12.0%
EBITDA						
Seara	R$	508.5	356.1	42.8%	334.8	51.9%
JBS Brazil	R$	11.0	261.0	-95.8%	339.0	-96.8%
JBS USA Beef	US$	405.1	324.2	24.9%	269.9	50.1%
JBS USA Pork	US$	255.8	177.8	43.9%	188.9	35.4%
Pilgrim's Pride	US$	463.6	464.0	-0.1%	252.0	84.0%
EBITDA Margin						
Seara	%	11.1%	8.2%	2.84 p.p.	7.3%	3.77 p.p.
JBS Brazil	%	0.2%	4.2%	-4.01 p.p.	5.0%	-4.78 p.p.
JBS USA Beef	%	7.3%	5.9%	1.45 p.p.	5.0%	2.28 p.p.
JBS USA Pork	%	15.1%	11.7%	3.48 p.p.	14.0%	1.16 p.p.
Pilgrim's Pride	%	16.6%	16.9%	-0.26 p.p.	10.1%	6.49 p.p.











Note 1: includes Moy Park results in all quarters.

Seara

In 3Q17, Seara net revenue was R$4,589.7 million, stable when compared with 3Q16. In relation to the previous quarter, Seara posted an increase of 6.2% in net revenue.

In the domestic market, net revenue grew 4.3% in relation to 3Q16, thanks to a 8.8% increase in volume, partially offset by a reduction of 4.1% in average sales prices, mainly in the fresh poultry segment. In the Prepared Foods segment, volume grew by 2.5% while revenue was stable in relation to 3Q16. Compared with 2Q17, net revenue increased by 4.7%, boosted by a 5.0% growth in volumes with stable prices. In Prepared Foods, revenue increased by 5.4%, due to 5.5% higher volumes. Seara's customer base at the end of 3Q17 was 150 thousand, an increase of 7 thousand customers when compared to the same period of last year.

Aiming to increase consumer preference and category value, in October, Seara launched the "Q of Quality" campaign, which makes a clear reference to the key attributes of the brand over the last few years. The campaign also highlights the brand's commitment to go beyond quality, valuing the level of excellence achieved by Seara. With a focus on innovation, in November, Seara presented the new national campaign for its lasagna with an exclusive "Equal Heating" tray packaging. The new tray, which is an innovation to the traditional lasagna category, allows for the product to be evenly heated and retain its freshness when prepared in a microwave oven.

Exports net revenue declined 3.7% when compared to 3Q16, due to a 5.5% decrease in volume, partially offset by a 1.9% increase in average sales prices. Fresh poultry, a segment that represents 86% of total export revenues, increased by 1.1%, with a 3.0% reduction in volumes sold and 4.3% higher prices, despite the foreign exchange impact, which went from R$3.25 in 3Q16 to R$3.16 in 3Q17 per US dollar.

Seara's EBITDA in 3Q17 was R$508.5 million, an increase of 51.9%, boosted by a reduction in raw material costs, mainly grains. EBITDA margin was 11.1%.

Highlights

R$ Million	3Q17		2Q17		Δ%	3Q16		Δ%
	R$	% NR	R$	% NR	QoQ	R$	% NR	YoY
Net Revenue	**4,589.7**	***100.0%***	**4,323.6**	***100.0%***	**6.2%**	**4,579.7**	***100.0%***	**0.2%**
Cost of Goods Sold	(3,630.0)	*-79.1%*	(3,550.1)	*-82.1%*	2.3%	(3,861.1)	*-84.3%*	-6.0%
Gross Profit	959.7	*20.9%*	773.5	*17.9%*	24.1%	718.6	*15.7%*	33.5%
EBITDA	**508.5**	**11.1%**	**356.1**	**8.2%**	**42.8%**	**334.8**	**7.3%**	**51.9%**

JBS Brazil

JBS Brazil net revenue in 3Q17 was R$5,131.2 million, a decrease of 24.4% in relation to 3Q16, mainly due to the sale of the Company's beef operations in Argentina, Paraguay and Uruguay, as well as a 17.1% reduction in the number of cattle slaughtered in Brazil. In comparison with 2Q17, cattle slaughter volumes increased 4.4%.

Net revenue in the domestic market was down 31.4% compared with 3Q16, impacted by a reduction in volume sold. It is important to highlight that, despite lower volumes, the Company has been focusing on more profitable channels and cuts, improving the value of the products mix, which provided a 11.7% increase in fresh beef average price.

Revenue from exports posted a decrease of 13.7% in the same period, due to a reduction in volume, partially offset by an increase in prices. The fresh beef category saw a reduction of 13.9% in revenue, lower than the reduction in slaughter volumes, while average sales prices increased was 9.2%, as a result of the Company's efforts to prioritize higher value added markets.

EBITDA in 3Q17 was R$72.5 million, a decrease of 78.6% in relation to 3Q16, impacted by a reduction in the number of animals slaughtered, while maintaining operational capabilities. EBITDA margin was 1.4%.

Highlights[1]

R$ Million	3Q17		2Q17		Δ%	3Q16		Δ%
	R$	% NR	R$	% NR	QoQ	R$	% NR	YoY
Net Revenue	**5,131.2**	***100.0%***	**6,185.7**	***100.0%***	**-17.0%**	**6,787.2**	***100.0%***	**-24.4%**
Cost of Goods Sold	(4,182.0)	*-81.5%*	(5,058.7)	*-81.8%*	-17.3%	(5,509.7)	*-81.2%*	-24.1%
Gross Profit	949.2	*18.5%*	1,127.0	*18.2%*	-15.8%	1,277.5	*18.8%*	-25.7%
EBITDA	**72.5**	**1.4%**	**261.0**	**4.2%**	**-72.2%**	**339.0**	**5.0%**	**-78.6%**

Nota 1: Includes results from Beef operations in Argentina, Paraguay and Uruguay in the previous quarters.

JBS USA Beef (including Australia and Canada)

JBS USA Beef net revenue was US$5,533.7 million in 3Q17, an increase of 3.2% in relation to 3Q16. Exports were the highlight, growing 9.5% in volume and 3.0% in price in the period.

Growth in domestic demand in the US has been significantly evolving throughout 2017, as a consequence of the strengthening of the American economy and low unemployment rate. At the same time, cattle herds continue to grow, increasing levels of cattle availability. While this factor favors the performance of the industry as a whole, JBS has been leveraging its results through operational improvements, strong commercial relationships and product mix.

In Australia, although results are positive, the Company continued to underperform compared with last year. The cycle of rebuilding the Australian herd continues, with heifer retention impacting cattle availability in the short term. Thus, Beef operations in Australia impacted JBS USA Beef consolidated results. On the other hand, Primo Smallgoods results were as expected for this quarter.

EBITDA for this business unit was US$405.1 million in 3Q17, which corresponds to an increase of 50.1% in relation to same period last year. EBITDA margin was 7.3%.

Highlights (US GAAP)

US$ Million	3Q17		2Q17		Δ%	3Q16		Δ%
	US$	% NR	US$	% NR	QoQ	US$	% NR	YoY
Net Revenue	**5,533.7**	***100.0%***	**5,525.7**	***100.0%***	**0.1%**	**5,359.9**	***100.0%***	**3.2%**
Cost of Goods Sold	(5,103.8)	*-92.2%*	(5,189.6)	*-93.9%*	-1.7%	(5,081.7)	*-94.8%*	0.4%
Gross Profit	429.9	*7.8%*	336.1	*6.1%*	27.9%	278.2	*5.2%*	54.5%
EBITDA	**405.1**	**7.3%**	**324.2**	**5.9%**	**24.9%**	**269.9**	**5.0%**	**50.1%**

JBS USA Pork

JBS USA Pork posted net revenue of US$1,690.4 million in 3Q17, an increase of 25.0% in relation to 3Q16.

Net revenue in the domestic market increased 27.8% in the period, boosted by strong demand in the American market, which remained stable despite higher prices. Export revenue was 10% greater, with Asian countries, Mexico and Canada being the main highlights.

EBITDA was US$255.8 million in 3Q17, 35.4% higher than 3Q16. This improvement is due to greater hog availability, thanks to an increase of 3% in US hog production coupled with efficiency improvements in the facilities acquired in 2015, which contributed to a 400 bps growth in their operational margin, closing the gap of these facilities with the legacy business of JBS in the country. EBITDA margin was 15.1%.

Also in this quarter, the Company successfully integrated Plumrose, which was acquired in 2Q17.

Highlights (US GAAP)

US$ Million	3Q17		2Q17		Δ%	3Q16		Δ%
	US$	% NR	US$	% NR	QoQ	US$	% NR	YoY
Net Revenue	**1,690.4**	***100.0%***	**1,525.3**	***100.0%***	**10.8%**	**1,352.3**	***100.0%***	**25.0%**
Cost of Goods Sold	(1,436.5)	*-85.0%*	(1,346.3)	*-88.3%*	6.7%	(1,164.3)	*-86.1%*	23.4%
Gross Profit	253.9	*15.0%*	179.0	*11.7%*	41.8%	188.0	*13.9%*	35.0%
EBITDA	**255.8**	**15.1%**	**177.8**	**11.7%**	**43.9%**	**188.9**	**14.0%**	**35.4%**

Pilgrim's Pride Corporation - "PPC"

Pilgrim's Pride posted net revenue of US$2,793.9 million in 3Q17, a 12.0% increase in comparison to 3Q16, including Moy Park's results in both quarters.

Net revenue from the U.S. operations grew by 12.4% compared with the same period last year. This was due to the integration of GNP assets and an increase in poultry sales prices. In Mexico, net revenue increased by 11.0%, due to an increase both in volume and prices. In the United Kingdom and Europe, net revenue also grew by 11.0% on the back of higher volumes.

EBITDA for the quarter was US$463.6 million, an 84.0% increase in comparison to the 3Q16, thanks to strong results from PPC domestic and international operations as a result of a strong market demand for poultry with stable production costs.

PPC's net income was US$232.7 million, which corresponds to an EPS of US$0.93.

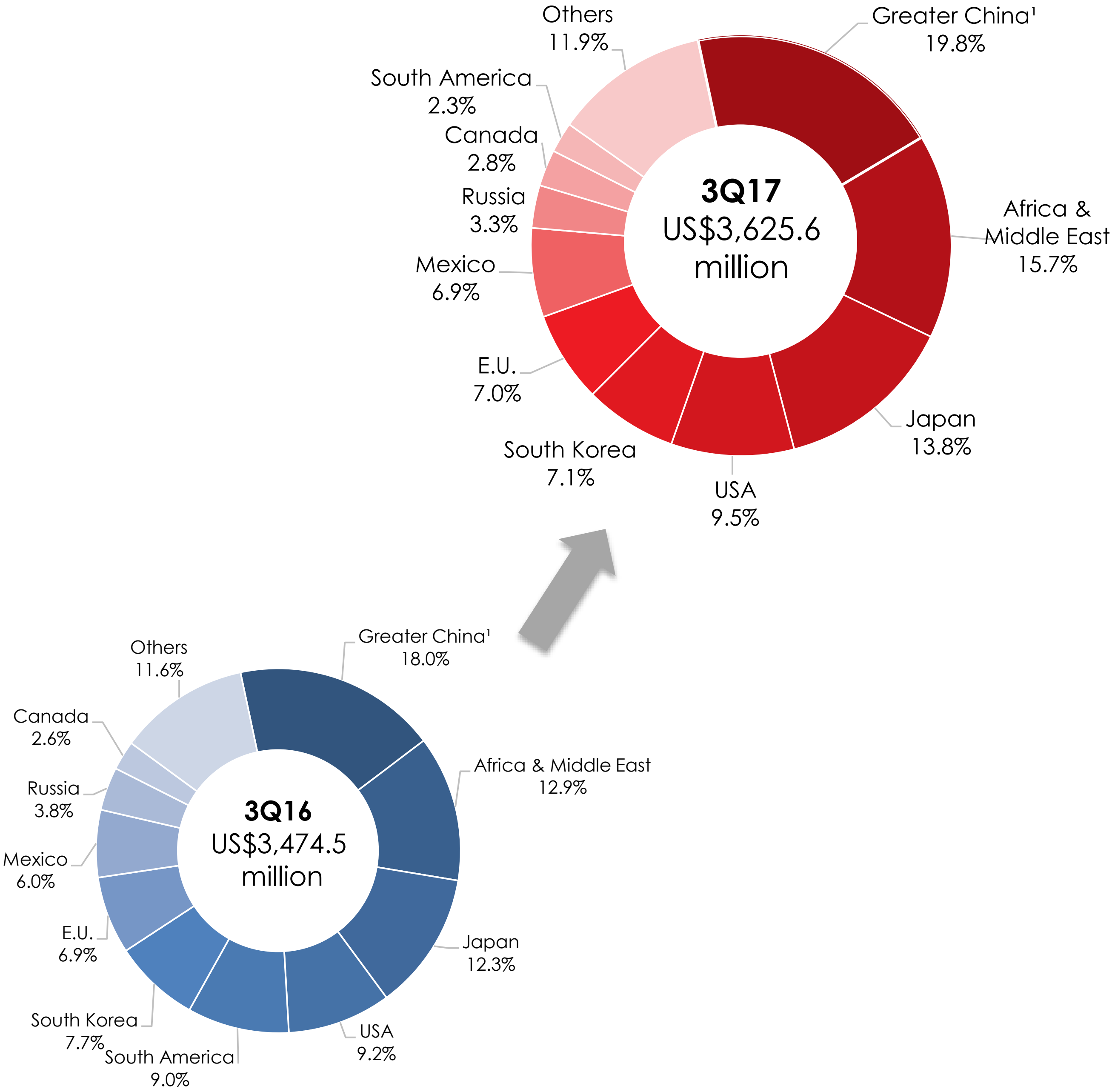
Excluding the effects from the Moy Park acquisition, PPC posted a net revenue of US$2.3 billion and an EBITDA of US$427.6 million, with a margin of 18.8%.

Highlights (US GAAP)[1]

US$ Million	3Q17		2Q17		Δ%	3Q16		Δ%
	US$	% NR	US$	% NR	QoQ	US$	% NR	YoY
Net Revenue	**2,793.9**	***100.0%***	**2,752.8**	***100.0%***	**1.5%**	**2,495.1**	***100.0%***	**12.0%**
Cost of Goods Sold	(2,315.3)	*-82.9%*	(2,265.6)	*-82.3%*	2.2%	(2,232.3)	*-89.5%*	3.7%
Gross Profit	478.6	*17.1%*	487.2	*17.7%*	-1.8%	262.8	*10.5%*	82.1%
EBITDA	**463.6**	**16.6%**	**464.0**	**16.9%**	**-0.1%**	**252.0**	**10.1%**	**84.0%**

Nota 1: inclui resultados da Moy Park em todos os trimestres

Graph I – JBS Consolidated Exports Breakdown in 3Q16 and 3Q17



Note 1. Considers China and Hong Kong

Table I – 3Q17 Breakdown of Production Costs by Business Unit (%)

3Q17 (%)	Consolidated	JBS Brazil	Seara	USA Beef	USA Pork	PPC
Raw material (livestock)	76.3%	83.5%	67.9%	85.1%	76.8%	48.7%
Processing (including ingredients and packaging)	12.0%	9.3%	19.9%	5.1%	11.4%	30.9%
Labor Cost	11.8%	7.3%	12.2%	9.8%	11.7%	20.4%

ADDITIONAL INFORMATION

Indexes

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DISCLAIMER

We make statements about future events that are subject to risks and uncertainties. Such statements are based on the beliefs and assumptions of our Management and information to which the Company currently has access. Statements about future events include information about our current intentions, beliefs or expectations, as well as those of the members of the Company's Board of Directors and Officers.

Disclaimers with respect to forward-looking statements and information also include information on possible or presumed operating results, as well as statements that are preceded, followed or that include the words "believe," "may," "will," "continue," “expects," "predicts," "intends," "plans," "estimates," or similar expressions.

Forward-looking statements and information are not guarantees of performance. They involve risks, uncertainties and assumptions because they refer to future events, depending, therefore, on circumstances that may or may not occur. Future results and shareholder value creation may differ materially from those expressed or implied by the forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict.

JBS S.A.

Condensed financial statements and Independent auditors' report

As of September 30, 2017 and 2016

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

To the
Shareholders, Board Members 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"), included in the quarterly information for the quarter ended September 30, 2017, which comprise the statement of financial position, individual and consolidated, as at September 30, 2017 and the respective statements, individual and consolidated, of income and comprehensive income for the three- and nine-month periods then ended, and of changes in equity and cash flows for the nine-month period then ended, as well as the corresponding notes to the quarterly information, including a summary of significant accounting policies.

The Company's management is responsible for the preparation of this individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) – Interim financial statements and with International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and for the presentation of this interim financial information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Quarterly Information. 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.

Basis for qualified conclusion on the individual and consolidated interim financial information

Plea Bargain Agreement, Leniency Deal and Independent Investigation

As described in Note 2 to the individual and consolidated financial statements, in May 2017, some executives and former executives of the Group J&F Investimentos S.A. (J&F), entered into Plea Bargain Agreements with the Attorney General's Office (PGR), later blessed by the Supreme Court of Brazil (STF). The agreements establish, among other things, cooperation with the Federal Public Prosecution Office (MPF) relating to all facts reported to that authority. Also, in June 2017, J&F entered into a Leniency Deal with MPF. On August 24, 2017, MPF 5th Chamber blessed the Leniency Deal entered into and on October 11, 2017 the federal regular judge of the 10th Federal Court of Distrito Federal, on a justification hearing, also approved in court the mentioned deal. The Deal refers to the operations "Cui Bono", "Carne Fraca," "Sepsis" and "Greenfield". On September 6, 2017 the Company joined the Leniency Deal, therefore avoiding the financial impacts of the Deal fully assumed by J&F.

The conduction of an internal investigation on the facts reported in the Plea Bargain Agreements related to the Company is one of the obligations established in the Leniency Deal. The Independent Supervision Committee of the Leniency Deal has, among other functions, the responsibility of approving the service providers conducting the internal investigations at the Company, as well as adjusting the respective work plans. The expert professionals carrying out the investigations and respective work plans are both subject to validation by the Independent Supervision Committee. The expert professionals started the investigation process in September 2017, and they are external and independent from the Company. So far, those professionals have extracted and processed data, including an evaluation of the information of the people signing the representation letter made available to the independent auditor, and we are not aware of any irregular points or that required further analysis.

As mentioned in Note 2.2 to the financial statements, the Cooperation Agreements were analyzed and their effects recorded in the individual and consolidated financial statements and in the comparative financial information.

In addition to the matters previously referred to, we highlight the following issues pending solution, and not fully under control of the Company, whose possible effects may result in significant changes to the individual and consolidated financial statements, as well as to the comparative financial information, including aspects related to insufficient disclosure of certain information in the notes:

- There is complementary information presented by J&F to MPF, established in the Plea Bargain Agreement and in the Leniency Deal, not yet made public;

- The independent investigation required in the Leniency Deal with MPF was started and is monitored by the Independent Supervision Committee;

- An independent investigation in the international operations of the Company is also underway;

- Because of its decision to join the Leniency Deal between J&F and MPF previously mentioned, the Company has no ongoing negotiations of deals with other Federal, State or Municipal authorities or entities, in relation to similar deals with those bodies related to the existence of other responsibilities or obligations not previously assumed, except for the States of Rondônia and Mato Grosso do Sul, already disclosed in the notes to the financial statements.

Therefore, although it is expected that the Company will not have any significant effects to its individual and consolidated interim financial statements, seeing the limitations referred to above, we are not able to assure, until this date, that no significant effects will exist, including tax ones.

Independent review of Seara Alimentos Ltda.

Other independent auditors conducted the review of the financial statements of the controlled company Seara Alimentos Ltda., who issued a qualified review report on March 21, 2018. It mentions a scope limitation and possible unknown effects to the financial statements of the facts relating that controlled company and of the whole context here previously mentioned and reported on the Plea Bargain Agreement and Leniency Deal entered into by J&F and MPF. Consequently, these interim financial statements and comparative financial information of that controlled company may be subject to changes after the conclusion of the independent investigations, whose effects could not be evaluated until the present date.

Adhesion to the Special Tax Regularization Program (PERT) and other commitments

As mentioned in Note 1.a1 and 20.a2 to the Quarterly Information, as at September 30, 2017, the Company and controlled company Seara Alimentos Ltda. partially offset certain tax obligations related to Social Security Tax (INSS), PIS, COFINS, Corporate Income Tax (IRPJ) and Social Contribution Tax (CSLL) recognized as a result of the waiver from tax proceedings filed with the National Treasury Attorney General (PGFN) and other tax debts against Income and Social Contribution tax losses from the Company and from other group companies, including Seara Alimentos Ltda. and some of its controlled companies, as permitted by Law No. 13.946 of October 24, 2017, addressing the PERT. However, the offset of the mentioned tax obligations against Income and Social Contribution tax losses, own or from controlled companies, is only permitted upon adhesion to the program, which occurred in October 2017, resulting in the write-off of assets and liabilities in advance and whose balances should be presented without the mentioned offset in the respective noncurrent asset and current and noncurrent liability accounts.

Consequently, current assets and liabilities are understated by R$ 136,955 thousand (Parent Company) and R$ 1,312,564 thousand (Consolidated) in the Quarterly Information as at September 30, 2017.

Additionally, in view of this legal permission to offset tax debts against income and social contribution tax losses, own and from other group companies', as referred to above, the Company entered into Agreements for Assignment of Tax Credits in September 2017 with several companies of its economic group, including Seara Alimentos Ltda., in order to formalize the commitment made of assigning the mentioned tax credits receiving in consideration amounts, receivables and/or assets of the Company. Accordingly, the Company and its controlled companies recorded the effects of this transfer as at September 30, 2017. However, as provided for by Law No. 13.946, this permission only occurs upon adhesion to PERT, which occurred only in October 2017. Consequently, current assets are understated by R$ 1,099,534 thousand, income (loss) and equity are overstated by R$ 76,075 thousand in the parent company, and in consolidated assets are understated by R$ 344,752 thousand and income (loss) and equity overstated by R$ 76,075 thousand in the Quarterly Information as at September 30, 2017.

Qualified conclusion on the individual and consolidated interim financial information

Based on our review, except for the unknown effects described in the "Basis for qualified conclusion", nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the Quarterly Financial information - ITR referred to above is 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 CVM.

Emphasis

Restatement of interim financial information

As at April 6, 2017, we issued an unqualified audit report on the individual and consolidated financial statements of 2016, which are now restated. As described in Note 3.c to the financial statements, the disclosure and amounts corresponding to the financial statements of the year ended December 31, 2016 and beginning balance of January 1, 2016 were amended and restated to reflect the correction of errors stemming from irregularities found in the Company, as well as improvement in disclosure in notes to the statements, aiming comparability and consistency of accounting information.

This report replaces the previous one issued on 22 December 2017, with disclaimer of conclusion on the individual and consolidated interim financial information as of September 30, 2017, due to the same matters mentioned in the “Basis for qualified conclusion on the individual and consolidated interim financial information” and with the progress related to the assessment and accounting of the impacts on the context of the Company’s analysis of those irregularities impacts and the proper disclosure related to this matter, which have been restated. As described on the note n° 3.c the individual and consolidated interim financial information, the disclosures and corresponding figures of the quarterly financial information of the quarter ended September 30, 2016 and 2017, were amended and restated to reflect the correction of errors stemming from irregularities found in the Company, as well as improvement in disclosure in notes to the statements, aiming comparability and consistency of accounting information. This matter does not modify our conclusion on this Quarterly Information.

Agreements to maintain credit lines

We draw attention to Note 1.a2 to the Quarterly Information addressing stabilization agreements entered into with financial institutions and other contractual arrangements with covenants. Non-compliance with such agreements may have a significant impact on the Company’s operating activities. This matter does not modify our conclusion on this Quarterly Information.

Relevant legal and investigative procedures

We draw attention to Note 20.b to the Quarterly Information addressing the several administrative, criminal and court proceedings against the Company in the context of CVM. An unfavorable outcome for these proceedings may have impacts on the Company. This matter does not modify our conclusion on this Quarterly Information.

Other matters

Interim statements of value added

We were also engaged to review the interim statements of value added (DVA) for the nine-month period ended September 30, 2017, prepared by the Company’s Management, whose disclosure in the interim financial information is required in accordance with the standards issued by CVM applicable to the preparation of the Quarterly Information and considered as supplemental information by the IFRS, which do not require the disclosure of the Statement of Value Added. These financial information were submitted to the same review procedures described above and, based on our review, except for unknown effects of the matter mentioned in the section "Basis for the qualified conclusion on the individual and consolidated interim financial information," the statements of value added were properly prepared, in all material respects, in accordance with the criteria established in this Technical Pronouncement and are consistent with the individual and consolidated interim financial statements taken as a whole.

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

São Paulo, March 28, 2018.

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

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

JBS S.A.

Statements of financial position
In thousands of Brazilian Reais - R$

		Company			Consolidated		
	Note	September 30, 2017	December 31, 2016	January 1, 2016	September 30, 2017	December 31, 2016	January 1, 2016
			Restated	Restated		Restated	Restated
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	5	**3,776,346**	4,712,796	11,257,943	**14,097,254**	9,355,622	18,843,988
Trade accounts receivable	6	**2,315,019**	2,767,655	3,435,691	**9,391,611**	9,589,185	12,119,662
Inventories	7	**1,731,368**	1,673,501	2,128,993	**9,627,376**	9,608,474	11,109,744
Biological assets	8	-	-	-	**2,487,669**	2,673,113	2,873,447
Recoverable taxes	9	**62,685**	698,885	1,409,696	**950,761**	1,677,791	2,874,987
Derivative assets	24	**79**	-	84,779	**161,080**	38,250	737,891
Assets held for sale	10	**307,249**	-		**1,218,524**	-	
Other current assets		**369,342**	369,246	298,476	**884,694**	977,370	1,250,319
TOTAL CURRENT ASSETS		**8,562,088**	**10,222,083**	**18,615,578**	**38,818,969**	**33,919,805**	**49,810,038**
NON-CURRENT ASSETS							
Biological assets	8	-	-	-	**966,021**	977,040	1,100,353
Recoverable taxes	9	**5,144,590**	2,948,627	789,505	**7,060,249**	4,718,535	1,558,612
Related party receivables	11	**3,442,496**	5,231,553	4,897,835	**875,713**	1,315,526	1,968,043
Investments in associates, subsidiaries and joint ventures	12	**16,661,268**	16,334,231	19,534,850	**72,574**	362,627	354,134
Property, plant and equipment	13	**11,563,137**	11,475,628	11,693,038	**33,034,833**	33,110,891	35,381,110
Deferred income taxes		-	-	-	**489,999**	454,117	-
Intangible assets	14	**95,732**	46,494	467,540	**5,421,274**	5,012,095	6,892,534
Goodwill	15	**9,085,970**	9,085,970	9,085,970	**22,086,234**	21,916,694	24,411,441
Other non-current assets		**477,234**	455,627	478,827	**1,075,532**	1,028,433	1,026,702
TOTAL NON-CURRENT ASSETS		**46,470,427**	**45,578,130**	**46,947,565**	**71,082,429**	**68,895,958**	**72,692,929**
TOTAL ASSETS		**55,032,515**	**55,800,213**	**65,563,143**	**109,901,398**	**102,815,763**	**122,502,967**

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

JBS S.A.

Statements of financial position
In thousands of Brazilian Reais - R$

	Note	Company			Consolidated		
		September 30, 2017	December 31, 2016	January 1, 2016	September 30, 2017	December 31, 2016	January 1, 2016
			Restated	Restated		Restated	Restated
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
Trade accounts payable		**1,741,463**	2,050,265	2,448,362	**9,030,041**	10,716,987	12,421,018
Loans and financing	16	**9,483,699**	12,281,028	14,791,919	**16,384,257**	18,148,818	20,906,613
Accrued income taxes and other taxes	17	**789,876**	165,030	102,665	**1,703,330**	500,930	843,919
Accrued payroll and social charges	18	**1,073,639**	412,296	387,426	**3,410,946**	2,595,381	2,891,953
Dividends payable		**102**	90,503	1,103,308	**102**	90,503	1,103,308
Other financial liabilities		**7,659**	7,659	445,164	**105,337**	161,114	901,916
Derivative liabilities	26	-	-	-	**192,563**	133,125	-
Other current liabilities		**752,038**	684,898	1,026,780	**822,396**	1,001,766	1,068,740
TOTAL CURRENT LIABILITIES		**13,848,476**	**15,691,679**	**20,305,624**	**31,648,972**	**33,348,624**	**40,137,467**
NON-CURRENT LIABILITIES							
Loans and financing	16	**12,143,908**	14,021,384	14,951,523	**43,251,987**	38,111,596	44,976,113
Accrued income taxes and other taxes	17	**346,481**	71,841	117,913	**491,860**	228,752	297,138
Accrued payroll and social charges	18	**1,393,844**	-	-	**1,798,553**	437,218	597,699
Other financial liabilities		**26,477**	31,427	37,950	**48,020**	102,145	233,855
Deferred income taxes		**1,251,227**	1,870,461	1,831,973	**3,375,346**	3,763,048	4,248,607
Provisions	20	**1,854,037**	1,684,814	1,513,953	**2,896,925**	2,707,646	2,849,953
Other non-current liabilities		**42,955**	54,657	29,929	**591,942**	599,482	795,722
TOTAL NON-CURRENT LIABILITIES		**17,058,929**	**17,734,584**	**18,483,241**	**52,454,633**	**45,949,887**	**53,999,087**
EQUITY	21						
Share capital - common shares		**23,576,206**	23,576,206	23,576,206	**23,576,206**	23,576,206	23,576,206
Capital reserve		**(288,196)**	(1,743,893)	(791,230)	**(288,196)**	(1,743,893)	(791,230)
Other reserves		**67,311**	73,516	81,066	**67,311**	73,516	81,066
Profit reserves		**1,808,085**	3,648,562	3,501,973	**1,808,085**	3,648,562	3,501,972
Accumulated other comprehensive income (loss)		**(1,820,826)**	(3,180,441)	406,264	**(1,820,826)**	(3,180,441)	406,264
Accumulated other comprehensive income (loss) related to assets held for sale	10	**(210,099)**	-	-	**(210,099)**	-	-
Retained earnings		**992,629**	-	-	**992,629**	-	-
Attributable to company shareholders		**24,125,110**	**22,373,950**	**26,774,279**	**24,125,110**	**22,373,950**	**26,774,278**
Attributable to non-controlling interest		-	-	-	**1,672,683**	1,143,302	1,592,135
TOTAL EQUITY		**24,125,110**	**22,373,950**	**26,774,279**	**25,797,793**	**23,517,252**	**28,366,413**
TOTAL LIABILITIES AND EQUITY		**55,032,515**	**55,800,213**	**65,563,144**	**109,901,398**	**102,815,763**	**122,502,967**

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

JBS S.A.

Statements of income (loss) for the nine month period ended September 30, 2017 and 2016
In thousands of Brazilian Reais - R$

	Note	Company 2017	Company 2016 Restated	Consolidated 2017	Consolidated 2016 Restated
NET REVENUE	22	**17,195,097**	**20,666,626**	**120,435,503**	**128,749,947**
Cost of sales		**(14,374,970)**	(16,255,284)	**(103,003,773)**	(113,372,470)
GROSS PROFIT		**2,820,127**	**4,411,342**	**17,431,730**	**15,377,477**
General and administrative expenses	1	**(3,461,016)**	(1,417,199)	**(5,969,917)**	(3,445,429)
Selling expense		**(1,375,989)**	(2,144,466)	**(6,404,948)**	(7,388,664)
Other expense		**(156,756)**	(1,166)	**(371,815)**	(28,857)
Other income		**4,813**	16,852	**232,574**	175,372
OPERATING EXPENSE		**(4,988,948)**	**(3,545,979)**	**(12,514,106)**	**(10,687,578)**
OPERATING PROFIT		**(2,168,821)**	**865,363**	**4,917,624**	**4,689,899**
Finance income	23	**2,073,301**	4,382,635	**1,938,888**	4,411,558
Finance expense	1 and 22	**(3,233,321)**	(7,571,848)	**(5,458,948)**	(9,783,102)
		(1,160,020)	**(3,189,213)**	**(3,520,060)**	**(5,371,544)**
Share of profit of equity-accounted investees, net of tax	12	**3,631,058**	1,156,590	**17,199**	13,958
PROFIT (LOSS) BEFORE TAXES		**302,217**	**(1,167,260)**	**1,414,763**	**(667,687)**
Current income taxes	19	**2,189**	105,236	**(1,509,815)**	(580,246)
Deferred income taxes	19	**681,532**	632,820	**1,465,664**	1,104,969
		683,721	**738,056**	**(44,151)**	**524,723**
NET INCOME (LOSS)		**985,938**	**(429,204)**	**1,370,612**	**(142,964)**
ATTRIBUTABLE TO:					
Company shareholders				**985,938**	(429,204)
Non-controlling interest				**384,674**	286,240
				1,370,612	**(142,964)**
Basic earnings per share - common shares (R$)	24	**0.35**	(0.11)	**0.35**	(0.11)
Diluted earnings per share - common shares (R$)	24	**0.35**	(0.11)	**0.35**	(0.11)

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

JBS S.A.

Statements of income for the three month period ended September 30, 2017 and 2016
In thousands of Brazilian Reais - R$

	Note	Company		Consolidated	
		2017	2016 Restated	2017	2016 Restated
NET REVENUE	22	**5,406,529**	**6,803,993**	**41,144,396**	**41,166,154**
Cost of sales		**(4,474,343)**	(5,568,958)	**(34,292,691)**	(35,821,679)
GROSS PROFIT		**932,186**	**1,235,035**	**6,851,705**	**5,344,475**
General and administrative expenses	1	**(2,377,630)**	(477,399)	**(3,320,952)**	(1,094,745)
Selling expenses		**(432,186)**	(617,160)	**(2,125,789)**	(2,212,247)
Other expenses		**(154,706)**	(204)	**(271,077)**	(21,465)
Other income		-	5,253	**109,863**	51,413
OPERATING EXPENSE		**(2,964,522)**	**(1,089,510)**	**(5,607,955)**	**(3,277,044)**
OPERATING PROFIT		**(2,032,336)**	**145,525**	**1,243,750**	**2,067,431**
Finance income	23	**970,641**	326,081	**1,125,636**	91,357
Finance expense	1 and 22	**(1,400,269)**	(803,194)	**(2,024,109)**	(1,470,011)
		(429,628)	**(477,113)**	**(898,473)**	**(1,378,654)**
Share of profit of equity-accounted investees, net of tax		**2,361,281**	990,042	**9,275**	8,314
PROFIT (LOSS) BEFORE TAXES		**(100,683)**	**658,454**	**354,552**	**697,091**
Current income taxes	19	**723**	104,093	**(847,765)**	(132,737)
Deferred income taxes	19	**423,007**	99,688	**972,098**	365,995
		423,730	**203,781**	**124,333**	**233,258**
NET INCOME		**323,047**	**862,235**	**478,885**	**930,349**
ATTRIBUTABLE TO:					
Company shareholders				**323,047**	862,235
Non-controlling interest				**155,838**	68,114
				478,885	**930,349**
Basic earnings per share - common shares (R$)	24	**0.12**	0.32	**0.12**	0.32
Diluted earnings per share - common shares (R$)	24	**0.12**	0.32	**0.12**	0.32

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

JBS S.A.

Statements of comprehensive income for the nine month period ended September 30, 2017 and 2016
In thousands of Brazilian Reais - R$

		Company		Consolidated	
	Reference	2017	2016	2017	2016
			Restated		Restated
Net income (loss)	**IS**	**985,938**	(429,204)	**1,370,612**	(142,964)
Other comprehensive income (loss)					
Items that may be subsequently reclassified to profit or loss:					
Foreign currency translation adjustments	**SCSE**	**1,149,516**	(2,862,852)	**1,128,733**	(3,125,534)
Total other comprehensive income (loss)		**1,149,516**	**(2,862,852)**	**1,128,733**	**(3,125,534)**
Comprehensive income (loss)		**2,135,454**	**(3,292,056)**	**2,499,345**	**(3,268,498)**
Total comprehensive income (loss) attributable to:					
Company shareholders	**SCSE**	**2,135,454**	(3,292,056)	**2,135,454**	(3,292,056)
Non-controlling interest	**SCSE**	-	-	**363,891**	23,558
		2,135,454	**(3,292,056)**	**2,499,345**	**(3,268,498)**

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

JBS S.A.

Statement of comprehensive income for the three month period ended September 30, 2017 and 2016
In thousands of Brazilian Reais - R$

		Company		Consolidated	
	Reference	2017	2016	2017	2016
			Restated		Restated
Net income		**323,047**	862,235	**478,885**	930,349
Other comprehensive income (loss)					
Items that may be subsequently reclassified to profit or loss:					
Foreign currency translation adjustments	**SCSE**	**315,452**	129,000	**250,216**	145,344
Total of comprehensive income (loss)		**315,452**	**129,000**	**250,216**	**145,344**
Comprehensive income (loss)		**638,499**	**991,235**	**729,101**	**1,075,693**
Total of comprehensive income (loss) attributable to:					
Company shareholders	**IS**	**638,499**	991,235	**638,499**	991,235
Non-controlling interest	**IS**	-	-	**90,602**	84,458
		638,499	**991,235**	**729,101**	**1,075,693**

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

JBS S.A.
Statements of changes in equity for the nine month period ended September 30, 2017 and 2016
In thousands of Brazilian Reais - R$

	Note	Share capital	Capital reserves				Other reserves	Profit reserves			Other comprehensive income		Retained earnings (loss)	Total	Non-controlling interest	Total equity
			Premium on issue of shares	Capital transaction [1]	Stock options	Treasury shares [2]		Treasury shares [2]	Legal	Investments statutory	VAE [3]	ATA [4]				
DECEMBER 31, 2015 - Previously disclosed		**23,576,206**	**211,879**	**(141,751)**	**42,213**	**(903,571)**	**81,066**	–	**423,861**	**4,333,076**	**205,576**	**200,688**	–	**28,029,243**	**1,592,135**	**29,621,378**
Adjustments from prior periods		–	–	–	–	–	–	–	–	(1,254,965)	–	–	–	**(1,254,965)**	–	**(1,254,965)**
JANUARY 1, 2016 - Restated		23,576,206	211,879	(141,751)	42,213	(903,571)	81,066	–	423,861	3,078,111	205,576	200,688	–	**26,774,278**	1,592,135	**28,366,413**
Net income (loss)		–	–	–	–	–	–	–	–	–	–	–	(429,204)	**(429,204)**	286,240	**(142,964)**
Comprehensive income (loss)		–	–	–	–	–	–	–	–	–	(4,209)	(2,858,643)	–	**(2,862,852)**	(262,682)	**(3,125,534)**
Total comprehensive income (loss)		–	–	–	–	–	–	–	–	–	**(4,209)**	**(2,858,643)**	**(429,204)**	**(3,292,056)**	**23,558**	**(3,268,498)**
Purchase of treasury shares	21	–	–	–	–	(821,139)	–	–	–	–	–	–	–	**(821,139)**	–	**(821,139)**
Stock option exercise	21	–	–	–	3,311	–	–	–	–	–	–	–	–	**3,311**	–	**3,311**
Share-based compensation	21	–	–	–	67,663	–	–	–	–	–	–	–	–	**67,663**	4,014	**71,677**
Treasury shares used in stock option plan	21	–	–	13,878	(55,897)	58,769	–	–	–	(2,872)	–	–	–	**13,878**	–	**13,878**
Realization other reserves	21	–	–	–	–	–	(5,242)	–	–	–	–	–	5,242	**–**	–	**–**
Reversal of dividends		–	–	–	–	–	–	–	–	–	–	–	230	**230**	–	**230**
PPC share repurchase		–	–	(41,155)	–	–	–	–	–	–	–	–	–	**(41,155)**	(26,917)	**(68,072)**
PPC dividend to non-controlling interest	19	–	–	–	–	–	–	–	–	–	–	–	–	**–**	(570,140)	**(570,140)**
PPC capital contribution to subsidiary by non-controlling interest		–	–	–	–	–	–	–	–	–	–	–	–	**–**	25,786	**25,786**
Purchase of acquired business Scott		–	–	–	–	–	–	–	–	–	–	–	–	**–**	132,946	**132,946**
Others		–	–	(609)	–	–	–	–	–	–	–	–	–	**(609)**	–	**(609)**
SEPTEMBER 30, 2016		**23,576,206**	**211,879**	**(169,637)**	**57,290**	**(1,665,941)**	**75,824**	–	**423,861**	**3,075,239**	**201,367**	**(2,657,955)**	**(423,732)**	**22,704,401**	**1,181,382**	**23,885,783**
DECEMBER 31, 2016 - Restated		**23,576,206**	**211,879**	**(404,683)**	**74,421**	**(1,625,510)**	**73,516**	–	**442,661**	**3,205,901**	**197,069**	**(3,377,510)**	–	**22,373,950**	**1,143,302**	**23,517,252**
Net income		–	–	–	–	–	–	–	–	–	–	–	985,938	**985,938**	384,674	**1,370,612**
Comprehensive income (loss)		–	–	–	–	–	–	–	–	–	(8,938)	1,158,454	–	**1,149,516**	(20,783)	**1,128,733**
Total comprehensive income (loss)		–	–	–	–	–	–	–	–	–	**(8,938)**	**1,158,454**	**985,938**	**2,135,454**	**363,891**	**2,499,345**
Purchase of treasury shares	21	–	–	–	–	–	–	(255,938)	–	–	–	–	–	**(255,938)**	–	**(255,938)**
Cancellation of treasury shares	21	–	–	–	–	1,539,573	–	–	–	(1,539,573)	–	–	–	**–**	–	**–**
Share-based compensation	21	–	–	38,481	40,399	–	–	–	–	–	–	–	–	**78,881**	2,752	**81,632**
Treasury shares used in stock option plan	21	–	–	–	(40,971)	85,937	–	3,453	–	(48,419)	–	–	–	**–**	–	**–**
Realization other reserves	21	–	–	–	–	–	(6,205)	–	–	–	–	–	6,205	**–**	–	**–**
Reversal of dividends	19	–	–	–	–	–	–	–	–	–	–	–	486	**486**	–	**486**
PPC share repurchase		–	–	(33,611)	–	–	–	–	–	–	–	–	–	**(33,611)**	(27,575)	**(61,186)**
Scott dividend to non-controlling interest		–	–	–	–	–	–	–	–	–	–	–	–	**–**	(3,342)	**(3,342)**
Moy Park change in ownership interests without loss of control	12	–	–	(193,655)	–	–	–	–	–	–	–	–	–	**(193,655)**	193,655	**–**
Others		–	–	19,544	–	–	–	–	–	–	–	–	–	**19,544**	–	**19,544**
SEPTEMBER 30, 2017		**23,576,206**	**211,879**	**(573,924)**	**73,849**	–	**67,311**	**(252,485)**	**442,661**	**1,617,909**	**188,131**	**(2,219,056)**	**992,629**	**24,125,110**	**1,672,683**	**25,797,793**

[1] Refers to changes in the equity of investees arising from PPC's share repurchase and share-based compensation.
[2] The balance was transferred to profit reserves.
[3] Valuation adjustments to equity;
[4] Accumulated translation adjustments and exchange variation in subsidiaries.

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

JBS S.A.
Statements of cash flows for the nine month period ended September 30, 2017 and 2016
In thousands of Brazilian Reais - R$

		Company		Consolidated	
	Notes	2017	2016	2017	2016
			Restated		Restated
Cash flows from operating activities					
Net income (loss)		**985,938**	**(429,204)**	**1,370,612**	**(142,964)**
Adjustments for:					
Depreciation and amortization	**7, 12 and 13**	**581,759**	518,949	**3,317,385**	3,346,962
Allowance for doubtful accounts	**6**	**14,334**	7,279	**12,674**	20,688
Share of profit of equity-accounted investees	**12**	**(3,631,058)**	(1,156,590)	**(17,199)**	(13,958)
(Gain) loss on assets sales		**10,573**	(14,302)	**27,217**	(107,817)
Tax expense	**19**	**(683,721)**	(738,056)	**44,151**	(524,723)
Finance expense (income), net	**23**	**1,160,020**	3,189,213	**3,520,060**	5,371,544
Share-based compensation	**21**	**40,399**	67,663	**81,633**	85,555
Provisions	**20**	**134,673**	18,561	**213,528**	13,536
Impairment		**(53,200)**	-	**(36,875)**	-
Mercosul sale	**10**	**142,143**	-	**109,568**	-
Special tax regularization program (PERT)		**1,839,808**	-	**1,839,808**	-
Investigation impacts due to the leniency agreement	**2**	**34,551**	113,982	**34,551**	113,982
		576,219	**1,577,495**	**10,517,113**	**8,162,805**
Changes in assets and liabilities:					
Trade accounts receivable		**182,106**	(397,313)	**(555,539)**	152,318
Inventories		**(57,866)**	206,512	**(157,194)**	(298,592)
Recoverable taxes		**46,107**	(228,250)	**(151,675)**	(918,014)
Other current and non-current assets		**11,714**	(35,731)	**(238,053)**	(187,818)
Biological assets		-	-	**(598,715)**	(1,051,445)
Trade accounts payable		**(333,631)**	(724,808)	**(1,610,746)**	(1,441,952)
Tax payable in installments		**(78,660)**	(37,131)	**(45,958)**	(39,898)
Other current and non-current liabilities		**(81,615)**	(412,237)	**(493,315)**	(723,529)
Changes in operating assets and liabilities		**(311,845)**	**(1,628,958)**	**(3,851,195)**	**(4,508,930)**
Interest paid		**(1,053,168)**	(1,391,870)	**(2,797,958)**	(3,008,112)
Interest received	**23**	**399,065**	1,009,096	**351,359**	486,094
Income taxes paid		-	-	**(823,995)**	(1,470,420)
Net cash provided by (used in) operating activities		**(389,729)**	**(434,237)**	**3,395,324**	**(338,563)**
Cash flow from investing activities					
Purchases of property, plant and equipment	**13**	**(655,295)**	(312,481)	**(2,327,598)**	(2,602,656)
Purchases of intangible assets	**14**	**(10,081)**	-	**(15,211)**	(119,236)
Proceeds from sale of property, plant and equipment	**13**	**57,830**	38,941	**171,384**	205,126
Assets held for sale, net of cash		-	-	**(52,898)**	-
Additional investments in associates, joint-ventures and subsidiaries	**12**	**(17,115)**	-	-	-
Working capital adjustment of acquired company	**4**	-	-	-	30,165
Acquisitions, net of cash acquired	**4**	-	(496,354)	**(1,848,390)**	(482,538)
Dividends received from associates and joint-ventures	**12**	**88,014**	984,986	-	-
Related party transactions	**11**	**1,743,096**	(259,553)	**465,853**	520,610
Proceeds from sale of Mercosul operation		**964,336**	-	**964,336**	-
Proceeds from Moy Park transference to PPC		**931,187**	-	-	-
Other		**4**	(11,515)	**9,860**	5,754
Net cash provided by (used in) investing activities		**3,101,976**	**(55,976)**	**(2,632,664)**	**(2,442,775)**
Cash flow from financing activities					
Proceeds from loans and financings		**3,541,694**	10,346,401	**25,280,316**	22,574,774
Payments of loans and financings		**(6,851,144)**	(8,895,839)	**(20,880,335)**	(22,133,348)
Derivatives instruments received/settled	**26**	**14,863**	(6,067,921)	**94,782**	(5,966,978)
Dividends paid		**(93,354)**	(1,102,130)	**(93,354)**	(1,102,130)
Dividends paid to non-controlling interest		-	-	**(3,342)**	(570,140)
PPC share repurchase		-	-	**(61,186)**	-
Purchase of treasury shares	**21**	**(255,938)**	(821,139)	**(255,938)**	(821,139)
Others		-	3,311	**(9,501)**	3,311
Net cash provided by (used in) financing activities		**(3,643,879)**	**(6,537,317)**	**4,071,442**	**(8,015,650)**
Effect of exchange rate changes on cash and cash equivalents		**(4,818)**	**(37,199)**	**(92,470)**	**(739,772)**
Net change in cash and cash equivalents		**(936,450)**	(7,064,729)	**4,741,632**	(11,536,760)
Cash and cash equivalents beginning of period		**4,712,796**	11,257,943	**9,355,622**	18,843,988
Cash and cash equivalents at the end of period		**3,776,346**	**4,193,214**	**14,097,254**	**7,307,228**

Non-cash transactions:

	Notes	Company 2017	Company 2016	Consolidated 2017	Consolidated 2016
Increase in share capital in subsidiaries' through assumption of credit		–	–	–	–
Payments of loans through settlement of related parties		**113,475**	–	–	–
Dividends received through settlement of related parties		**(2,328,954)**	–	–	–
Moy Park loss of ownership	12	**126,985**	76,195	**(72,467)**	–
Assets addition through capital reduction in subsidiaries		**(72,467)**	–	–	–
Related parties compensation through deferred tax credits acquisition		**(2,936)**	–	**(307,249)**	–
PERT compensation of debts with tax credits		**(597,684)**	–	**1,539,573**	–
Compensation reversal of recoverable taxes with accrued payroll and social charges		**1,539,573**	–	–	–
Tax credit assignment with Flora		**841,262**	321,285	**25,108**	–
Treasury shares cancellation		**25,108**	–	–	–
Negative investment transference		**754,783**	–	**1,460,932**	–
Investments transference to assets held for sale		**1,312,564**	–	**1,659,460**	–
Promissory note from Moy Park transference		**1,659,460**	–	–	–
Deferred tax write off offsetting investments		**(193,655)**	–	–	–
Advance for acquisition of property, plant and equipment		–	–	**(224,842)**	–

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

JBS S.A.

Economic value added for the nine month period ended September 30, 2017 and 2016
In thousands of Brazilian Reais - R$

	Company		Consolidated	
	2017	2016	2017	2016
		Restated		Restated
Revenue				
Sales of goods and services	**17,646,092**	21,683,223	**121,928,411**	130,779,409
Other income	**(7,092)**	19,531	**75,383**	151,260
Allowance for doubtful accounts	**(14,334)**	(7,279)	**(12,674)**	(20,688)
	17,624,666	**21,695,475**	**121,991,120**	**130,909,981**
Goods				
Cost of services and goods sold	**(12,523,748)**	(13,554,012)	**(76,060,407)**	(84,830,132)
Materials, energy, services from third parties and others	**(2,374,996)**	(3,315,577)	**(18,790,706)**	(19,839,922)
Others	**-**	-	**-**	(22,343)
	(14,898,744)	**(16,869,589)**	**(94,851,113)**	**(104,692,397)**
Gross added value	**2,725,922**	**4,825,886**	**27,140,007**	**26,217,584**
Depreciation and Amortization	**(581,759)**	(518,949)	**(3,317,385)**	(3,346,962)
Net added value generated	**2,144,163**	**4,306,937**	**23,822,622**	**22,870,622**
Net added value by transfer				
Share of profit of equity-accounted investees, net of tax	**3,631,058**	1,156,590	**17,199**	13,958
Financial income	**2,073,301**	7,750,924	**1,938,888**	7,976,599
Others	**67,825**	(10,260)	**76,331**	20,371
NET ADDED VALUE TOTAL TO DISTRIBUTION	**7,916,347**	**13,204,191**	**25,855,040**	**30,881,550**
DISTRIBUTION OF ADDED VALUE				
Labor				
Salaries	**1,371,274**	1,927,378	**11,813,317**	12,626,076
Benefits	**176,190**	118,880	**2,118,723**	2,148,302
FGTS (Brazilian Labor Social Charge)	**88,570**	108,346	**195,588**	214,625
	1,636,034	**2,154,604**	**14,127,628**	**14,989,003**
Taxes and contribution				
Federal	**1,315,394**	(434,879)	**2,482,536**	228,923
State	**488,509**	889,725	**1,064,052**	1,415,763
Municipal	**13,056**	13,826	**22,517**	31,020
	1,816,959	**468,672**	**3,569,105**	**1,675,706**
Capital Remuneration from third parties				
Interests and exchange variation	**3,197,920**	10,834,491	**5,344,967**	13,180,320
Rents	**110,230**	88,450	**556,289**	547,484
Others	**169,266**	87,178	**886,439**	632,001
	3,477,416	**11,010,119**	**6,787,695**	**14,359,805**
Owned capital remuneration				
Net income (loss) attributable to company shareholders	**985,938**	(429,204)	**985,938**	(429,204)
Non-controlling interest	**-**	-	**384,674**	286,240
	985,938	**(429,204)**	**1,370,612**	**(142,964)**
ADDED VALUE TOTAL DISTRIBUTED	**7,916,347**	**13,204,191**	**25,855,040**	**30,881,550**

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

1 Operating activities

JBS S.A ("JBS" or the "Company"), is a company listed on the "Novo Mercado" segment of the São Paulo Stock Exchange (B3 - *Bolsa de Valores, Mercadorias & Futuros*) under the ticker symbol "JBSS3". JBS also trades it's American Depository Receipts over-the-counter under the symbol "JBSAY". The Company's registered office is Avenida Marginal Direita do Tietê, 500, Vila Jaguara, São Paulo, Brazil.

The issuance of these interim condensed consolidated financial statements was authorized by the Board of Directors in March 28th, 2018.

The Company and its subsidiaries ("Company" or "Consolidated") is the world's largest company in processing animal protein as measured by total revenue.

The interim condensed financial statements presented herein include the Company's individual operations in Brazil as well as the activities of its subsidiaries.

a. Main operating events that occurred during the period:

a1. Adherence to the Special Tax Regularization Program (PERT)

The Company, as announced to the market in November 7, 2017, based on the Provisional Measure nº 783 dated May 31, 2017, converted into Law 13,496 of October 24, 2017, regulated by the Normative Ruling nº 1,711 of the Brazilian Federal Revenue ("RFB") from June 16 2017 and n° 1733 of August 31 2017, and by the Ordinance nº 690 from the Attorney General of the National Treasury ("PGFN") of June 29 2017, it has adhered to the Special Tax Regularization Program ("PERT") regarding tax liabilities related to PIS, COFINS and Income Tax/Social Contribution, registered or not registered in the Federal Debt Roster.

The nominal value of the debit included in PERT totals approximately R$4.2 billion, including reductions foreseen in the respective Provisional Measures, of which (i) 20% of the total gross amount will be paid in monthly installments until December 2017, totaling R$1.1 billion; (ii) amounts related to the RFB, totaling R$1.6 billion, will be paid using tax credits from the Company and other companies within the same economic group, which generated discount of R$76 million; and (iii) amounts related to PGFN, totaling R$1.5 billion, will be settled in 145 consecutive monthly installments, starting January 2018. Installment amounts include an 80% reduction in default interest, 50% in default fines and 100% in legal charges and will be adjusted by the SELIC rate.

Considering the net effect between the debits included on PERT, including the reductions and the provisions already established, the Company recorded a negative impact in the net income for the third quarter of R$2.3 billion, in which i) R$1.8 billion as expenses recognized under the caption "Administrative expenses"; ii) R$0.9 billion as expenses in the financial result; and, iii) R$435 million as deferred tax revenue for the constitution of unrecorded tax losses from prior period.

The effects related to PERT were recognized in the nine month period ended on September 30, 2017, since the definition of adhesion and debits to be included had already been taken at that time, and the amounts were already known and measured reliably, Management at September 30, 2017 was only waiting for the conversion of the Provisional Measure into Law, which occurred on October 24, 2017. PERT was recorded and segregated between administrative expenses (principal and fines) and financial result (interest), since these tax discussions were related to prior years and there is no benefit to readers in evaluate its recognition segregate in other lines in the statements of income.

a2. Agreements for the Preservation of Credit Lines

As announced to the market in July 25, 2017, the Company together with its Brazilian operating subsidiaries and global leather division ("JBS Brazil"), entered in an Agreements for the Preservation of Credit Lines (the "Agreements") with certain financial institutions in Brazil and abroad.

During the stabilization period, JBS Brazil will pay in full the interest incurred under the terms of the original contracts, as well as four installments of 2.5% of the principal amount of the indebtedness in question, with the first one to take place upon initiation of the agreement and the remaining in 90, 180 and 270 days, respectively. Simultaneously with negotiations with various creditor financial institutions with respect to the stabilization period, JBS Brazil has also entered into an agreement with the Itaú Unibanco Group that provides for the renegotiation of indebtedness in the approximate amount of R$1.2 billion, such that 40% of the total indebtedness will be paid as originally contracted and the remaining 60% will be renewed, under their original conditions, for 12 months from the originally stipulated maturities.

In the Agreements, JBS Brazil entered into the following agreements to as security to the Stabilization Agreement: i. Private Instrument for the Fiduciary Assignment of Credit Rights in Guarantee and Other Covenants, for fiduciary assignment of all credit rights derived from internal market operations; ii. Private Instrument for Fiduciary Transfer of Inventory and Biological Asset in Guarantee and Other Covenants, for fiduciary transfer of all inventories and biological assets; and (c) security agreements governed by the laws of the State of New York, the Netherlands, the Cayman Islands, Germany and the United Kingdom to provide security for receivables arising from foreign market transactions, and inventories and biological assets located in those jurisdictions, as applicable.

The Company amortized the first, second and third installments of 2.5% of the principal amount of the debts as set in the Agreements, and other payments of interest incurred under the original agreements. Extraordinarily, it made the settlement of debts when received the funds from the divestment plan.

In the year ended September 30, 2017, the Company's quick ratio was 3,42 x the EBITDA, meeting the Agreements requirements.

b. Subsequent event:

b1. Divestment program

As announced to he market through a material fact in June 20, 2017, the Company implemented a divestment program, which consisted in the sale of assets to further strengthen the Company's financial position.

In July 14, 2017, the Company through its indirect subsidiary, JBS Food Canada Inc. (JBS Canada), entered in an agreement to sell its cattle hotelling operations and an adjacent farm, located in Brooks (Alberta), Canada, to MCF Holdings (MCF) for the amount of CAD 50,000 (approximately US$40,000). Under terms of the agreement, MCF will continue to supply cattle to the JBS Canada beef processing facility in Brooks. The transaction was completed in October 30, 2017.

In July 31, 2017 the Company, as part of the divestment program, the Company sold its subsidiaries with beef operations in Uruguay, Paraguay and Argentina, to the Minerva Group for the amount of US$300,000 (R$992,460), plus a working capital adjustment of approximately US$23,000 (R$71,000). The transaction was concluded in August 2017, and resulted in a loss of R$109,568, which R$452,297 refer to Other comprehensive income (exchange variation loss). The Company recognized this amount under the caption "Other operating expenses".

In August 3, 2017, the Company entered in a agreement to sell the totality of its 19.43% shareholding interest in Vigor Alimentos S.A. ("Vigor") to Lala Group, S.A.B. de C.V. ("LALA Group"), for approximately R$1.1 billion (enterprise value). In October 26, 2017, the Company concluded Vigor's sale and received approximately R$785,858 during the year ended in December 31, 2017, and will receive, starting in 2018, the amount of R$62,009, according to certain events established in the sale and purchase agreement. The amount yet to receive is recognized under the caption "other non-current assets". The transaction generated a gain in the amount of R$330,520 and it was recognized under the caption "Other operating income" in the Company.

In September 11, 2017, the Company entered in an agreement to sell the totality of its equity interest in Moy Park to the subsidiary Pilgrim's Pride Corporation ("PPC"), a indirect subsidiary, by approximately GBP 792,500 (R$3.3 billion). The transaction was unanimously approved by a Special Committee of PPC's Board of Directors.This transaction was recognized as a "Common control transaction", which impacts are aforementioned as reference [(3)].

In January 17, 2018, JBS USA entered into an agreement to sell the totality of Five Rivers Cattle Feeding's feedlot operations in the U.S. ("Five Rivers U.S.") to affiliates of Pinnacle Asset Management, L.P. ("Pinnacle-Arcadia"), for approximately US$200.000, including the market value of silage and grain inventories at closing, and subject to adjustments by working capital variation also at closing ("Transaction"). Coupled with the acquisition of Five Rivers U.S.'s shares, the buyer will sign a long-term contract to supply cattle to JBS in North America. As announced to the market as a Material Fact in March 16, 2018, the sale was concluded.

JBS USA has also committed to sell other assets such as industrial complexes in Alabama - USA, Dublin - Ireland, which don't fit anymore in JBS USA's operations.

b2. Senior unsecured notes offering

In February 15, 2018, the subsidiary JBS USA closed its offering of US$900 million aggregate principal amount of 6.75% senior notes due 2028. The proceeds from this offering will be used for general corporate purposes.

b3. Agreements for the Preservation of Credit Lines

In February 15, 2018, the subsidiary JBS USA closed its offering of US$900 million aggregate principal amount of 6.75% senior notes due 2028. The proceeds from this offering will be used for general corporate purposes.

2 Plea bargain agreement, Leniency agreement and the impacts in the financial statements

As is public knowledge, in May 2017 certain executives and former executives of J&F Investimentos S.A. ("J&F"), the holder of a group of companies that belong to the "J&F Group," took over certain obligations in the Plea Bargain Agreement with the District Attorney General's Office ("PGR"), focusing on meeting the public interest, specially the further development of investigations around illegal events.

In June 2017, J&F entered in a Leniency Agreement ("Agreement") with the Federal Public Prosecutor's Office ("MPF") which was approved by the MPF's 5ª Chamber in August 24, 2017.

In the Agreement, J&F commits on behalf of itself and its subsidiaries to cooperate voluntarily with the Government, carry out internal investigations, and provide proof to ensure the materiality and origin of the actions committed and confessed. J&F has also agreed to reimburse damages and losses from the events related to the Plea bargain Agreement in the amount of R$10,3 billion over the next 25 years. The first R$50.000 will be paid in 5 installments due every six months, beginning in December 2017, with an additional 22 annual installments beginning in December 2020. The Company and its Brazilian subsidiaries entered the Agreement in September 6, 2017.

As a result of its adherence to the Leniency Agreement mentioned above between J&F and MPF in the scope of the national territory (Brazil) for maintaining market transactions and having investments in companies based in other countries, it is only maintaining contact and providing information to the United States Department of Justice (DoJ) regarding the progress of independent investigations being conducted in JBS USA and its relevant subsidiaries. Regarding the other foreign authorities in other countries, the Company and its subsidiaries do not maintain any negotiations. According to JBS USA's financial statements ended December 31, 2017, which are reviewed by independent auditors and which have an audit report dated February 19, 2017 updated with subsequent events until the date of the issuance of this financial statement, there is no mention of other facts or events about the ongoing independent investigations held besides those already described above.

The Company and its subsidiaries are in compliance with the Agreement's guidelines and are implementing a compliance program, consisting of internal policies and procedures related to anticorruption, as well the improvement of the ethical code, implementation of a complaints channel, training staff, investigative procedures, and other disciplinary measures. Such actions and the timeline thereof are aligned with the Agreements. Further information of Governance Measures and the Compliance Program will be described below:

2.1 Internal investigations

Conducting an internal investigation related to the facts presented in the plea bargain agreement involving the Company is one of the obligations set in the Agreement. Therefore, J&F hired for the Company and its subsidiaries an independent law firm and forensic specialists ("Legal Advisors"), which during the third quarter of 2017, initiated an independent internal investigation related to the events described above.

Also, according to one of the obligations imposed by the Agreement, an Independent Supervision Committee ("Committee") was created and one its main responsibility was to approve the hiring of the Legal Advisors, who report directly to the Committee, including the scope and plans of the work done.

The independent Internal investigations follow international best practices and are still in progress, but based on the finalized steps, the Company's Management has concluded the impacts on its financial statements, as presented below.

2.2 Accounting impacts

In the annual financial statements as of December 31, 2016 and in the interim financial statements as of March 31, 2017, except by the executives and directors who entered in the plea bargain agreement, the other members of the Company's Management were not aware of the plea bargain agreement and the possible effects on the disclosed financial statements; therefore, there is no mention of the facts in previous financial statements.

The Company's Management identified that certain payments made using funds from JBS, were recognized as expenses in the income statement of each period; and that, except the official donations, were considered as deductible in the income tax (IRPJ) calculation basis and were taxes at zero rate of withholding income taxes (IRRF).

Therefore, the Company's Management determined that all the expenses paid without any evidence of service provided, supplies purchase and donations to political parties should be excluded in the income tax calculation of each period which were considered as deductible, as well any other taxes that such payments are subject to. For these items, withholding income tax effect were also considered, including fines and interest incurred at that period.

As a result from the internal assessments, the Company adjusted the years ended 2012 to 2017 in the amount of R$1,496,960, being segregated i) R$246,137 referring to 2012; ii) R$27,330 referring to 2013; iii) R$775,279 referring to 2014; iv) R$268,107 referring to 2015; v) R$145,555 referring to 2016; vi) R$34,552 referring to 2017, recognized under the caption "Provisions - Tax and social security", as described in footnote 20.

Thus, the financial statements from 2016, as well as the financial statements from the first, second and third quarter of 2017, are being restated due to the relevance of such impacts as described in footnote 3, item c.

2.3 Other investigative and judicial related procedures

The investigative and judicial procedures related to J&F's plea bargain agreement involving the Company, its executives and its subsidiaries are described in footnote 17 - Provisions.

2.4 Governance Measures

The Company continues to develop its program to improve governance policies. Among them, we point out certain measures implemented during the last quarter:

The Board of Directors approved the new structure and composition of the Advisory Committees, minding the Board of Directors composition and the Company's current scenario. The structure approved by the Board of Directors (a) extinguished the Executive Committee; and (b) kept the composition of the other Committees, as follows:

(i) the Audit Committee is composed of Sérgio Roberto Waldrich (Chairman), Paulo Sérgio Dortas and Gilberto Meirelles Xandó Batista, with Marlos Franco de Oliveira as secretary;
(ii) the Sustainability Committee is composed of Norberto Fatio (Chairman), Renato Mauro de Menezes Costa, Renata Bezerra Cavalcanti, Gilberto Tomazoni and Joanita Maestri Karoleski, with Márcio Nappo as secretary;
(iii) the Financial and Risk Management Committee is composed of Wesley Mendonça Batista Filho (Chairman) and Gilberto Meirelles Xandó Batista, and one of the members will be appointed by BNDESPAR according to the Shareholders Agreement, with Rafael Harada as secretary;
(iv) the Governance Committee is composed of Jeremiah O'Callaghan (Chairman) and Verônica Peixoto Coelho, with José Marcelo Martins Proença as secretary; and
(v) the Related Party Committee is composed of Sérgio Roberto Waldrich (Chairman), Paulo Sérgio Dortas and José Gerardo Grossi, with Daniel Pereira de Almeida Araujo as secretary.

Besides all the actions aforementioned, the Board of Directors approved all internal regulations of all Advisory Committees.

The Board of Directors kept the current composition: Jeremiah O'Callaghan (Chairman), José Batista Sobrinho (Vice-Chairman), Wesley Mendonça Batista Filho, Aguinaldo Gomes Ramos Filho, Gilberto Meirelles Xandó Baptista, José Gerardo Grossi, Sérgio Roberto Waldrich, Cledorvino Belini and Roberto Penteado de Camargo Ticoulat, maintaining four independent members, accordingly to the Novo Mercado regulations as defined per art. 16, §3º, of the Bylaws.

2.5 Compliance Program

The Company, following the "Always Do the Right Thing" program launched in July 2017, has developed several Compliance initiatives during the year. The department restructured itself, hired new staff, and now reports directly to the Board of Directors.

In the end of September, all directors in Brazil completed training which contained subjects such as anticorruption, money laundering prevention, anticompetitive practices, conflict of interests, and others. At management level, 300 managers from productive units were trained on the same topics.

Besides the actions aforementioned, third party Due Diligence (reputation analysis), was improved and more than 150 suppliers were subjected to compliance analysis before being registered in the Company's systems. Currently, there is a project ongoing with an advisory firm to review this methodology and automate this analysis, aiming to include a larger group of suppliers that will go through this process.

In December 2017, a complaints channel was launched, named "JBS Ethics Line". The tool was outsourced and works 24 hours per day, 7 days a week, in Portuguese, English and Spanish. Along with the tool's launch, new Ethics Committees were created in each business segment in Brazil, which are responsible for monitoring the compliance program and the results reported by the complaints channel.

3 Basis of preparation

The interim condensed financial statements (consolidated and individual) have been prepared in accordance with IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). The information does not meet all disclosure requirements for the presentation of full annual financial statements and thus should be read in conjunction with the consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") for the year ended December 31, 2016. To avoid duplication of disclosures which are included in the annual financial statements, the following notes were not subject to full filling:

i. Operating activities (Note 1)
ii. Business combination (Note 3)
iii. Property, plant and equipment (Note 11)
iv. Intangible assets (Note 12)
v. Goodwill (Note 13)
vi. Trade accounts payable (Note 14)
vii. Loans and financing (Note 15)
viii. Operating and finance leases (Note 16)
ix. Dividends payable (Note 19)
x. Other financial liabilities (Note 20)
xi. Expense by nature (Note 28)
xii. Risk management and financial instruments (Note 30)

a. Changes in the format of financial statements

The Company's financial statements are presented in accordance with the technical guidance OCPC 07, which addresses the basic requirements for elaboration and disclosure that should be observed when disclosing the financial accounting reports, especially those contained in the accompanying notes. In summary, it suggests a disclosure in light of the relevance of the information, considering qualitative, quantitative characteristics and risks for the entity.

The presentation of our financial condition and results of operation requires that certain judgments and estimates be made regarding the effects of matters that are inherently uncertain and that impact the carrying value of assets and liabilities. Significant assets and liabilities that are subject to these estimates include the useful life of the property, plant and equipment, estimated fair value and value in-use of long-lived assets, allowance for doubtful accounts, inventories, deferred income taxes, provisions for tax, civil, and labor liabilities, determining the fair value of financial instruments (assets and liabilities) and other similar estimates. The settlement of a transaction involving these estimates may result in values that are different from those estimated. Certain of our accounting policies require higher degrees of judgment than others in their application. Actual results may differ from those estimated depending upon the variables, assumptions or conditions used by management.

There were no significant changes in the accounting policies, judgments and estimates of the interim condensed consolidated financial statements for the nine month period ended September 30, 2017, as well as in the calculation methods used in relation to those presented in the financial statements for the year ended December 31, 2016.

b. Functional and representation currency

These interim condensed consolidated and individual financial statements are presented in Brazilian Reais (R$), which is the Company's presentation and functional currency. All financial information is presented in thousands of Reais, except when otherwise indicated.

(Expressed in thousands of Brazilian reais)

c. Restatement of previously issued financial statements:

The Company is restating the current period as well comparative information, due to the events occurred and described in footnote 2, in accordance with CPC 23/IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The following adjustments were made in the financial statements:

Company

LIABILITIES AND EQUITY	Previously disclosed		Adjustments		Restated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
LIABILITIES - NON-CURRENT	**15,592,310**	**16,337,209**	**1,466,619**	**1,397,375**	**17,058,929**	**17,734,584**
Deferred income taxes	1,281,566	1,935,493	**(30,339)**	**(65,032)**	1,251,227	1,870,461
Provisions	357,079	222,407	**1,496,958**	**1,462,407**	1,854,037	1,684,814
EQUITY						
Profit reserve	3,205,460	5,045,937	**(1,397,375)**	**(1,397,375)**	1,808,085	3,648,562
TOTAL LIABILITIES AND EQUITY	**55,032,515**	**55,800,213**	-	-	**55,032,515**	**55,800,213**

INCOME STATEMENT	Previously disclosed		Adjustments		Ref	Restated	
	For the nine month period ended September 30,		For the nine month period ended September 30,			For the nine month period ended September 30,	
	2017	2016	2017	2016		2017	2016
General and administrative expenses	(3,426,465)	(1,303,217)	*(34,551)*	*(113,982)*	*(a)*	**(3,461,016)**	**(1,417,199)**
Deferred income taxes	716,225	630,161	*(34,693)*	*2,659*	*(b)*	**681,532**	**632,820**

INCOME STATEMENT	Previously disclosed		Adjustments		Ref	Restated	
	For the three month period ended September 30		For the three month period ended September 30			For the three month period ended September 30	
	2017	2016	2017	2016		2017	2016
General and administrative expenses	(2,377,630)	(452,017)	-	*(25,382)*	*(a)*	**(2,377,630)**	**(477,399)**
Deferred income taxes	423,007	99,191	-	*497*	*(b)*	**423,007**	**99,688**

CASH FLOW	Previously disclosed		Adjustments		Ref	Restated	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016		September 30, 2017	September 30, 2016
Net income	1,055,181	(317,881)	*(69,244)*	*(111,323)*	*(c)*	**985,937**	**(429,204)**
Tax expenses	(718,414)	(735,397)	*34,693*	*(2,659)*	*(b)*	**(683,721)**	**(738,056)**
Investigation impacts due to the leniency agreement	-	-	*34,551*	*113,982*	*(a)*	**34,551**	**113,982**
Net cash provided by operating activities	**(389,732)**	**(434,237)**	-	-		**(389,732)**	**(434,237)**

ECONOMIC VALUE ADDED STATEMENT	Previously disclosed		Adjustments		Ref	Restated	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016		September 30, 2017	September 30, 2016
Federals	1,246,150	(546,202)	*69,244*	*111,323*	*(c)*	**1,315,394**	**(434,879)**
Net income (loss) attributable to company shareholders	1,055,182	(317,881)	*(69,244)*	*(111,323)*	*(c)*	**985,938**	**(429,204)**
ADDED VALUE TOTAL DISTRIBUTED	**7,916,347**	**13,204,191**	-	-		**7,916,347**	**13,204,191**

Consolidated

LIABILITIES AND EQUITY	Previously disclosed		Adjustments		Restated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
LIABILITIES - NON-CURRENT	***50,988,014***	***44,552,512***	***1,466,619***	***1,397,375***	***52,454,633***	***45,949,887***
Deferred income taxes	3,405,686	3,828,080	***(30,340)***	***(65,033)***	3,375,346	3,763,047
Provisions	1,399,966	1,245,239	***1,496,959***	***1,462,408***	2,896,925	2,707,647
EQUITY						
Profit reserve	3,205,460	5,045,937	***(1,397,375)***	***(1,397,375)***	1,808,085	3,648,562
TOTAL LIABILITIES AND EQUITY	**109,901,398**	**102,815,763**	-	-	**109,901,398**	**102,815,763**

(Expressed in thousands of Brazilian reais)

INCOME STATEMENT	Previously disclosed		Adjustments		Ref	Restated	
	For the nine month period ended September 30,		For the nine month period ended September 30,			For the nine month period ended September 30,	
	2017	2016	2017	2016		2017	2016
General and administrative expenses	(5,935,366)	(3,331,447)	*(34,551)*	*(113,982)*	*(a)*	**(5,969,917)**	**(3,445,429)**
Deferred income taxes	1,500,357	1,102,310	*(34,693)*	*2,659*	*(b)*	**1,465,664**	**1,104,969**

INCOME STATEMENT	Previously disclosed		Adjustments		Ref	Restated	
	For the three month period ended September 30		For the three month period ended September 30			For the three month period ended September 30	
	2017	2016	2017	2016		2017	2016
General and administrative expenses	(3,320,952)	(1,069,363)	–	*(25,382)*	*(a)*	**(3,320,952)**	**(1,094,745)**
Deferred income taxes	972,098	365,498	–	*497*	*(b)*	**972,098**	**365,995**

CASH FLOW	Previously disclosed		Adjustments		Ref	Restated	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016		September 30, 2017	September 30, 2016
Net income	1,439,856	(31,641)	*(69,244)*	*(111,323)*	*(c)*	**1,370,612**	**(142,964)**
Tax expenses	9,458	(522,064)	*34,693*	*(2,659)*	*(b)*	**44,151**	**(524,723)**
Investigation impacts due to the leniency agreement	–	–	*34,551*	*113,982*	*(a)*	**34,551**	**113,982**
Net cash provided by operating activities	**3,395,324**	**(338,563)**	–	–		**3,395,324**	**(338,563)**

ECONOMIC VALUE ADDED STATEMENT	Previously disclosed		Adjustments		Ref	Restated	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016		September 30, 2017	September 30, 2016
Federals	2,413,292	117,600	*69,244*	*111,323*	*(c)*	**2,482,536**	**228,923**
Net income (loss) attributable to company shareholders	1,055,182	(317,881)	*(69,244)*	*(111,323)*	*(c)*	**985,938**	**(429,204)**
ADDED VALUE TOTAL DISTRIBUTED	**25,855,040**	**30,881,550**	–	–		**25,855,040**	**30,881,550**

(a) Income tax and withholding income tax accruals, calculated based on expenses paid without service rendering, plus interest and fines from the effective date of payment of such expenses.

(b) Refers to the temporary differences arising from the accounting impacts aforementioned in item (a(

(c) Refers to the offset entry of the adjustments aforementioned in items (a) and (b).

Based on the guidance of the Company's legal advisors, the income tax and withholding tax accruals are recognized under the caption "Provisions - Tax and social security" as a contingency provision, classified as a probable loss.

4 Business Combination

In January, 2017, the Company's indirect subsidiary PPC, acquired 100% of the membership interest of JFC, LLC and its subsidiaries (together, “GNP”) for a cash purchase of R$1.1 billion (US$357 million), subject to customary working capital adjustments. GNP is a vertically integrated poultry business based in the state of Minnesota, United States of America. The acquired business has a production capacity of 2.1 million birds per five-day work week in its three plants and further strengthens the Company’s strategic position in the U.S chicken market.The goodwill generated in this business acquisition is eligible to be deducted for tax purposes in the United States of America.

In March, 2017, the Company’s indirect subsidiary, JBS USA Lux S.A entered into an agreement to acquire Plumrose USA (“Plumrose”) from Danish Crown A/S for a cash purchase price of R$731 million (US$230 million) subject to customary working capital adjustments. Plumrose is a US-based bacon, ham and deli meat business that provides branded, cooked and prepared foods. Plumrose operates five prepared foods facilities and two distribution centers offering branded, prepared foods directly to consumers. The acquisition expands the Company’s presence in the prepared foods and branded product categories and it was closed in May 1, 2017. The goodwill generated in this business acquisition is not eligible to be deducted for tax purposes in the United States of America.

(Expressed in thousands of Brazilian reais)

The assets acquired and liabilities assumed in the significant business combinations noted above were measured at their fair values as set forth below:

FAIR VALUE	Plumrose	GNP
Cash and cash equivalents	22	31
Trade accounts receivable	88,081	57,703
Inventories	143,848	96,906
Biological assets	-	79,643
Other assets	451	13,268
Property, plant and equipment	428,291	450,720
Intangible assets	147,126	410,012
ASSETS	**807,819**	**1,108,283**
Trade accounts payable	91,023	80,186
Other liabilities	15,381	42,102
Deferred income taxes	100,695	-
LIABILITIES	**207,099**	**122,288**
Net assets and liabilities	**600,720**	**985,995**
Acquisition price [(1)]	731,263	1,117,127
Goodwill	**130,543**	**131,132**

[(1)] The GNP and Plumrose acquisition prices include a R$7.9 million (US$2.5 million) and R$8.9 million (US$2.7 million) adjustment, respectively, referred to receivable from the seller for additional working capital adjustments.

The individual net revenue and net income from the acquisition date through each period end for all business combinations are presented below:

	2017	
Company	**Net revenue**	**Net income (loss)**
GNP	1,021,215	78,342
Plumrose	659,153	13,778

5 Cash and cash equivalents

	Company		Consolidated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Cash on hand and at banks	**2,677,423**	2,024,404	**9,375,651**	5,608,922
CDB (bank certificates of deposit) and National Tresury Bill (Tesouro Selic)	**1,098,923**	2,688,392	**4,721,603**	3,746,700
	3,776,346	**4,712,796**	**14,097,254**	**9,355,622**

6 Trade accounts receivable

	Company		Consolidated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Current receivables	**1,987,642**	**2,438,141**	**7,867,543**	**8,415,098**
Overdue receivables:				
From 1 to 30 days	**183,796**	167,629	**1,013,439**	791,597
From 31 to 60 days	**155,521**	179,443	**352,240**	270,548
From 61 to 90 days	**17,053**	31,686	**89,130**	97,132
Above 90 days	**93,892**	75,693	**323,718**	267,754
Allowance for doubtful accounts	**(119,859)**	(119,859)	**(250,619)**	(238,084)
Present value adjustment	**(3,026)**	(5,078)	**(3,840)**	(14,860)
	327,377	**329,514**	**1,524,068**	**1,174,087**
	2,315,019	**2,767,655**	**9,391,611**	**9,589,185**

(Expressed in thousands of Brazilian reais)

7 Inventories

	Company		Consolidated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Finished products	**1,037,922**	953,077	**6,106,421**	5,741,792
Work in process	**406,046**	379,173	**892,271**	810,131
Raw materials	**140,038**	166,132	**1,172,386**	1,376,927
Warehouse spare parts	**147,362**	175,119	**1,456,298**	1,679,624
	1,731,368	**1,673,501**	**9,627,376**	**9,608,474**

8 Biological assets

	Consolidated	
Changes in biological assets:	Current	Non-current
Balance at December 31, 2016	**2,673,113**	**977,040**
Increase by reproduction (born) and cost to reach maturity	15,834,974	1,175,127
Reduction for slaughter, sale or consumption	(18,574,220)	(118,957)
Increase by purchase	1,971,499	359,210
Decrease by death	(5,533)	(15,986)
Fair value adjustments, net	(27,400)	-
Changes from non-current to current	576,870	(576,870)
Exchange rate variation	(7,956)	(4,790)
Amortization	-	(862,074)
Effect from acquired companies	46,322	33,321
Balance at September 30, 2017	**2,487,669**	**966,021**

9 Recoverable taxes

	Company		Consolidated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Value-added tax on sales and services - ICMS/IVA/VAT/GST	**968,768**	1,020,792	**2,455,866**	2,462,189
Excise tax - IPI	**11,436**	36,883	**88,871**	113,981
Social contribution on billings - PIS and COFINS	**2,865,948**	1,193,325	**3,720,503**	1,972,962
Withholding income tax - IRRF/IRPJ	**1,304,969**	1,363,354	**1,639,774**	1,722,394
Reintegra	**38,779**	15,557	**69,620**	50,535
Other	**17,375**	17,601	**36,376**	74,265
	5,207,275	**3,647,512**	**8,011,010**	**6,396,326**
Current	**62,685**	698,885	**950,761**	1,677,791
Non-current	**5,144,590**	2,948,627	**7,060,249**	4,718,535
	5,207,275	**3,647,512**	**8,011,010**	**6,396,326**

Taxes payable in installments: As described in note 1, in order of PERT's adherence the INSS compensation with the approved balance of PIS and COFINS, was reversed so that the INSS balance was included in PERT. This was recognized under the caption Recoverable taxes - PIS and COFINS in the amount of R$1,659,460.

Federal and State taxes, may be reimbursed or transfered to be used as a credit for payment of different tax debts through administrative procedures or judicial measures.

10 Assets held for sale

An operation is classified as an asset held for sale when the following criteria is met: i) the asset must be available for immediate sale in its current condition; ii) the asset sale must be highly probable to happen; and iii) the appropriate management level must be committed to the plan of assets sale. These assets are measured by the lower amount between the book value and the fair value less selling expenses.

(Expressed in thousands of Brazilian reais)

The breakdown per company of the assets held for sale balance is demonstrated below:

	Vigor	Five Rivers and JBS Canada assets	Total
Trade accounts receivable	–	9,225	**9,225**
Inventories	–	211,078	**211,078**
Property, plant and equipment	–	468,367	**468,367**
Other current and noncurrent assets	307,249	222,605	**529,854**
Total of assets	**307,249**	**911,275**	**1,218,524**
Equity	**307,249**	**911,275**	**1,218,524**

Assets held for sale in the Company refers to the sum of the equity (cost is lower than the market value) of direct investments. In the Company it refers to Vigor, and in the Consolidated, Five Rivers and JBS Canada are also included with Vigor.

For additional information purposes, the Company and its subsidiaries have accumulated other comprehensive income (basically, exchange variation on investments) recognized in equity related to assets held for sale. As soon as the control is ceased in these investments, by the Company or the same economic Group, the other comprehensive income will be part of gain/loss calculation when writing off the investments, and are recognized in the income statement of the period.

	Vigor
Accumulated other comprehensive income (loss) related to assets held for sale (expense)	(210,099)

Argentina, Paraguay and Uruguay beef operations.

The Company directly and through its subsidiary JBS Handels GmbH, entered in an agreement to sell its shareholding interest of JBS Argentina S.A. (JBS Argentina), JBS Paraguay S.A. (JBS Paraguay) and Frigorífico Canelones S.A. (Canelones), in the amount of US$300 million (R$893,336), plus a working capital adjustment of approximately US$23 million (R$71 million). The transaction was concluded in August 2017, and resulted in a loss of R$109,568, which R$419,163 refer to Other comprehensive income (exchange variation loss). The Company recognized this amount under the caption "Other operating expenses".

Vigor Alimentos S.A.

The Company's management has committed to sell its shareholding interest of 19.43% in Vigor Alimentos S.A. (Vigor). The income (loss) from this transaction is under the caption "Other segments".

In August 2017, the Company entered in an agreement to divest the totality of its shareholding interest to Grupo Lala, S.A.B. de C.V. (“Grupo LALA”), for approximately R$1.1 billion (enterprise value). The transaction was approved by the JBS's Board of Directors and is subject to the usual regulatory approvals and further adjustments.

Subsequent event: In October 26, 2017, the Company concluded Vigor's sale and received approximately R$786 million (equity value). JBS intends to use a portion of the proceeds from this transaction to further reduce debt in connection with its Stabilization Agreement.

Five Rivers Cattle feeding (Five Rivers) and JBS Canada assets sale.

The Company through its subsidiary JBS USA Holding Lux, committed to a plan to sell assets from Five Rivers, which include inventories, property, plant and equipment and water rights. Since Five Rivers assets have goodwill allocated, this goodwill has been reallocated as part of assets held for sale. The conclusion of this operation is expected within the next twelve months.

The Company through its subsidiary JBS Canadá, also entered in an agreement to sell its cattle hotelling assets and a adjacent farm, located in Brooks (Alberta), Canada in the amount of 50 million Canadian dollars (R$127,425), which was concluded in October 2017.

Both operations are part of the Company's beef segment.

The Company recognized a loss of R$11,107 million under the caption "Other expenses", related to these assets.

Moy Park

The Company has entered in an agreement to sell the totality of its equity interest in Moy Park, to its indirect subsidiary Pilgrim’s Pride Corporation (“PPC”) by approximately GBP792.5 million (R$3.3 billion) (see note 12 - Investments in associates, subsidiaries and joint ventures). The transaction was unanimously approved by a Special Committee of PPC’s Board of Directors. JBS will use the proceeds from the transaction to reduce short-term debt in Brazil, improving its debt profile and liquidity.

(Expressed in thousands of Brazilian reais)

11 Related parties transactions

The disclosure of significant related parties transactions is in accordance with the criteria established by the Management of presenting individually transactions amounts equal or higher than 2% of the total of these transactions (Sale of products, purchases, accounts receivable and accounts payable). This analysis is performed for each related party. If any related party has not meet this criteria in the past and in the current period they do, the comparative balance will be disclosed.

The following table includes balances and net effect on income of intercompany financing transactions between the Company and its subsidiaries:

				Statement of financial position accounts		Effect on net income	
COMPANY	**Currency**	**Maturity**	**Costs transfer (administrative and funding)**	**September 30, 2017**	**December 31, 2016**	**2017**	**2016**
Direct subsidiaries							
Seara Alimentos [(2)]	R$	01/01/2018	Corresponds to CDI + 1% p.m.	**1,479,926**	3,120,338	**210,903**	341,200
JBS Embalagens Metálicas [(2)]	R$	01/01/2018	Corresponds to CDI + 1% p.m.	**135,780**	145,109	**21,611**	20,593
Brazservice [(2)]	R$	01/01/2018	Corresponds to CDI + 1% p.m.	**84,633**	79,883	**12,338**	7,010
Conceria Priante [(1)]	EUR	07/20/2018	8.375% p.y.	**45,293**	-	**377**	-
Midtown Participações [(1) (2)]	R$	-	-	**2,092**	-	**-**	-
Enersea [(2)]	R$	01/01/2018	Corresponds to CDI + 1% p.m.	**524**	-	**(830)**	362
Tannery	R$	09/01/2016	Corresponds to CDI + 1% p.m.	**-**	-	**-**	3,083
JBS Global Investments [(1)]	US$	03/13/2019	-	**-**	(28,443)	**-**	-
JBS HU [(1)]	US$	02/28/2018	2,25% p.y.	**-**	(2,827)	**(64)**	-
JBS Mendoza	US$	-	-	**(762)**	-	**-**	-
JBS Confinamento [(2)]	R$	01/01/2018	Corresponds to CDI + 1% p.m.	**(10,735)**	128,899	**6,727**	10,749
Beef Snacks do Brasil [(2)]	R$	10/31/2018	-	**(25,348)**	-	**-**	-
Indirect subsidiaries							
JBS USA Holding Lux [(3)]	US$	05/17/2018	8,375% p.y.	**(1,613,785)**	-	**(29,901)**	-
JBS Aves [(2)]	R$	01/01/2018	Corresponds to CDI + 1% p.m.	**1,301,516**	1,882,114	**228,495**	301,454
Trump Asia [(1)]	US$	08/28/2018	5,11 to 8,375% p.y.	**96,627**	-	**636**	-
Zendaleather Uruguay [(1)]	US$	08/23/2018	8,375% p.y.	**62,973**	-	**562**	-
Zendaleather Mexico [(1)]	US$	11/16/2018	2,5% p.y.	**21,394**	21,601	**397**	318
Frigorífico Canelones	US$	05/08/2017	3,5% p.y.	**-**	(32,876)	**(274)**	(24)
JBS Handels GmbH [(1)]	EUR	-	-	**(549,222)**	(82,245)	**(2,934)**	-
Pilgrim's Pride Corporation [(4)]	US$	08/31/2018	-	**2,387,125**	-	**-**	-
Other related party							
Flora Higiene e Produtos	R$	12/31/2023	Selic	**24,465**	-	**759**	-
				3,442,496	**5,231,553**	**448,802**	**684,745**

(1) Conceria Priante, JBS Global Investments, JBS Handels, JBS HU, Midtown Participações, Trump Asia, Zendaleather Mexico e Zendaleather Uruguay - Refers to working capital funding. Settlement in the future shall be through a capital reduction and/or dividends distribution.

(2) Beef Snacks do Brasil, Brazservice, Enersea, JBS Aves, JBS Confinamento, JBS Embalagens Metálicas, Midtown Participações and Seara Alimentos - Includes effects of the Tax Regularization Special Program ("PERT") whose rules allow the use of own credits of direct or indirect subsidiaries, or parent companies and their direct or indirect subsidiaries, as described in footnote 1.

(3) JBS USA Holding Lux - Refers to working capital funding. Settlement in the future shall be through a capital reduction and/or dividends distribution.

(4) Pilgrim's Pride Corporation - In September 8, 2017, as announced to the market, the Company entered into an agreement to sell Moy Park to its indirect subsidiary PPC, of approximately GBP792.5 (R$3.3 billion), which at September 30, 2017 the Company received R$931,186 million and has a balance to receive of R$2,387,125 recognized as related party transactions.

Subsequent event: In October 2017, PPC fully settled the outstanding balance with JBS S.A. from Moy Park's ownership acquisition. The funds received were used to settle debts as agreed in the Stabilization Agreement.

(Expressed in thousands of Brazilian reais)

	Accounts receivable		Accounts payable		Purchases/Services rendered		Sale of products/Services rendered	
COMPANY	**September 30, 2017**	**December 31, 2016**	**September 30, 2017**	**December 31, 2016**	**2017**	**2016**	**2017**	**2016**
Direct subsidiaries								
JBS Confinamento	**310**	340	**4,241**	12,518	**70,074**	138,557	**941**	5,153
Priante	**9,527**	14,061	-	89	-	-	**20,233**	32,215
Brazservice	**5,329**	1,906	**3,002**	2,447	**63,916**	41,460	**53,079**	66,657
Seara Alimentos	**39,211**	13,972	**14,803**	128,800	**71,830**	210,603	**323,124**	180,774
Enersea	-	-	-	49	**101,764**	79,971	**77,014**	37,160
Indirect subsidiaries								
JBS Global UK	**24,737**	33,716	-	-	-	-	**106,023**	196,661
Toledo	**21,318**	23,089	-	-	-	-	**157,790**	198,940
JBS Aves	**6,023**	1,573	**21,243**	139,727	**27,573**	284,270	**10,809**	53,207
Sampco	**20,284**	57,701	-	-	-	20	**193,057**	294,292
Meat Snacks Partners	**5,815**	2,933	**38**	113	**136**	4,643	**170,741**	226,783
Trump Asia	**71,886**	33,182	-	155	**261**	31	**210,812**	256,052
JBS Paraguay	-	514	-	3,326	**50,479**	56,092	**976**	1,799
Zenda	**14,766**	12,071	-	380	**1,381**	6,122	**27,557**	36,906
Braslo Produtos de Carnes	-	13,590	-	-	-	-	**121,465**	142,984
JBS USA	**15,383**	3,391	**115**	-	**351**	-	**52,762**	1,468
Agrícola Jandelle	**5,857**	1,455	**23,337**	42,674	**27,674**	103,679	**3,109**	14,357
Other related parties								
Vigor	**203**	203	**4**	96,194	**25,812**	76,838	**22**	62,462
J&F Floresta Agropecuária	**1**	39	**525**	4,183	**35,136**	25,660	**5**	372
JBJ Agropecuária	**496**	282	**27,635**	48,015	**256,460**	185,241	**3,876**	3,024
Flora Produtos	**12,527**	6,096	**5**	2	**21**	54	**72,918**	117,614
Dan Vigor Indústria e Com.	**8,853**	9,744	-	3,355	**4,525**	-	**74,526**	7,820
	262,526	**229,858**	**94,948**	**482,027**	**737,393**	**1,213,241**	**1,680,839**	**1,936,700**

Financial transactions recognized in the Company

The Company and a few of its subsidiaries entered into an agreement in which Banco Original (Related party) acquires trade accounts receivables held against certain of the Company's customers in the domestic and foreign markets. The assignments are done at market value through a permanent transfer to Banco Original of the risks and benefits of all trade accounts receivable. At September 30, 2017 and December 31, 2016, the unpaid balance of transferred receivables was R$393,457 and R$765,585 in the Company, and R$776,749 and R$1,446,934 in the Consolidated, respectively. During the nine month period ended September 30, 2017 and 2016, JBS incurred financial costs related to this operation in the amount of R$55,265 and R$63,339 in the Company, and R$100,194 and R$108,150 in the Consolidated, respectively, recognized in the consolidated financial statements as financial expenses.

Additionally at September 30, 2017 and December 31, 2016, the Company holds investments with Banco Original, in the amount of R$60,850 and R$62,062 in the Company and R$134,255 and R$134,290 in the Consolidated, recognized under the caption "Cash and cash equivalents", respectively. These cash investments, bank certificates of deposit - CDB and equivalents, have similar earnings to CDI (Depósito Interbancário). For the nine month period ended September 30, 2017 and 2016, the Company earned interest from these investments in the amount of R$4,839 and R$10,977 in the Company, and R$9,255 and R$14,193 in the Consolidated, recognized in the consolidated financial statements under the caption "Finance income", respectively.

Included in loans and financings in the amount of R$22,649 at September 30, 2017, referring to the subsidiary BR Frango, are bank notes issued by BNDES (Brazilian Development Bank). Outstanding borrowings under these notes bear interest at an average rate of 9.00% at September 30, 2017, which is payable on a monthly basis. The notes are due in 2017 and 2019 and may be pre-paid at any time without penalty. The bank notes issued as of December 31, 2016 in the amount of R$16,873, referring to the subsidiaries Seara Alimentos and Macedo, were settled.

JBS is the main sponsor of Instituto Germinare, a business school youth-directed, whose goal is to educate future leaders by offering free, high-quality education. During the nine month period ended September 30, 2017 and 2016, JBS made donations in the amount of R$13,458 and R$9,938, respectively, recognized in the financial statements as administrative expenses.

Receivables from related parties consist of the following

	September 30, 2017	December 31, 2016
J&F Oklahoma [(1)]	**851,248**	1,315,526
Flora	**24,465**	-
	875,713	**1,315,526**

[(1)] This amount represents the result of the use of a credit facility between the indirect subsidiary JBS Five Rivers (subsidiary of JBS USA) and J&F Oklahoma (subsidiary of J&F Investimentos S.A., which is not consolidated in the Company). The credit facility provides J&F Oklahoma with the ability to borrow up to R$2 billion (US$675 million) from JBS Five Rivers for the purchase of cattle to be kept in the JBS Five Rivers feed yards until ready for slaughter. Outstanding borrowings under this credit facility bear interest at 3.4%, which is payable on a quarterly basis, or at the time of any repayment of principal and the credit facility matures December 31, 2019.

Further, JBS Five Rivers is the guarantor of a J&F Oklahoma revolving credit facility with financial institutions. The J&F Oklahoma credit line has total availability of R$5 billion (US$1.4 billion) and is guaranteed by the accounts receivable and inventories of J&F Oklahoma and also, by certain fixed assets, accounts receivable and inventories of JBS Five Rivers up to a value of US$250 million. Additionally, in the case of a J&F Oklahoma default under the revolving credit facility, and where the event of default is not covered by J&F Oklahoma's collateral or a guarantee by J&F Oklahoma's parent, JBS Five Rivers will be responsible for up to R$792 million (US$250 million) of the secured loans. No consideration was received for this guarantee and the fair value is insignificant.

[(2)] Flora Higiene e Produtos - The Company was legally questioning the monetary restatement of IPI (Excise tax) credits recognized in 2005. Given the legal acknowledgment of the right to restate it, in 2017 the Company was summoned by the Internal Revenue Service - IRS - to compensate tax credits with certain debts, which among these debts (listed by the IRS), were included debts of 2007 from Flora Higiene e Produtos (related party), that had already been paid in installments. The correlation in between JBS and Flora debts made by IRS was due to the spin-off occurred in 2007, which originated the company Flora Produtos de Higiene e Limpeza S/A; and in case of a spin-off, the companies are responsible for the debts which occurred up to the date of the spin-off. Therefore, considering that the credits would be withheld if the Company did not agree with the compensation, the Company entered in a tax credit assignment agreement with Flora, which must be settled until 2023 and updated by the Selic rate, having the same payment flow as an tax payment in installments.

(Expressed in thousands of Brazilian reais)

Commercial transactions

JBS Five Rivers, JBS Australia and JBS Canada are party to commercial agreements with J&F Oklahoma, J&F Australia and J&F Canada, respectively, as follows:

a. cattle supply and feeding agreement: where JBS provides cattle fattening services to J&F and J&F pays JBS for the medicinal and feeding costs, including a daily yardage charge in line with market terms. Under the agreements, J&F has agreed to maintain sufficient cattle on JBS-owned feedlots so they remain 75% full in the U.S., 80% full in Australia and 75% full in Canada. Risk of loss of the cattle remains with J&F;
b. sale and purchase cattle agreement, whereby JBS is required to purchase from J&F a certain volume of animals per year. The minimum purchase commitments under those agreements are: i) JBS USA commitment of at least 800,000 animals/year, with a term lasting from 2009 through 2019, ii) JBS Australia commitment of at least 200,000 animals/year, with a term lasting from 2011 through 2019, and iii) JBS Canada commitment of at least 50,000 animals/year, with a term lasting from 2013 through 2019. The cattle sale and purchase agreements also contain provisions to share in gains and losses incurred by J&F on its sale of cattle to JBS; and;
c. incentive agreement whereby J&F Oklahoma pays JBS Five Rivers an annual amount based upon J&F Oklahoma's financial performance arising from the sale of cattle fed and finished by JBS Five Rivers.

During the nine month period ended September 30, 2017 and 2016, the amounts received under the cattle supply and feeding agreements were R$1.9 billion (US$625 million) and R$2.3 billion (US$654 million) respectively, and amounts paid under the cattle sale and purchase agreements were R$7.3 billion (US$2.3 million) and R$8.8 billion (US$2.4 million), respectively.

No expense for doubtful accounts or bad debts relating to related-party transactions were recorded during the nine month period ended September 30, 2017 and 2016.

Remuneration of key management

The Company's key management is comprised of its Executive Officers. The aggregate amount of compensation received by the Company's key management during the nine month period ended September 30, 2017 and 2016 is the following:

	2017	2016
Salaries and wages	**6,648**	6,694
Variable cash compensation	**6,375**	9,000
Share-based compensation (*)	**2,500**	2,000
	15,523	**17,694**

(*) Refers to shares granted during the year of 2016;

The Administrative and Control Director, the Investor Relations Director and the President of Mercosul operations are parties to the Brazilian employment contract regime referred to as 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 or Management Board are not party to 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.

(Expressed in thousands of Brazilian reais)

12 Investments in associates, subsidiaries and joint ventures

In the Company:

	December 31, 2016	Addition (disposal)	Exchange rate variation	Changes in the Equity of investees	Proportionate share of income (loss)	September 30, 2017
JBS Embalagens Metálicas	**(58,211)**	–	–	–	9,238	**(48,973)**
JBS Global Investments (1)	**28,443**	(21,228)	(700)	–	(6,515)	–
JBS Confinamento (2)	**469,362**	111,986	–	–	11,967	**593,315**
JBS Slovakia Holdings (1)	**21,173**	(20,829)	(296)	(35)	1	**14**
Conceria Priante	**9,453**	–	263	–	(13,039)	**(3,323)**
JBS Holding GMBH	**593,381**	–	52,666	(72,051)	1,866	**575,862**
JBS Global Luxembourg (3)	**5,564,272**	863,955	(286,762)	446,321	3,845,696	**10,433,482**
Vigor Alimentos (4)	**307,065**	(307,249)	–	–	184	–
JBS Leather International	**(86,426)**	–	2,549	(2,462)	(57,186)	**(143,525)**
Brazservice	**(32,171)**	–	–	–	(10,873)	**(43,044)**
Seara Alimentos	**4,620,972**	–	–	124,902	(145,745)	**4,600,129**
Meat Snack Partners	**55,562**	–	(1,502)	1,499	17,015	**72,574**
Granite Holdings (3)	**3,912,517**	(4,232,309)	258,561	4,895	56,336	–
Rigamonti	**95,731**	–	8,981	–	5,960	**110,672**
Enersea	**215**	–	–	–	(215)	–
JBS Argentina (5)	**309,083**	(273,006)	(9,234)	–	(26,843)	–
JBS Mendoza	**253**	–	(83)	–	591	**761**
JBS HU Liquidity Management (1)	**17,460**	(12,659)	(499)	–	(312)	**3,990**
Midtown Participações (6)	**285,063**	(87,305)	–	–	(15,262)	**182,496**
Midup Participações (7)	–	18,969	–	–	(167)	**18,802**
Beef Snacks Brasil	**44,226**	–	–	–	24,945	**69,171**
JBS Foods International	**(49,450)**	–	1,651	–	(66,584)	**(114,383)**
Subtotal	**16,107,973**	**(3,959,675)**	**25,595**	**503,069**	**3,631,058**	**16,308,020**
Accrual for loss on investments (*)	**226,258**					**353,248**
Total	**16,334,231**					**16,661,268**

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

(1) Dividends paid out to the Company.
(2) Capital contribution through assumption of debt.
(3) Moy Park change in ownership interests without loss of control: On September 8, 2017, as announced to the market, the Company entered into an agreement to sell Moy Park to its indirect subsidiary PPC, by approximately GBP792.5 (R$3.3 billion). The Company received R$931,186 million at September 30, 2017, which R$2,387,125 is recognized in related parties transaction. This transaction was set as a common control transaction, thus the difference between the consideration received and Moy Park's book value was recognized as an increase in the investment of the subsidiary JBS Global Lux for R$863,955 million. Also, this transaction resulted in a 21.4% loss of equity interest in Moy Park, in the amount of R$(193,655) million recognized under equity as a capital transaction.
(4) Reclassification to assets held for sale.
(5) Refers to a capital increase in the amount of R$17,429 and a reclassification to assets held for sale of (R$290,435). The sale conclusion was in august 2017.
(6) Transference of assets to the Company of R$87,305 through capital reduction,
(7) Spin-off of the direct subsidiary Midtown in the amount of R$18,969 with the transference of property, plant and equipment through capital contribution.

- **In the Consolidated:**

	December 31, 2016	Disposal	Changes in the Equity of investees	Proportionate share of income	September 30, 2017
Vigor Alimentos (4)	**307,065**	(307,249)	–	184	–
Meat Snack Partners	**55,562**	–	(3)	17,015	**72,574**
Total	**362,627**	**(307,249)**	**(3)**	**17,199**	**72,574**

(Expressed in thousands of Brazilian reais)

13 Property, plant and equipment

Changes in property, plant and equipment:

Company	December 31, 2016 *	Additions net of transferences [2]	Disposals	Depreciation	September 30, 2017
Buildings	3,088,757	144,201	–	(88,848)	**3,144,110**
Land	1,384,826	56,301	–	–	**1,441,127**
Machinery and equipment	3,814,323	279,990	(10,214)	(296,211)	**3,787,888**
Facilities	1,353,973	165,822	(5,632)	(78,673)	**1,435,490**
Computer equipment	66,333	28,274	(527)	(20,376)	**73,704**
Vehicles	404,214	53,581	(51,750)	(67,075)	**338,970**
Construction in progress	1,305,863	(19,531)	(84)	–	**1,286,248**
Other	57,339	14,994	(196)	(16,537)	**55,600**
	11,475,628	**723,632**	**(68,403)**	**(567,720)**	**11,563,137**

Consolidated	December 31, 2016 *	Acquired in business combination [1]	Additions net of transferences [2]	Disposals	Assets held for sale [3]	Assets sold [4]	Depreciation	Exchange rate variation	September 30, 2017
Buildings	11,104,201	267,446	950,930	(66,877)	(34,074)	(266,849)	(454,136)	(23,247)	**11,477,394**
Land	3,943,307	27,621	89,316	(38,194)	(125,761)	(34,893)	–	(3,209)	**3,858,187**
Machinery and equipment	10,915,981	513,820	1,470,146	(32,452)	(119,049)	(221,076)	(1,362,118)	(11,880)	**11,153,372**
Facilities	1,925,053	–	202,990	(5,194)	–	(121)	(132,913)	(666)	**1,989,149**
Computer equipment	253,499	7,055	86,634	(3,197)	(285)	(2,933)	(79,768)	(898)	**260,107**
Vehicles	490,393	10,082	74,439	(54,286)	(11,050)	(576)	(92,630)	74	**416,446**
Construction in progress	3,754,943	26,461	(487,244)	(7,590)	(11,345)	(17,272)	–	(19,017)	**3,238,936**
Other	723,514	26,526	164,521	(5,580)	(166,803)	(1,887)	(88,587)	(10,462)	**641,242**
	33,110,891	**879,011**	**2,551,732**	**(213,370)**	**(468,367)**	**(545,607)**	**(2,210,152)**	**(69,305)**	**33,034,833**

***** The Company reassessed its allocation between property, plant and equipment lines, and due to the low significance of the balances, decided to adjust the initial balance of December 31, 2016.

[1] Refers to balances arising from GNP and Plumrose acquisitions.
[2] Additions for each category includes transfer from construction in progress during the period.
[3] Refers to balances from the subsidiaries JBS Five Rivers and JBS Food Canada Inc classified as assets held for sale, as described in footnote 10 - Assets held for sale.
[4] Refers to balances from the subsidiaries JBS Argentina, JBS Paraguay, Frigorífico Canelones which were sold to the Minerva Group.

For the nine month period ended September 30, 2017 the amount of capitalized interest added to construction in progress and included in additions was R$38,326 in the Company and in the Consolidated was R$100,267.

14 Intangible assets

Changes in intangible assets:

Company	December 31, 2016	Additions [2]	Disposals	Amortization	September 30, 2017
Amortizing:					
Trademarks	–	53,200	(3)	(7,980)	**45,217**
Software	23,494	8,279	(2)	(6,059)	**25,712**
Non-amortizing:					
Trademarks	23,000	1,803	–	–	**24,803**
	46,494	**63,282**	**(5)**	**(14,039)**	**95,732**

Consolidated	December 31, 2016	Acquired in business combination [1]	Additions [2]	Business combination adjustment [3]	Assets held for sale [4]	Assets sold [5]	Disposal	Amortization	Exchange rate variation and others	September 30, 2017
Amortizing:										
Trademark	55,937	119,451	53,209	25,081	–	(2,858)	(3)	(17,100)	5,101	**238,818**
Software	83,915	–	13,399	–	–	(626)	(946)	(18,675)	(88)	**76,979**
Customer relationships	1,947,753	370,778	–	–	–	–	–	(206,260)	(18,301)	**2,093,970**
Others	6,782	19,253	–	–	–	–	(12)	(3,124)	(3,407)	**19,492**
Non-amortizing:										
Trademarks	2,809,178	47,656	1,803	8,524	–	–	(256)	–	91,520	**2,958,425**
Water rights	108,530	–	–	–	(73,735)	–	–	–	(1,205)	**33,590**
	5,012,095	**557,138**	**68,411**	**33,605**	**(73,735)**	**(3,484)**	**(1,217)**	**(245,159)**	**73,620**	**5,421,274**

[1] Refers to balances arising from GNP and Plumrose acquisitions.

(Expressed in thousands of Brazilian reais)

(2) Refers to an impairment reversal in the amount of R$53,200 in trademarks.
(3) Refers to adjustments in the Scott Technology acquisition based upon final fair value assessments.
(4) Refers to balances from the subsidiaries JBS Five Rivers and JBS Food Canada Inc classified as assets held for sale, as described in footnote 10 - Assets held for sale.
(5) Refers to balances from the subsidiaries JBS Argentina, JBS Paraguay, Frigorífico Canelones which were sold to the Minerva Group.

15 Goodwill

Changes in goodwill:

Balance as of December 31, 2016	**21,916,694**
Acquired in business combination (1)	261,675
Disposal	(8,657)
Business combination adjustments (2)	(95,328)
Assets sold (3)	(153,567)
Exchange rate variation and others	165,417
Balance as of September 30, 2017	**22,086,234**

(1) Refers to balances arising from GNP and Plumrose acquisitions.
(2) Refers to adjustments in the Scott Technology and Moy Park acquisitions based upon final fair value assessments.
(3) Refers to balances from the subsidiaries JBS Argentina, JBS Paraguay, Frigorífico Canelones which were sold to the Minerva Group.

CGU Groups	September 30, 2017	December 31, 2016
Brazil Beef	**9,069,926**	9,069,926
Australia Smallgoods	**1,298,532**	1,136,008
Moy Park	**3,515,688**	2,565,653
USA Pork	**2,200,281**	2,217,831
Seara	**3,533,294**	3,541,676
Other CGUs without significant goodwill	**2,468,513**	3,385,600
Total	**22,086,234**	**21,916,694**

CGU groups containing goodwill are tested for impairment annually. For the nine month period ended September 30, 2017 there were no events or circumstances that indicate that the recoverable amount may be less than the carrying amount.

16 Loans and financing

	Company							
					Current		Non-current	
Type	Average annual interest rate	Currency	Index on variable rate loans	Maturities- non-current debt	Sep 30, 2017	Dec 31, 2016	Sep 30, 2017	Dec 31, 2016
Foreign currency								
ACC - Advances on exchange contracts	**4.74%**	**USD**	–	*	**4,450,590**	6,826,491	–	–
Prepayment	**4.53%**	**USD**	**LIBOR**	**2018 - 23**	**3,843,742**	3,967,161	**3,344,337**	4,484,527
144-A	**7.14%**	**USD**	–	**2020 - 24**	**214,652**	150,699	**7,976,289**	8,201,753
Working capital - Euros	**2.40%**	**EUR**	**EURIBOR 6M**	**2023**	**16,832**	859	**54,546**	78,898
FINIMP	**2.53%**	**EUR**	**EURIBOR 6M**	**2018**	**562**	526	–	516
					8,526,378	**10,945,736**	**11,375,172**	**12,765,694**
Local currency								
Credit note - export	**9.76%**	**BRL**	**CDI p.y.**	**2018 - 20**	**760,598**	798,823	**569,184**	1,006,938
Working capital - Brazilian Reais	**10.61%**	**BRL**	**CDI p.y. and TJLP**	**2018 - 20**	**117,198**	432,869	**15,635**	14,637
FINAME	**8.21%**	**BRL**	**TJLP**	**2018 - 25**	**51,821**	77,374	**86,685**	146,981
FINEP	**5.61%**	**BRL**	–	**2018 - 25**	**21,997**	21,855	**87,234**	75,146
CDC - Direct credit to consumers	**19.47%**	**BRL**	–	**2018 - 22**	**5,707**	4,371	**9,998**	11,988
					957,321	**1,335,292**	**768,736**	**1,255,690**
					9,483,699	**12,281,028**	**12,143,908**	**14,021,384**

(Expressed in thousands of Brazilian reais)

	Consolidated							
					Current		Non-current	
Type	Average annual interest rate	Currency	Indexer	Payment terms / non-current debt	Sep 30, 2017	Dec 31, 2016	Sep 30, 2017	Dec 31, 2016
Foreign currency								
ACC - Advances on exchange contracts	4.75%	USD	–	*	6,137,689	7,753,838	–	–
Prepayment	5.51%	USD	Libor	2018 - 23	5,758,748	5,803,330	3,709,843	4,992,782
144-A	7.14%	USD	–	2020 - 24	214,652	150,699	7,976,289	8,201,753
Credit note – import	4.35%	USD	Libor	*	94,406	98,314	–	–
FINIMP	4.65%	USD and EUR	Libor and Euribor	2018 - 19	14,777	10,684	4,433	19,031
Working capital - Euros	2.40%	EUR	Euribor	2023	16,832	859	54,546	78,898
					12,237,104	13,817,724	11,745,111	13,292,464
Local currency								
FINAME	7.75%	BRL	TJLP	2018 - 25	60,167	80,103	111,782	153,610
FINEP	5.48%	BRL	–	2018 - 25	25,964	25,828	92,831	83,706
JBS Mortgage	5.80%	USD	–	2020	592	583	6,016	6,649
Senior Secured Credit Facility JBS Lux	2.56%	USD	Libor	2019	15,583	375	2,306,748	–
Term loan JBS Lux 2018	–	–	–	–	–	3,891	–	1,321,490
Term loan JBS Lux 2020	–	–	–	–	–	18,437	–	1,551,996
Term loan JBS Lux 2022	3.80%	USD	ABR and Libor	2022	176,486	55,929	8,715,285	3,790,428
Term loan Five Rivers 2019	3.74%	USD	Libor	2019	273,202	16,954	–	275,984
Notes 6,25% Moy Park 2021	6.25%	GBP	–	2021	32,583	7,278	1,250,353	1,191,331
Notes 8,25% JBS Lux 2020	8.25%	USD	–	2020	27,444	75,807	2,199,533	2,256,901
Notes 7,25% JBS Lux 2021	7.25%	USD	–	2021	83,642	18,870	3,606,797	3,703,058
Notes 5,875% JBS Lux 2024	5.88%	USD	–	2024	27,143	64,224	2,361,541	2,427,814
Notes 5,75% JBS Lux 2025	5.75%	USD	–	2025	45,540	5,153	2,830,269	2,909,617
Notes 5,75% PPC 2025	5.75%	USD	–	2025	2,531	26,288	2,373,554	1,616,308
Notes 5,875% PPC 2027	5.88%	USD	–	2027	1,771	–	1,885,052	–
PPC Term loan	2.55%	USD	Libor	2022	145,601	636	2,376,000	1,604,572
PPC revolving credit facility	2.48%	USD	Libor	2022	558	–	202,689	–
Marshaltown	2.34%	USD	–	2018	48	52	30,989	31,633
Working capital - Brazilian Reais	10.52%	BRL	CDI, TJLP and TR	2018 - 21	123,830	435,540	24,671	16,384
Working capital - US Dollars	3.79%	USD	Libor	*	216,784	362,725	–	132,808
Working capital - Euros	2.42%	EUR	Euribor	2019 - 23	125,464	176,187	15,787	14,563
Working capital - Argentine pesos	–	–	–	-	–	74,521	–	–
Credit note – export	9.86%	BRL	CDI	2018 - 22	1,189,245	1,368,804	817,766	1,317,098
Credit note – import	3.89%	USD and EUR	Libor and Euribor	*	182,428	315,495	–	–
FCO - Middle West Fund	10.14%	BRL	–	2018	1,857	1,865	327	1,708
CDC - Direct credit to consumers	19.47%	BRL	–	2018 - 22	5,707	4,371	9,998	11,988
CCB	9.00%	BRL	–	2018 - 24	3,000	10,781	19,649	6,092
ACC - Advances on exchange contracts	3.55%	USD	Libor	*	196	922	–	–
Rural - Credit note	10.89%	BRL	–	*	1,078,329	1,137,628	–	–
Canadian credit facility & revolving credit facility	3.20%	CAD	CDOR, RBC and Libor	2018	190,549	–	–	244,902
Canadian credit facility - term loan	3.65%	CAD	–	2018	33,397	2,415	–	30,678
Canadian bank facility	–	CAD	–	*	–	8,076	–	–
Andrews Meat secured facility	2.80%	AUD	BBSY	*	30,315	–	–	–
Mexico credit facility	8.33%	MEX$	TIEE	2019	1,448	46	267,772	75,950
Other	1.89%	GBP and EUR	Euribor and Libor	2018 - 19	45,749	31,310	1,467	41,864
					4,147,153	4,331,094	31,506,876	24,819,132
					16,384,257	18,148,818	43,251,987	38,111,596

* Balances classified as current which have their maturities between October 1, 2017 and September 30, 2018.

(Expressed in thousands of Brazilian reais)

The non-current portion of the principal payment schedule of loans and financing is as follows:

	September 30, 2017	
Maturity	Company	Consolidated
2018	202,198	526,787
2019	627,640	3,725,335
2020	4,047,622	6,548,422
2021	833,013	5,934,603
2022	808,324	11,401,863
Maturities thereafter	5,625,111	15,114,977
	12,143,908	43,251,987

15.1 Guarantees and contractual restrictions ("covenants")

The Company entered in an agreement for preservation of credit lines with certain financial institutions and has been keeping track of its covenants, including those related in the issuance of the annual report by the independent auditors. The Company was in compliance with all of its debt covenant restrictions at September 30, 2017.

17 Accrued income taxes and other taxes

	Company		Consolidated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Accrued income taxes	-	-	648,965	74,958
Withholding income taxes	-	-	1,525	19,536
ICMS / VAT / GST tax payable	17,934	22,003	52,360	72,409
PIS / COFINS tax payable	55,409	71,172	69,232	80,566
Taxes payable in installments	1,022,383	113,643	1,132,535	190,095
Others	40,631	30,053	290,573	292,118
	1,136,357	236,871	2,195,190	729,682
Breakdown:				
Current liabilities	789,876	165,030	1,703,330	500,930
Noncurrent liabilities	346,481	71,841	491,860	228,752
	1,136,357	236,871	2,195,190	729,682

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 noncumulative regime, at the rates of 4.65%. The Company has recorded under Income taxes, payroll, social charges and tax obligation the amount of R$52,000 in the Company and R$64,322 on the consolidated regarding to PIS/COFINS over financial income.

Taxes payable in installments: As described in footnote 1, with PERT's adherence, Accrued income taxes and other taxes increased in the caption taxes payable in installments in the Company in the amount of R$638,789 on short term and of R$305,696 on long term, in the total amount of R$944,485, and in the Consolidated of R$679,666 on short term and of R$305,696 on long term, in the total amount of R$985,362, due to PERT's accrual. The balance of taxes payable in installments is already net of the tax credits compensation of R$1,272,793, since the compensation reflects the essence of the operation and the expected effect in the future cash flow.

18 Accrued payroll and social charges

	Company		Consolidated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Salaries and related social charges	133,517	231,813	917,177	962,353
Bonus and vacation along with related social charges	291,758	177,402	2,122,059	1,935,581
Taxes payable in installments	2,037,969	618	2,050,360	27,472
Others	4,239	2,463	119,903	107,193
	2,467,483	412,296	5,209,499	3,032,599
Breakdown:				
Current liabilities	1,073,639	412,296	3,410,946	2,595,381
Noncurrent liabilities	1,393,844	-	1,798,553	437,218
	2,467,483	412,296	5,209,499	3,032,599

Taxes payable in installments: As described in footnote 1, with PERT's adherence, Accrued payroll and social charges increased under the caption taxes payable in installments in the Company in the amount of R$643,554 on short term and of R$1,393,844 on long term, in the total amount of R$2,037,397, and in the Consolidated of R$643,554 on short term and of R$1,393,844 on long term, in the total amount of R$2,037,397, due to PERT's accrual. The balance of taxes payable in installments is already net of the tax credits compensation of R$188,139, since the compensation reflects the essence of the operation and the expected effect in the future cash flow.

(Expressed in thousands of Brazilian reais)

19 Income taxes

Reconciliation of income tax and social contribution expense:

	Company		Consolidated	
	For the nine month period ended September 30,		For the nine month period ended September 30,	
	2017	2016	2017	2016
		Restated		Restated
Profit (loss) before income taxes (PBT)	**302,217**	**(1,167,260)**	**1,414,763**	**(667,687)**
Nominal rate	**(34)%**	**(34)%**	**(34)%**	**(34)%**
Expected tax benefit (expense)	**(102,754)**	396,868	**(481,019)**	227,014
Adjustments to reconcile taxable income:				
Earnings and losses due to equity method	**1,234,560**	393,240	**5,838**	4,746
Domestic production activities deduction	-	-	**135,854**	25,597
Foreign rate differential	-	-	**91,615**	(108,348)
Unrecognized tax benefit	-	-	**(80,193)**	-
Dividends paid abroad	-	-	**17**	(149,353)
Adjustments on financial statements - Foreign subsidiaries	-	-	**38,238**	-
Stock option plan	**(13,736)**	(23,006)	**(24,549)**	(23,006)
Non-taxable interest - Foreign subsidiaries	-	-	**87,069**	-
Deferred tax prior year booking (2)	-	-	**435,964**	-
Dual jurisdiction income - Foreign subsidiaries	-	-	**165,088**	521,007
Recycling of other comprehensive income due to Mercosul sale	**(153,781)**	-	**(153,781)**	-
Penalties for infringements and/or tax payable in installments	**(177,632)**	(2,497)	**(178,174)**	(3,941)
Deferred tax write-off - Moy Park business combination	**(72,467)**	-	**(72,467)**	-
Other permanent differences	**(30,469)**	(26,549)	**(13,651)**	31,007
Current and deferred income tax (expense) benefit	**683,721**	**738,056**	**(44,151)**	**524,723**
Current income tax	**2,189**	105,236	**(1,509,815)**	(580,246)
Deferred income tax	**681,532**	632,820	**1,465,664**	1,104,969
	683,721	**738,056**	**(44,151)**	**524,723**
Effective income tax rate	**226.24 %**	**63.23 %**	**(3.12)%**	**78.59 %**

	Company		Consolidated	
	For the nine month period ended September 30,		For the nine month period ended September 30,	
	2017	2016	2017	2016
		Restated		Restated
Adjustments to reconcile taxable income (1)				
Goodwill amortization - deferred	-	-	**7,503**	12,400
Prior years loss carryfowards - deferred tax asset	**(720,246)**	(599,960)	**(1,257,550)**	(602,030)
Unrecognized deferred tax benefit	-	-	**80,193**	-
Dividends paid abroad	-	-	**(17)**	-
Deferred tax prior year booking (2)	-	-	**(435,963)**	-
Deferred tax write-off - Moy Park business combination	**72,467**	-	**72,467**	-
Income tax on realization of other reserves	**(2,190)**	(1,870)	**(54,733)**	(25,900)
Current and deferred income tax (expense) benefit - ADJUSTED	**33,752**	**136,226**	**(1,632,251)**	**(90,807)**
Effective income tax rate	**11.17%**	**11.67%**	**(115.37)%**	**(13.60)%**

(Expressed in thousands of Brazilian reais)

	Company		Consolidated	
	For the three month period ended September 30,		For the three month period ended September 30,	
	2017	2016	2017	2016
		Restated		Restated
Profit (loss) before income taxes (PBT)	**(100,683)**	**658,454**	**354,552**	**697,091**
Nominal rate	**(34)%**	**(34)%**	**(34)%**	**(34)%**
Expected tax expense	**34,232**	(223,874)	**(120,548)**	(237,011)
Adjustments to reconcile taxable income:				
Earnings and losses due to equity method	**802,835**	336,614	**3,153**	2,827
Domestic production activities deduction	-	-	**67,303**	21,961
Foreign rate differential	-	-	**35,485**	(2,876)
Unrecognized tax benefit	-	-	**16,823**	-
Dividends paid abroad	-	-	**23**	-
Adjustments on financial statements - Foreign subsidiaries	-	-	**5,912**	-
Stock option plan	**(3,380)**	(5,212)	**(4,540)**	(5,212)
Non-taxable interest - Foreign subsidiaries	-	-	**43,004**	-
Deferred tax prior year booking (2)	-	-	**435,963**	-
Dual jurisdiction income - Foreign subsidiaries	-	-	**54,425**	158,431
Recycling of other comprehensive income due to Mercosul sale	**(153,781)**	-	**(153,781)**	-
Penalties for infringements and/or tax payable in installments	**(177,631)**	(748)	**(178,174)**	(1,454)
Deferred tax write-off - Moy Park business combination	**(72,467)**	-	**(72,467)**	-
Other permanent differences	**(6,078)**	97,001	**(8,248)**	296,592
Current and deferred income tax (expense) benefit	**423,730**	**203,781**	**124,333**	**233,258**
Current income tax	**723**	104,093	**(847,765)**	(132,737)
Deferred income tax	**423,007**	99,688	**972,098**	365,995
	423,730	**203,781**	**124,333**	**233,258**
% IT/PBT	**(420.86)%**	**30.95 %**	**35.07 %**	**33.46 %**

	Company		Consolidated	
	For the three month period ended September 30,		For the three month period ended September 30,	
	2017	2016	2017	2016
		Restated		Restated
Adjustments to reconcile taxable income (1)				
Goodwill amortization - deferred	-	-	**(2,308)**	(43,664)
Prior years loss carryfowards - deferred tax asset	**(477,849)**	(90,811)	**(883,656)**	(207,145)
Unrecognized deferred tax benefit	-	-	**(16,823)**	-
Dividends paid abroad	-	-	**(23)**	-
Deferred tax prior year booking (2)	-	-	**(435,963)**	-
Deferred tax write-off - Moy Park business combination	**72,467**	-	**72,467**	-
Income tax on realization of other reserves	**(723)**	(727)	**(9,751)**	(24,757)
Current and deferred income tax (expense) benefit - ADJUSTED	**17,625**	**112,243**	**(1,151,724)**	**(42,308)**
Effective income tax rate	**(17.51)%**	**17.05%**	**(324.84)%**	**(6.07)%**

(1) The Company believes that due to the origin and non-recurrence of specific events certain items should be excluded from the effective tax rate disclosure such as: i) deferred tax expense arising from goodwill amortization; ii) losses carryfowards from the current period; iii) income tax on realization of the other reserves (since it is not relate to the net operating income); iv) deferred tax assets on arising from prior years losses carryforwards (recognized only now that entities reach necessary criteria not observed in the past since on prior periods where such losses were generated, there were no expectation of profitable future profits); v) current tax over dividends paid abroad (once such expense is unrelated to our business);and iv) deferred tax prior year booking.

(2) In accordance with footnote 1, in order of PERT's adherence, the Company and its subsidiaries recognized deferred tax assets from prior years loss carryforwards in the amount of R$435,963 with the possibility of using the tax credits.

(Expressed in thousands of Brazilian reais)

20 Provisions

The Company and its subsidiaries are party to several lawsuits arising in the ordinary course of business for which provisions are recognized based on estimated costs determined by management as follows:

	Company					
	September 30, 2017		December 31, 2016		January 1, 2016	
	Quantity	R$	Quantity	R$	Quantity	R$
				Restated		Restated
Labor	**15,301**	**128,973**	16,345	92,485	14,749	74,000
Civil	**1,019**	**14,055**	820	9,945	775	9,916
Tax and Social Security	**1,244**	**1,711,009**	1,285	1,582,384	1,300	1,430,037
Total	**17,564**	**1,854,037**	**18,450**	**1,684,814**	**16,824**	**1,513,953**

	Consolidated					
	September 30, 2017		December 31, 2016		January 1, 2016	
	Quantity	R$	Quantity	R$	Quantity	R$
				Restated		Restated
Labor	**34,277**	**390,529**	34,146	346,546	32,203	408,963
Civil	**3,419**	**328,102**	3,352	275,947	2,920	280,383
Tax and Social Security	**1,917**	**2,178,294**	1,861	2,085,153	1,810	2,160,607
Total	**39,613**	**2,896,925**	**39,359**	**2,707,646**	**36,933**	**2,849,953**

Changes in provisions

	Company			
	December 31, 2016	Additions	Payments or changes in estimates	September 30, 2017
	Restated			
Labor	92,485	214,114	(177,626)	**128,973**
Civil	9,945	5,318	(1,208)	**14,055**
Tax and Social Security	1,582,384	140,627	(12,002)	**1,711,009**
Total	**1,684,814**	**360,059**	**(190,836)**	**1,854,037**

	Consolidated					
	December 31, 2016	Additions	Payments or changes in estimates	Assets sold (1)	Exchange rate variation	September 30, 2017
	Restated					
Labor	346,546	386,031	(337,001)	(4,993)	(54)	**390,529**
Civil	275,947	62,253	(10,098)	–	–	**328,102**
Tax and Social Security	2,085,153	218,937	(126,511)	–	715	**2,178,294**
Total	**2,707,646**	**667,221**	**(473,610)**	**(4,993)**	**661**	**2,896,925**

(1) Refers to balances from the subsidiaries JBS Argentina, JBS Paraguay, Frigorífico Canelones which were sold to the Minerva Group.

a. Tax and Social Security Proceedings

a1. Plea bargain agreement impacts: The Company received in December 2017 an infraction fine referring to the year 2012, based in information provided in the appendixes of the plea bargain agreements, as described in footnote 2 - Plea bargain agreement, Leniency agreement and the impacts in the financial statements.

With the Leniency agreement adherence, the Company decided to implement the integrity program and internal independent investigations, also elaborating internal assessments about the reported events and their impacts in the financial statements, which include the matters from the 2012 infraction fines. The assessments were elaborated to all years impacted which is based on expenses paid without service rendering and supplies purchase, their impacts in withholding taxes and the deductibility of these expenses, plus interest and fines.

Based on the internal assessments, the Company identified in December 31, 2017 (referring to the years of 2012 to 2017) an estimated loss of approximately R$1.496.960 (R$1.462.407 in December 31, 2016), recognized as tax and social security contingencies.

a2. Adhesion to PERT

As of June 30, 2017, the Company and its subsidiary Seara had tax proceedings in the amount of R$6.5 billion, which in the Company's assessment were classified as possible loss, and there was no provision for such contingencies.

As disclosed to the market, and detailed in footnote 1 - Operating activities, the Company made an adhesion to PERT in the amount of R$4.1 billion, of which R$2.6 billion was included in the aforementioned possible estimate, and the remainder of the balance was evaluated between probable and remote risk.

It is important to note that part of the R$2.6 billion of possible valuation was recorded as INSS payable in the amount of R$2.3 billion (including fines and interest) that had been offset against PIS and COFINS, and was being discussed together with tax authorities.

At the time of PERT's adhesion, the INSS offset with PIS and COFINS was reversed, therefore resulting in no effect on the statements of income.

There was no change in the Company's estimate of the risk of loss in these proceedings, however, even such debts being under discussion and with technical arguments of success, the Company decided to join PERT due to the benefits of the program, such as the use of tax credits, discounts and reductions, the extended term for payment, and the cost of the lawsuit (both financial and procedural).

After joining PERT, on September 30, the balance of lawsuits classified as possible was R$3.1 billion.

b. Legal and investigative relevant procedures

The Company and/or its subsidiaries are investigated in several investigative procedures initiated or relevant outcomes due to events described in footnote 2 - Plea bargain agreement, Leniency agreement and the impacts in the financial statements, as demonstrated below:

b1. Criminal procedures

In criminal investigations and proceedings, legal entities do not suffer any criminal penalties arising from the events committed by its executives and/or representatives, who are subject to law penalties (including deprivation of liberty), in case of any proof of effective participation in illegal facts involving the Company and/or its subsidiaries.

- Bullish operation (police inquiry) and Criminal Investigative Procedure/RJ: Investigation to determine alledged irregularities in the investments made in JBS by BNDESPar, due to the "findings" mentioned in the TCU's (Tribunal de Contas da União) decision in 2015; from this operation, a series of precautionary actions were originated, among others, the search and seizure of documents from the Company or that could have sensitive information to the Company, as well as blocking the assets of the Company's controllers and their relatives, later than following a judicial decision to release all assets that were blocked.

- Weak Flesh operation (police inquiry): Suspicion of improper payments made to federal agents from SIF (Serviço de Inspeção Federal); the criminal investigations and prosecutions examine corruption in several companies which are part of the agricultural/farming segment (cold storage). Regarding the Company, the conduct of employees and former employees are being investigated, who are related to 1 unit in the State of Paraná.

- Lama Asfáltica operation (police inquiry): Suspicion of improper payments made to get tax incentives in the state of Mato Grosso do Sul; this inquiry investigates companies cartelisation who are part of the construction segment, which committed fraud in bidding processes and corruption of public servers. Regarding the Company, the Federal Police declares to have found evidence of improper payments to public servers from the state of Mato Grosso do Sul in exchange of tax incentives granted to the Company in that place.

- Tendão de Aquiles operation (criminal proceeding) in the 6th Federal Criminal Court of São Paulo: Suspicion of insider trading actions and market manipulation the former executives at the time of the events (who are in the condition of defendants in the process), due to transactions carried out to purchase dollars and treasury shares, using privileged information (plea bargain agreements).

b2. Parliamentary Inquiry Commission (CPI)

- Senate CPI - Social Security: Suited to investigate the social security accounting, clarifying accurately income and expenses of the system, as well misappropriation of funds;

- MS (Mato Grosso do Sul) Legislative Assembly CPI - Tax irregularities from the state of MS: The CPI was created to investigate the report made by JBS executives to assess irregularities involving improper tax benefits given by the state of Mato Grosso do Sul;

- CPMI (mixed) from the Senate and the Deputy Chamber: The CPI was created to investigate all investments made by BNDES in JBS S.A.

b3. Class actions

- Class action - 5007526-48.2017.4.03.6100: Alleged irregularity in foreign exchange operations and purchase of treasury shares using insider information and financial operations with BNDES.
5ª Vara Cível Federal de São Paulo
Plaintiffs: Hugo Fizler Chaves Neto and Cristiane Sousa da Silva.
In July 18, 2017, a judgment of termination of the process was issued without merit resolution, against which an appeal was lodged by the authors.

- Class action - 1001502-51.2017.4.01.3700: Alleged irregularities in financings through loans acquired with the Banco Nacional do Desenvolvimento Econômico e Social - BNDES.
3ª Vara Cível Federal de São Luis do Maranhão
Plaintiff: Aristoteles Duarte Ribeiro
In December 15, 2017, a decision was issued recognizing the prevention of the 9th Federal Court of the Judiciary Section of São Paulo determining the redistribution of the deed.

- Class action - 5007521-26.2017.4.03.6100: Alleged irregularities in granting financial support (financings) and unfair favorings provided by BNDESPar to the economic group.
9ª Vara Cível Federal de São Paulo
Plaintiffs: Walter do Amaral, Paulo Roberto do Amaral and Marcos Rodrigues da Cunha
On December 14, 2017, a judgment of termination of process was issued without merit resolution.

- Class action - 5203744-56.2017.8.09.0051: Question the State Law nº 18.459/14, changed by the State Law nº 18.709/14, that created the Tax Incentive Program for Companies in the Goiás State (REGULARIZA).
3ª Vara da Fazenda Pública Estadual de Goiânia/GO
Plaintiff: Ronaldo Ramos Caiado
An appeal was presented to the authorities, remaining outstanding the Federal Public Prosecutor's Office opinion.

- **Class action - 1019930-11.2017.4.01.3400**: Alleged irregularities in foreign exchange transactions and purchase of shares using privileged information and financial transactions with BNDES.
14ª Vara Cível Federal do Distrito Federal
Plaintiff: Roberto Casali Júnior

- Class action - 820215-58.2017.8.12.0001: Aims the declaration of nullity of the Special Regime Agreement Agreement (TARES) n. 1028/2014 and 1103/2016, as well as the unavailability of assets of the defendants up to the amount equivalent to the losses suffered by the State.
1ª Vara de Direitos Difusos, Coletivos e Individuais da Comarca de Campo Grande
Plaintiff: Danny Fabricio Cabral Gomes e Soraya Thronicke
In November 17, 2017, a suspensive effect was granted to the Instrument of Appeal to determine the suspension of the blocks carried out. Awaiting a final judgment of the aforementioned offense.

b4. Corporate lawsuits

- Precautionary court action - 5013681-67.2017.4.03.6100: Preventing the Controlling Shareholder (FB Participações), Banco Original and Banco Original Agronegócio to vote in the Shareholders' Meeting on September 1, 2017, on the measures to be taken by the Company as a result of the illegal actions acknowledged in the plea bargain agreement and Leniency Agreement, in particular on the adoption of the measures inserted in articles 159 and 246 of the law of joint stock companies (Lei das sociedades por ações - Leis das SA's), as well as, in relation to the indemnity agreement, items "ii 'and" v " Notice of Convocation, due to alleged conflict of interest.

8ª Vara Cível Federal de São Paulo
Plaintiffs: BNDES Participações S.A. (BNDESPAR) and Caixa Econômica Federal
Defendants: JBS S.A., FB Participações S.A., Banco Original S.A. and Banco Original Agronegócio S.A.

- Request for Emergency Guardianship - 085443-97.2017.8.26.0100: To determine the defendants or any of the persons appointed by them to occupy the seats on the general meeting table that refrain from impeding, delaying or in any way disturbing the possibility for shareholders to discuss and resolve on the measure set forth in art. 120 of the law of joint stock companies (Lei das sociedades por ações - Leis das SA's), if it is raised at the general meeting of the JBS, making it possible to vote immediately after the matter is raised; and / or to determine that, in the scope of the votes of art. 120 of the Brazilian Corporate Law and other measures to be discussed in the context of item "ii" of the agenda, the Controllers are strictly prohibited from participating in the deliberations, pursuant to art. 115, paragraph 1, of the law of joint stock companies (Lei das sociedades por ações - Leis das SA's)
2ª Vara de Falências, Recuperações Judiciais e Conflitos Relacionados à Arbitragem da Comarca da Capital do Estado de São Paulo
Author: José Aurélio Val Porto de Sá Júnior.
Defendants: JBS S.A.; Tarek Mohamed Noshy Nasr Mohamed Faraht; José Batista Sobrinho; FB Participações S.A.; Banco Original S.A., Banco Original do Agronegócio S.A.
In August 31, 2017, a judgment of termination of the process was issued without merit resolution, against which an appeal was lodged by the author.

- Lawsuit for the exhibition of documents with urgent request for protection and evidence - 1086689-31.2017.8.26.0100: Access to the settlement certificate of the book of Registered Shares with the names of all shareholders and the number of their shares.
2ª Vara de Falências, Recuperações Judiciais e Conflitos Relacionados à Arbitragem da Comarca da Capital do Estado de São Paulo.
Plaintiffs: José Aurélio Val Porto de Sá Júnior and Associação dos Investidores Minoritários AIDMIN
Defendant: JBS S.A.
In September 13, 2017, a judgment of termination of the process was issued without merit resolution, which an appeal was presented by the plaintiffs against the resolution.

- Arbitration 93/17: Lawsuit for loss and damaged suffered by the Company.
Câmara de Arbitragem do Mercado - CAM BM&F BOVESPA
Plaintiffs: José Aurélio Val Porto de Sá Júnior and Associação dos Investidores Minoritários AIDMIN
Defendants: FB Participações S.A.; Banco Original S.A.; Banco Original do Agronegócio S.A.; J&F Investimentos S.A.; ZMF Participações Ltda.; WWMB Participações Ltda.; JJMB Participações Ltda.; J&F Participações Ltda; Pinheiros Fundo de Investimentos em Participações; Wesley Mendonça Batista; Joesley Mendonça Batista; JBS S.A.

- Arbitration 94/17: Petitioner right to vote in the Shareholder's Meeting of JBS S.A., scheduled for September 1, 2017, which is suspended by court order.
Câmara de Arbitragem do Mercado - CAM BM&F BOVESPA
Plaintiffs: FB Participações S.A., Banco Original S.A. and Banco Original Agronegócio S.A.
Defendants: BNDES Participações S.A. - BNDESPar, Caixa Econômica Federal e JBS S.A.

In addition, there are two Administrative Sanctioning Procedures underway in the CVM, in which members and former members of the Company's management are accused of alleged infractions of the capital market regulation regarding the disclosure of information.

The Company also informs non-sanctioning administrative proceedings in process at the CVM, in which issues related to the Company are analyzed.

On December 8, 2017, a Sanctioning Administrative Procedure 5388/2017 was instituted, in order to ascertain the possible liability of i) Company, for allegedly being a beneficiary of purchases of US dollar derivative contracts using unfair practices, in violation of CVM Instruction No. 8/1979, II, d, from May 5 to 17, 2017; and, ii) subsidiary Seara Alimentos Ltda., for allegedly being a beneficiary of purchases of US dollar derivative contracts using unfair practices, in violation of CVM Instruction 8/1979, II, d, on May 10, 2017 In addition, other related parties of the Company are part of said Administrative Process.

21 Equity

a. Share capital: There were no changes on the balances at September 30, 2017.

b. Share-based compensation:

The Company has a stock option plan settled in shares. The Company grants stock options to employees as an incentive intended to create a sense of ownership and personal involvement with the development and financial success of JBS. Executive officers, directors and general managers are eligible to receive stock options under the plan. The Company's Chairman determines the criteria of granting the options and selecting the employees. The number of grantable shares authorized under the plan is limited to 2% of the Company's share capital, and also limited to 0.4% of the increase in the Company's share capital per year.

The fair value of employees' services received in exchange for the stock option grants is recognized as an expense in the statement of income with a corresponding entry in capital reserves. The total amount of expense is recognized during the period in which the right to exercise the stock option is acquired, which generally occurs when the option vests, and is equal to the grant date fair value of the underlying options granted. The number of stock options that each employee is entitled was calculated based on the average of the Company's stock price for the three months prior to the grant date. The stock option may only be exercised upon satisfaction of the service condition, and have the maximum term of ten years varying in accordance with each individual agreement. All options must be exercised by physical delivery of the shares of common stock.

At the reporting date, the Company reviews its estimates of the number of options, which will be exercised (not forfeited), and recognizes any impact from the change in estimate in the statement of income, with a corresponding adjustment to capital reserves within stockholders' equity. The fair value of each stock option granted was estimated at the grant date based on the Black-Scholes-Merton pricing model. The primary assumptions considered in the model were:

(Expressed in thousands of Brazilian reais)

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	Share price on the grant date	Dividend Yield
May-14	2,196,051	R$ 7.58 to R$ 7.74	0.00001	1 to 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	1 to 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	1 to 3 years	13.25% to 13.68%	55.69%	15.66	0.72%
Mar-16	3,350,000	R$ 11.55	0.00001	Immediate vesting	-	-	11.55	-
Apr-16	2,477,651	R$ 9.85 to R$ 10.75	0.00003	1 to 3 years	13.54% to 13.78%	69.19%	11.12	4.45%
Jun-16	3,259,890	R$ 9.20 to R$ 10.05	0.000005	1 to 3 years	12.66% to 13.60%	65.98%	11.12	4.45%
Nov-16	3,350,000	R$ 11.27	0.0000003	Immediate vesting	-	-	11.27	-
Nov-16	195,000	R$ 9.81 to R$ 10.49	0.000015	1 to 3 years	11.42% to 11.60%	50.30%	11.27	3.35%
Jan-17	3,700,979	R$11.90	0.010000	Immediate vesting	-	-	11.90	-
May-17	1,004,722	R$ 11.72 to R$ 11.82	0.000002	1 to 3 years	9.31% to 9.64%	46.15%	11.86	0.45%
May-17	35,876	R$11.86	0.00003	Immediate vesting	-	-	11.86	-
May-17	2,315,842	R$ 11.10 to R$ 11.15	1.000000	1 a 3 years	9.31% to 9.64%	46.15%	12.07	0.45%
Total	24,697,958							

September 30, 2017				
Program	Grant	Vesting terms	Options outstanding	Remaining contractual life (years)
Sep-14	01.09.14	1/5 per year with final maturity in Sep 1, 2019	120,000	2.00
May-15	01.05.15	1/3 per year with final maturity in May 1, 2018	466,310	0.33
Apr-16	01.04.16	1/3 per year with final maturity in April 1, 2019	1,160,986	1.33
Jun-16	01.06.16	1/3 per year with final maturity in June 1, 2019	1,978,416	1.33
Nov-16	01.11.16	1/3 per year with first maturity in January 1, 2019 and final maturity in January 1, 2021	195,000	3.33
May-17	01.05.17	1/3 per year with final maturity in May 1, 2020	1,004,722	2.67
May-17	01.05.17	1/3 per year with final maturity in May 1, 2020	2,315,842	2.67
			7,241,276	

Risk free interest rate: The Company uses as a risk free interest rate the projection obtained from the Interpolation of the fixed x floating interest rate swap (B3's index Pre x DI).

Volatility: The Company estimated the volatility of its own shares by calculating historical volatility over the expected term.

Dividends yield: The dividend yield was estimated based on the payment expectation of dividends per share for the next 12 months divided by the share price.

The outstanding options changes and average exercise price per share are demonstrated, as follows:

	September 30, 2017		
	Quantity of options	Average exercise price per share	
Opening balance	**8,355,957**	**R$**	**11.80**
Granted	7,057,419	R$	11.95
Exercised	(7,477,012)	R$	11.51
Cancelled	(695,088)	R$	10.79
Closing balance	**7,241,276**	**R$**	**10.11**

During the nine month period ended September 30, 2017 and 2016 the expense with options plan totaled R$81,633 and R$71,677, respectively, recorded in the results under the caption "General and administrative expenses", with the respective offset in "Capital Reserves".

c. Treasury shares:

	September 30, 2017	
	Quantity	R$ thousand
Opening balance	**135,261,051**	**1,625,510**
Purchase of treasury shares	25,307,000	255,938
Treasury shares used in stock option plan	(7,477,022)	(89,390)
Cancellation of treasury shares	(128,110,093)	(1,539,573)
Closing balance	**24,980,936**	**252,485**

(Expressed in thousands of Brazilian reais)

22 Net revenue

	Company		Consolidated	
	For the nine month period ended September 30,		For the nine month period ended September 30,	
	2017	2016	2017	2016
GROSS REVENUE				
Sales of products				
Domestic sales	**11,840,559**	13,988,490	**91,152,493**	97,066,799
Foreign sales	**6,442,100**	8,472,933	**33,524,890**	36,477,977
	18,282,659	**22,461,423**	**124,677,383**	**133,544,776**
SALES DEDUCTION				
Returns and discounts	**(636,567)**	(778,200)	**(2,748,972)**	(2,765,367)
Sales taxes	**(450,995)**	(1,016,597)	**(1,492,908)**	(2,029,462)
	(1,087,562)	**(1,794,797)**	**(4,241,880)**	**(4,794,829)**
NET REVENUE	**17,195,097**	**20,666,626**	**120,435,503**	**128,749,947**

	Company		Consolidated	
	For the three month period ended September 30,		For the three month period ended September 30,	
	2016	2015	2016	2015
GROSS REVENUE				
Sales of products				
Domestic sales	**3,674,357**	4,778,689	**31,074,622**	31,443,332
Export sales	**2,075,648**	2,598,132	**11,471,091**	11,282,220
	5,750,005	**7,376,821**	**42,545,713**	**42,725,552**
SALES DEDUCTION				
Returns and discounts	**(198,813)**	(228,017)	**(901,187)**	(843,875)
Sales taxes	**(144,663)**	(344,811)	**(500,130)**	(715,523)
	(343,476)	**(572,828)**	**(1,401,317)**	**(1,559,398)**
NET REVENUE	**5,406,529**	**6,803,993**	**41,144,396**	**41,166,154**

23 Finance income (expense)

	Company		Consolidated	
	For the nine month period ended September 30,		For the nine month period ended September 30,	
	2017	2016	2017	2016
Exchange rate variation	**365,308**	3,373,539	**135,262**	3,925,464
Fair value adjustments on derivatives	**8,262**	(6,150,035)	**23,669**	(6,651,763)
Interest expense	**(2,012,296)**	(1,317,567)	**(3,780,013)**	(2,951,851)
Interest income	**514,087**	1,009,096	**214,960**	486,094
Taxes, contribution, tariff and others	**(35,381)**	(104,246)	**(113,938)**	(179,488)
	(1,160,020)	**(3,189,213)**	**(3,520,060)**	**(5,371,544)**
Finance income	**2,073,300**	4,382,635	**1,938,888**	4,411,558
Finance expense	**(3,233,320)**	(7,571,848)	**(5,458,946)**	(9,783,102)
	(1,160,020)	**(3,189,213)**	**(3,520,058)**	**(5,371,544)**

	Company		Consolidated	
	For the three month period ended September 30,		For the three month period ended September 30,	
	2017	2016	2017	2016
Exchange rate variation	**843,359**	(319,393)	**1,054,647**	(434,884)
Fair value adjustments on derivatives	**(196,136)**	(17,117)	**(182,060)**	(18,396)
Interest expense	**(1,186,119)**	(450,867)	**(1,805,895)**	(1,002,581)
Interest income	**127,283**	326,081	**70,989**	91,357
Taxes, contribution, tariff and others	**(18,015)**	(15,817)	**(36,154)**	(14,150)
	(429,628)	**(477,113)**	**(898,473)**	**(1,378,654)**
Finance income	**970,640**	326,081	**1,125,635**	91,357
Finance expense	**(1,400,268)**	(803,194)	**(2,024,108)**	(1,470,011)
	(429,628)	**(477,113)**	**(898,473)**	**(1,378,654)**

24 Earnings per share

Basic: Earnings (loss) per share is calculated by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period, excluding common shares purchased and held as treasury shares (shares in thousands).

	For the nine month period ended September 30,		For the three month period ended September 30,	
	2017	2016	2017	2016
Net income (loss) attributable to shareholders	**985,938**	**(429,204)**	**323,047**	**862,235**
Weighted average common shares outstanding	**2,856,858**	2,944,426	**2,856,858**	2,944,426
Weighted average - treasury shares	**(31,754)**	(133,490)	**(181,233)**	(138,775)
Weighted average - common shares outstanding (basic)	**2,825,104**	**2,810,936**	**2,675,625**	**2,805,651**
Basic earnings (loss) per share - (R$)	**0.35**	**(0.15)**	**0.12**	**0.31**

Diluted: Diluted earnings (loss) per share is calculated by dividing net income (loss) of the period attributable to common shareholders by the weighted average number of common shares outstanding during the period, adjusted for the effects of all potential common shares that are dilutive and adjusted for treasury shares held. From May 2015, the Company has only one category of potential common shares that would cause dilution: outstanding options to purchase shares (shares in thousands).

	For the nine month period ended September 30,		For the three month period ended September 30,	
	2017	2016	2017	2016
Net income (loss) attributable to shareholders	**985,938**	**(429,204)**	**323,047**	**862,235**
Weighted average common shares outstanding (basic)	**2,825,104**	2,810,936	**2,675,625**	2,805,651
Dilutive effect of conversion of outstanding stock options	**16,278**	-	**25,815**	14,135
Weighted average - common shares outstanding (diluted)	**2,841,382**	**2,810,936**	**2,701,440**	**2,819,786**
Diluted earnings (loss) per shares - (R$)	**0.35**	**(0.15)**	**0.12**	**0.32**

For the nine month period ended September 30, 2017, 7,241,276 shares related to outstanding stock options have been excluded from the calculation of diluted weighted average common shares outstanding as the effect would be anti-dilutive.

(Expressed in thousands of Brazilian reais)

25 Operating segments and geographic reporting

Segments presented by product:

	Net revenue		Operating income [1]		Depreciation	
	For the nine month period ended September 30,		For the nine month period ended September 30,		For the nine month period ended September 30,	
	2017	2016	2017	2016	2017	2016
Segments						
Beef	**66,789,763**	73,185,454	**1,951,122**	443,707	**889,266**	906,359
Chicken	**30,671,834**	32,443,874	**3,078,034**	2,459,849	**1,761,010**	1,794,781
Pork	**15,808,654**	15,104,919	**1,701,122**	1,263,374	**290,955**	282,961
Others	**7,165,252**	8,015,700	**169,955**	660,177	**376,154**	362,861
Total	**120,435,503**	**128,749,947**	**6,900,233**	**4,827,107**	**3,317,385**	**3,346,962**

Segments presented by product modality:

	Net revenue		Operating income [1]		Depreciation	
	For the three month period ended September 30,		For the three month period ended September 30,		For the three month period ended September 30,	
	2017	2016	2017	2016	2017	2016
Segments						
Beef	**22,205,199**	23,705,359	**1,071,296**	953,832	**291,654**	297,541
Chicken	**10,757,012**	10,059,801	**1,370,567**	606,511	**613,686**	556,909
Pork	**5,710,911**	4,827,070	**673,001**	512,300	**104,337**	90,526
Others	**2,471,274**	2,573,924	**76,858**	10,741	**117,871**	116,107
Total	**41,144,396**	**41,166,154**	**3,191,722**	**2,083,384**	**1,127,548**	**1,061,083**

Total assets by product:

	September 30, 2017	December 31, 2016
Total assets		
Beef	**44,642,584**	48,364,038
Chicken	**34,180,223**	29,625,745
Pork	**11,209,871**	10,584,684
Others	**19,868,720**	14,241,296
Total	**109,901,398**	**102,815,763**

Below is net revenue, operating income and depreciation and amortization based on geography, presented for supplemental information.

Geographic reporting

	Net revenue		Operating income [1]		Depreciation	
	For the nine month period ended September 30,		For the nine month period ended September 30,		For the nine month period ended September 30,	
	2017	2016	2017	2016	2017	2016
United States of America	**85,573,826**	87,357,076	**6,762,402**	2,955,058	**1,801,995**	1,889,413
South America	**30,526,804**	34,447,783	**103,228**	1,662,875	**1,370,011**	1,191,087
Others	**4,334,873**	6,945,088	**34,603**	209,174	**145,379**	266,462
Total	**120,435,503**	**128,749,947**	**6,900,233**	**4,827,107**	**3,317,385**	**3,346,962**

Segments presented by geographic area:

	Net revenue		Operating income [1]		Depreciation	
	For the three month period ended September 30,		For the three month period ended September 30,		For the three month period ended September 30,	
	2017	2016	2017	2016	2017	2016
Segments						
United States of America	**31,013,707**	27,825,239	**3,107,766**	1,778,766	**660,613**	576,600
South America	**9,720,916**	11,366,877	**117,363**	265,706	**463,631**	408,162
Others	**409,773**	1,974,038	**(33,407)**	38,912	**3,304**	76,321
Total	**41,144,396**	**41,166,154**	**3,191,722**	**2,083,384**	**1,127,548**	**1,061,083**

(Expressed in thousands of Brazilian reais)

Total assets by geographic area:

	September 30, 2017	December 31, 2016
Total assets		
United States of America	**54,387,476**	38,581,759
South America	**53,802,086**	58,102,290
Others	**1,711,836**	6,131,714
Total	**109,901,398**	**102,815,763**

(1) - The operating income is reconciled with the consolidated net income, as follows below:

	Operating income		Operating income	
	For the nine month period ended September 30,		For the three month period ended September 30,	
	2017	2016	2017	2016
Net income (loss)	**1,370,612**	(142,964)	**478,885**	930,349
Income tax and social contribution - current and deferred	**44,151**	(524,723)	**(124,333)**	(233,258)
Finance (income) expense, net	**3,520,060**	5,371,544	**898,473**	1,378,654
Share of profit of equity-accounted investees, net of tax	**(17,199)**	(13,958)	**(9,275)**	(8,314)
Operating profit	**4,917,624**	4,689,899	**1,243,750**	2,067,431
Restructuring, reorganization and other expenses	**1,838,489**	23,226	**1,838,404**	(9,429)
Impacts from the leniency agreement				
Net operating profit	**6,756,113**	**4,713,125**	**3,082,154**	**2,058,002**

26 Risk management and financial instruments

Financial instruments:

Financial instruments are recognized in the condensed consolidated financial statements as follows:

		Company		Consolidated	
	Notes	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Assets					
Fair value through profit or loss					
Financial investments and national treasury bill	5	**1,098,923**	2,688,392	**4,721,603**	3,746,700
Derivative assets	26	**79**	-	**161,080**	38,250
Loans and receivables at amortized cost					
Cash at banks	5	**2,677,423**	2,024,404	**9,375,651**	5,608,922
Trade accounts receivable	6	**2,315,019**	2,767,655	**9,391,611**	9,589,185
Related parties receivables	11	**5,642,348**	5,377,944	**875,713**	1,315,526
Total		**11,733,792**	**12,858,395**	**24,525,658**	**20,298,583**
Liabilities					
Liabilities at amortized cost					
Loans and financing	16	**(21,627,607)**	(26,302,412)	**(59,637,246)**	(56,260,414)
Trade accounts payable		**(1,741,463)**	(2,050,265)	**(9,030,041)**	(10,716,987)
Debits with related parties	11	**(2,199,852)**	(146,391)	-	-
Other financial liabilities		**(34,136)**	(39,086)	**(153,357)**	(263,259)
Fair value through profit or loss					
Derivative liabilities	26	-	-	**(192,563)**	(133,125)
Total		**(25,603,058)**	**(28,538,154)**	**(69,013,207)**	**(67,373,785)**

During this period there has been no reclassification between categories shown in the table above.

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

	Company					
	Current assets					
	National treasury bill		Financial investments		Derivative assets	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Level 1	**765,180**	34,027	-	-	-	-
Level 2	-	-	**333,743**	2,654,365	**79**	-

	Consolidated							
	Current assets						Current liabilities	
	National treasury bill		Financial investments		Derivative assets		Derivatives liabilities	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Level 1	**765,180**	34,027	**-**	-	**-**	-	**-**	-
Level 2	**-**	-	**3,956,423**	3,712,673	**161,080**	38,250	**(192,563)**	(133,125)

b. Fair value of assets and liabilities carried at amortized cost:

	Company						Consolidated					
	September 30, 2017			December 31, 2016			September 30, 2017			December 31, 2016		
Description	Principal	Price (% of the Principal)	Market Value of the Principal	Principal	Price (% of the Principal)	Market Value of the Principal	Principal	Price (% of the Principal)	Market Value of the Principal	Principal	Price (% of the Principal)	Market Value of the Principal
JBS S.A Notes 2020	**3,168,000**	**102.45**	**3,245,616**	3,259,100	106.51	3,471,267	**3,168,000**	**102.45**	**3,245,616**	3,259,100	106.51	3,471,267
JBS S.A Notes 2023	**2,455,200**	**96.97**	**2,380,807**	2,525,803	100.97	2,550,303	**2,455,200**	**96.97**	**2,380,807**	2,525,803	100.97	2,550,303
JBS S.A Notes 2024	**2,376,000**	**99.63**	**2,367,209**	2,444,325	105.40	2,576,319	**2,376,000**	**99.63**	**2,367,209**	2,444,325	105.40	2,576,319
JBS Lux Notes 2020	**-**	**-**	**-**	-	-	-	**2,217,600**	**101.95**	**2,260,843**	2,281,370	106.38	2,426,921
JBS Lux Notes 2021	**-**	**-**	**-**	-	-	-	**3,643,200**	**101.75**	**3,706,956**	3,747,965	104.25	3,907,254
JBS Lux Notes 2024	**-**	**-**	**-**	-	-	-	**2,376,000**	**102.00**	**2,423,520**	2,444,325	102.25	2,499,322
JBS Lux Notes 2025	**-**	**-**	**-**	-	-	-	**2,851,200**	**100.25**	**2,858,328**	2,933,190	101.89	2,988,627
PPC Notes 2025	**-**	**-**	**-**	-	-	-	**2,376,000**	**104.25**	**2,476,980**	1,629,550	100.68	1,640,631
PPC Notes 2027	**-**	**-**	**-**	-	-	-	**1,900,800**	**102.75**	**1,953,072**	-	-	-
Moy Park	**-**	**-**	**-**	-	-	-	**1,273,482**	**103.39**	**1,316,653**	1,210,920	105.40	1,276,310
	7,999,200		**7,993,632**	8,229,228		8,597,889	**24,637,482**		**24,989,984**	22,476,548		23,336,954

Risk management:

The Company during the regular course of its operations is exposed to a variety of financial risks that include the effects of changes in market prices, (including foreign exchange, interest rate risk and commodity price risk), credit risk and liquidity risk. Such risks are fully disclosed in the financials statements at December 31, 2016. There were no changes in the nature of these risks in the current period.

Below is presented the risks related to fluctuation of US Dollars (US$), Euro (€) and Mexican Pesos (MXN), given the relevance of these currencies in the Company's operations, and the analysis of stress scenarios and Value at Risk (VaR) to measure the total exposure as well as the cash flow risk with the BM&FBovespa and the Chicago Mercantile Exchange.

EXPOSURE to the US Dollar (amounts in thousands of R$):

	Company		Consolidated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
OPERATING				
Cash and cash equivalents	**377,737**	395,439	**1,336,686**	1,808,879
Trade accounts receivable	**1,493,625**	2,470,015	**3,423,795**	3,767,808
Sales orders	**1,088,971**	1,061,918	**2,777,273**	1,941,230
Trade accounts payable	**(88,839)**	(142,403)	**(158,621)**	(214,131)
Purchase orders	**-**	-	**(67,668)**	(32,733)
Subtotal	**2,871,494**	**3,784,969**	**7,311,465**	**7,271,053**
FINANCIAL				
Related parties transaction (net)	**(1,875,096)**	(42,545)	**(4,314,849)**	(2,050,335)
Net debt in foreign subsidiaries	**(24,827,077)**	(20,493,716)	**(24,827,077)**	(20,493,716)
Loans and financing	**(19,829,610)**	(23,631,673)	**(23,705,180)**	(26,927,290)
Subtotal	**(46,531,783)**	**(44,167,934)**	**(52,847,106)**	**(49,471,341)**
Total exposure	**(43,660,289)**	**(40,382,965)**	**(45,535,641)**	**(42,200,288)**
DERIVATIVES				
Non Deliverable Forwards (NDF´s)	**-**	-	**101,718**	162,248
Deliverable Forwards (DF´s)	**-**	-	**1,353**	-
Total derivatives	**-**	**-**	**103,071**	**162,248**
NET EXPOSURE IN R$	**(43,660,289)**	**(40,382,965)**	**(45,432,570)**	**(42,038,040)**

Sensitivity analysis at September 30, 2017 (exchange rates are Brazilian Reais to US Dollar):

			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	3.1680	3.2277	54,112	137,782	3.9600	717,874	1,827,866	4.7520	1,435,747	3,655,733
Financial	Depreciation	3.1680	3.2277	(409,019)	(528,029)	3.9600	(5,426,177)	(7,005,007)	4.7520	(10,852,353)	(14,010,015)
Derivatives	Appreciation	3.1680	3.2277	–	1,942	3.9600	–	25,768	4.7520	–	51,536
				(354,907)	(388,305)		(4,708,303)	(5,151,373)		(9,416,606)	(10,302,746)

			Scenario (i) VaR 99% I.C. 1 day			Scenario (ii) Interest rate variation - 25%			Scenario (iii) Interest rate variation - 50%		
				Effect on equity			Effect on equity			Effect on equity	
Exposure of R$	Risk	Current exchange rate	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated
Net debt in foreign subsidiaries	Depreciation	3.1680	3.2277	(467,859)	(467,859)	3.9600	(6,206,769)	(6,206,769)	4.7520	(12,413,539)	(12,413,539)
				(467,859)	(467,859)		(6,206,769)	(6,206,769)		(12,413,539)	(12,413,539)

The Company includes the net debt of foreign subsidiaries in the disclosure of economic hedging exposure. Although these debts do not generate foreign exchange gains or losses because the debt is denominated in the functional currency of each country, these debt instruments are translated to Brazilian Reais in consolidation and are therefore affected by exchange rate variation, which impacts the Company's consolidated leverage ratios.

Derivatives financial instruments breakdown:

			Company			Consolidated		
			September 30, 2017			September 30, 2017		
Instrument	Risk factor	Nature	Notional (USD)	Notional (R$)	Fair value	Notional (USD)	Notional (R$)	Fair value
Non Deliverable Forwards	American dollar	Long	–	–	–	427	1,353	(6)

			Consolidated					
			September 30, 2017			December 31, 2016		
Instrument	Risk factor	Nature	Notional (USD)	Notional (R$)	Fair value	Notional (USD)	Notional (R$)	Fair value
Deliverable Forwards	American dollar	Long	**32,108**	**101,718**	**(3,349)**	49,783	162,248	2,933

EXPOSURE in EURO (amounts in thousands of R$):

	Company		Consolidated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
OPERATING				
Cash and cash equivalents	**77,728**	24,716	**106,342**	38,726
Trade accounts receivable	**118,322**	235,103	**225,308**	336,522
Sales orders	**251,754**	188,615	**480,751**	363,405
Trade accounts payable	**(35,248)**	(36,694)	**(73,675)**	(55,700)
Purchase orders	–	–	**(22,083)**	(21,221)
Subtotal	**412,556**	**411,740**	**716,643**	**661,732**
FINANCIAL				
Related parties transaction (net)	**(44,238)**	(82,245)	**(44,238)**	(85,664)
Loans and financings	**(71,940)**	–	**(77,416)**	(6,675)
Subtotal	**(116,178)**	**(82,245)**	**(121,654)**	**(92,339)**
Total exposure	**296,378**	**329,495**	**594,989**	**569,393**
DERIVATIVES				
Deliverable Forwards (DF´s)	–	–	**64,165**	53,032
Non Deliverable Forwards (NDF´s)	–	–	**(7,825)**	9,360
Total derivatives	–	–	**56,340**	**62,392**
NET EXPOSURE IN R$	**296,378**	**329,495**	**651,329**	**631,785**

Sensitivity analysis at September 30, 2017 (exchange rates are Brazilian Reais to Euro):

			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	3.7430	3.6624	(8,884)	(15,432)	2.8073	(103,133)	(179,151)	1.8715	(206,278)	(358,322)
Financial	Depreciation	3.7430	3.6624	2,502	2,620	2.8073	29,043	30,412	1.8715	58,089	60,827
Derivatives	Appreciation	3.7430	3.6624	-	(1,213)	2.8073	-	(14,084)	1.8715	-	(28,170)
				(6,382)	**(14,025)**		**(74,090)**	**(162,823)**		**(148,189)**	**(325,665)**

Derivatives financial instruments breakdown:

			Consolidated					
			September 30, 2017			December 31, 2016		
Instrument	Risk factor	Nature	Notional (EUR)	Notional (R$)	Fair value	Notional (EUR)	Notional (R$)	Fair value
Deliverable Forwards	Euro	Long	**17,143**	**64,165**	**(364)**	15,423	53,032	(2,027)

			Consolidated					
			September 30, 2017			December 31, 2016		
Instrument	Risk factor	Nature	Notional (EUR)	Notional (R$)	Fair value	Notional (EUR)	Notional (R$)	Fair value
Non Deliverable Forwards	Euro	Short	**(2,091)**	**(7,825)**	**827**	2,698	9,360	1,187

EXPOSURE in MXN - Mexican Pesos (amounts in thousands of R$):

	Company		Consolidated	
	30.09.17	31.12.16	30.09.17	31.12.16
OPERATING				
Cash and cash equivalents	-	-	**236,545**	42,724
Trade accounts receivable	-	-	**268,678**	201,582
Trade accounts payable	-	-	**(171,069)**	(145,128)
Biological assets	-	-	**50,422**	122,780
Inventories	-	-	**376,346**	369,755
Recoverable taxes	-	-	**70,044**	101,035
Other non-current assets	-	-	**3,887**	1,115
Other current assets	-	-	**125,700**	6,075
Prepaid expenses	-	-	**6,029**	4,621
Payroll, taxes and social charges current	-	-	**(74,093)**	(62,523)
Payroll, taxes and social charges noncurrent	-	-	**(16,331)**	(23,283)
Subtotal	-	-	**876,158**	**618,753**
FINANCIAL				
Loans and financings	-	-	**(269,220)**	(75,992)
Subtotal	-	-	**(269,220)**	**(75,992)**
Total exposure	-	-	**606,938**	**542,761**
DERIVATIVES				
Deliverable Forwards (DF´s)	-	-	**(49,541)**	-
Total derivatives	-	-	**(49,541)**	-
NET EXPOSURE IN R$	-	-	**557,397**	**542,761**

Sensitivity analysis at September 30, 2017 (exchange rates are Brazilian Reais to Mexican Pesos):

			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	0.1746	0.1708	-	(19,069)	0.131	-	(218,789)	0.0873	-	(438,079)
Financial	Depreciation	0.1746	0.1708	-	5,859	0.131	-	67,228	0.0873	-	134,610
Derivatives	Depreciation	0.1746	0.1708	-	1,078	0.131	-	12,371	0.0873	-	24,771
				-	**(12,132)**		-	**(139,190)**		-	**(278,698)**

			Consolidated					
			September 30, 2017			December 31, 2016		
Instrument	Risk factor	Nature	Notional (MXN)	Notional (R$)	Fair value	Notional (MXN)	Notional (R$)	Fair value
Deliverable Forwards	Mexican Peso	Short	**(283,741)**	**(49,541)**	**(228)**	-	-	-

(Expressed in thousands of Brazilian reais)

a. Commodity price risk

The Risk Management Department is responsible for mapping the exposures to commodity prices of the Company and proposing strategies to the Risk Management Committee in order to mitigate such exposures. There were no significant changes to the Company's exposure in Commodity price risk in the current period in relation to December 31, 2016.

b. Liquidity risk

The table below shows the contractual obligation amounts from financial liabilities of the Company and its subsidiaries according to their maturities:

	Company									
	September 30, 2017					December 31, 2016				
	Less than1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total	Less than1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total
Trade accounts payable	1,741,463	–	–	–	1,741,463	2,050,265	–	–	–	2,050,265
Debits w/ related parties	–	–	–	2,199,852	2,199,852	–	–	–	146,391	146,391
Loans and financings	9,483,699	1,689,400	4,823,985	5,630,523	21,627,607	12,281,028	2,255,450	5,090,070	6,675,864	26,302,412
Estimated interest on loans and financing (1)	1,002,815	1,509,105	815,633	337,278	3,664,831	1,324,128	1,690,250	1,033,864	755,681	4,803,923
Other financial liabilities	7,659	13,200	13,200	77	34,136	7,659	13,200	13,200	5,027	39,086

	Consolidated									
	September 30, 2017					December 31, 2016				
	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total	Less than1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total
Trade accounts payable	9,030,041	–	–	–	9,030,041	10,716,987	–	–	–	10,716,987
Loans and financings	16,384,257	10,800,544	17,336,466	15,114,977	59,636,244	18,148,818	5,303,832	15,496,959	17,310,805	56,260,414
Estimated interest on loans and financing (1)	2,574,665	4,177,965	2,693,838	1,434,772	10,881,240	2,871,135	4,169,362	2,806,562	2,166,602	12,013,661
Derivatives financing liabilities	192,563	–	–	–	192,563	133,125	–	–	–	133,125
Other financial liabilities	105,337	34,743	13,200	77	153,357	161,114	83,918	13,200	5,027	263,259

(1) Includes interest on all loans and financing outstanding. Payments are estimated for variable rate debt based on effective interest rates at September 30, 2017 and December 31, 2016. Payments in foreign currencies are estimated using the September 30, 2017 and December 31, 2016 exchange rates.

The Company has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at September 30, 2017 is R$53,386 (R$33,630 at December 31, 2016). 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, 2017 is R$338,659 (R$254,862 at December 31, 2016). This guarantee is larger than its collateral.

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.

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(Expressed in thousands of Brazilian reais)

27 Approval of the financial statements

BOARD OF DIRECTORS

Chairman:	Jeremiah O'Callaghan
Vice-Chairman:	José Batista Sobrinho
Board Member:	Aguinaldo Gomes Ramos Filho
Board Member:	Gilberto Meirelles Xandó Baptista
Board Member:	Wesley Mendonça Batista Filho
Independent Board Member:	José Gerardo Grossi
Independent Board Member:	Sérgio Roberto Waldrich
Independent Board Member:	Cledorvino Belini
Independent Board Member:	Roberto Penteado de Camargo Ticoulat

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FISCAL COUNCIL REPORT

The Fiscal Council reviewed the quarterly interim condensed financial statements of the Company for the nine month period ended September 30, 2017.

Our review included: a. analysis of the quarterly condensed 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, in the information and clarifications received and considering the Independent Auditors' Review Report, the Fiscal Council was not aware of any additional fact that would lead us to believe that the aforementioned financial statements do not reflect in all material respects the information contained therein, and which are in a position to be disclosed by the Company, except for the effects not known, if any, of the matters mentioned in the section entitled "Basis for qualified opinion" of the Independent Auditors' report, relating to (i) the Collaboration Agreement Award, Leniency Agreement and Independent Investigation and (ii) Independent Audit of Seara Alimentos Ltda.

FISCAL COUNCIL

Chairman:	Adrian Lima da Hora
Council Member:	José Paulo da Silva Filho
Council Member:	Demetrius Nichele Macei
Council Member:	Francisco Vicente Santana Silva Telles

AUDIT COMMITTEE

Chairman:	Sérgio Roberto Waldrich
Committee Member:	Gilberto Meirelles Xandó Baptista
Committee Member:	Paulo Sérgio Dortas

STATEMENT OF OFFICERS ON THE 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 consolidated financial statements for the nine month period ended September 30, 2017, and

(ii) They reviewed, discussed and agreed with the consolidated financial statements for the nine month period ended September 30, 2017.

EXECUTIVE BOARD

Chief Executive Officer:	José Batista Sobrinho
Administrative and Control Officer:	Eliseo Santiago Perez Fernandez
Investor Relations Officer:	Jeremiah Alphonsus O'Callaghan
Officer:	Wesley Mendonça Batista Filho

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

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