1Q18 Results

JBS ends 1Q18 with a 30.3% higher EBITDA, totaling R$2.8 billion

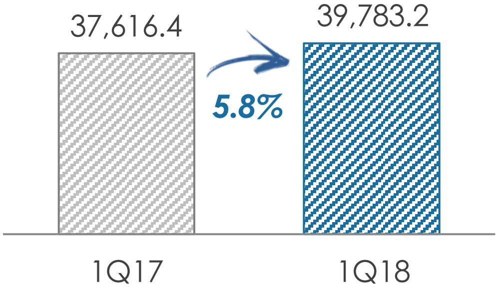
Net income was R$506.5 million, 43.5% higher than 1Q17

Leverage reduced to 3.24x

- **In 1Q18,** net income was **R$39.8 billion,** a 5.8% increase compared with 1Q17.
- **Gross profit totaled R$5.2 billion**, 16.5% higher than 1Q17, **with gross margin increasing from 11.8% to 13.0%.**
- **EBITDA was R$2.8 billion**, 30.3% higher than 1Q17, with **EBITDA margin increasing from 5.7% to 7.0%.**
- **Net income** was **R$506.5 million,** 43.5% higher than 1Q17, with an EPS of R$0.18.
- **Leverage reduced** from 4.23x in 1Q17 to **3.24x in 1Q18.**
- **Total liquidity was R$15.1 billion**, R$2.1 billion higher than short-term debt.
- Establishment of **Normalization Agreement** related to short-term debt in Brazil, with maturity term extension of three years

1Q18 FINANCIAL HIGHLIGHTS

NET REVENUE



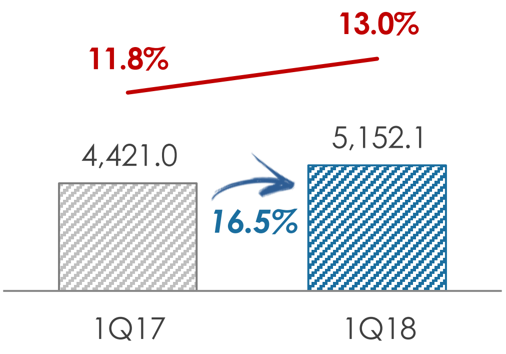
R$39.8Bn

A 5.8% increase over 1Q17

GROSS PROFIT

R$5.2Bn

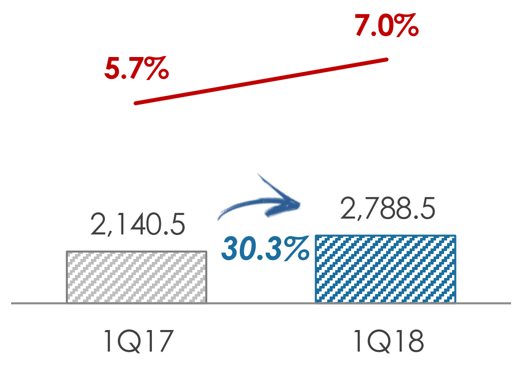
Increase in gross margin from 11.8% in 1Q17 to 13.0% in 1Q18



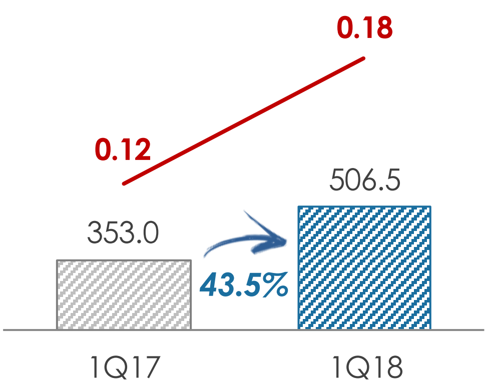
EBITDA

R$2.8Bn

EBITDA margin increased from 5.7% in 1Q17 to 7.0% in 1Q18



NET INCOME



In 1Q18, the Company reported a net income of

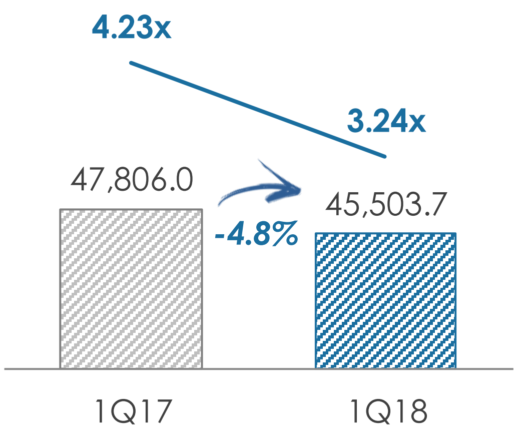
R$506.5Mn

EPS was **R$0.18**

Note: graphs are in R$ million

1Q18 FINANCIAL HIGHLIGHTS

NET DEBT AND LEVERAGE



In 1Q18, net debt reduced by **R$2,302.2 million**

Leverage reduced to

3.24x

JBS Consolidated Income Statements

R$ Million	1Q18 R$ MM	1Q18 % ROL	4Q17 R$ MM	4Q17 % ROL	Δ% 1Q18 vs 4Q17	1Q17 R$ MM	1Q17 % ROL	Δ% 1Q18 vs 1Q17
Net Revenue	**39,783.2**	*100.0%*	**42,734.5**	*100.0%*	**-6.9%**	**37,616.4**	*100.0%*	**5.8%**
Cost of Goods Sold	**(34,631.0)**	*-87.0%*	(36,394.0)	*-85.2%*	-4.8%	(33,195.4)	*-88.2%*	4.3%
Gross Profit	**5,152.1**	*13.0%*	**6,340.5**	*14.8%*	**-18.7%**	**4,421.0**	*11.8%*	**16.5%**
Selling Expenses	(2,324.7)	*-5.8%*	(2,457.0)	*-5.7%*	-5.4%	(2,069.5)	*-5.5%*	12.3%
General and Adm. Expenses	(1,213.1)	*-3.0%*	(2,246.3)	*-5.3%*	-46.0%	(1,323.8)	*-3.5%*	-8.4%
Net Financial Income (expense)	(1,108.1)	*-2.8%*	(2,075.3)	*-4.9%*	-46.6%	(410.8)	*-1.1%*	169.8%
Equity in earnings of subsidiaries	7.1	*0.0%*	1.4	*0.0%*	392.7%	1.8	*0.0%*	288.4%
Other Income (expense)	(45.5)	*-0.1%*	173.7	*0.4%*	-	21.9	*0.1%*	-
Operating Income	**467.8**	*1.2%*	**(263.0)**	*-0.6%*	-	**640.7**	*1.7%*	**-27.0%**
Income and social contribution taxes	120.4	*0.3%*	(82.1)	*-0.2%*	-	(223.8)	*-0.6%*	-
Minority interest	(81.7)	*-0.2%*	(106.6)	*-0.2%*	-23.4%	(63.9)	*-0.2%*	27.8%
Net Income (Loss)	**506.5**	*1.3%*	**(451.7)**	*-1.1%*	-	**353.0**	*0.9%*	**43.5%**
Adjusted EBITDA	**2,788.5**	*7.0%*	**3,198.3**	*7.5%*	**-12.8%**	**2,140.5**	*5.7%*	**30.3%**
Earnings per Share	**0.18**		**n.a.**		-	**0.12**		**50.0%**

Note: graphs are in R$ million

1Q18 CONSOLIDATED RESULTS

Net Revenue

In 1Q18, JBS posted consolidated net revenue of R$39,783.2 million, a 5.8% increase over 1Q17, with JBS USA Beef, JBS USA Pork and PPC being the highlights, with a revenue growth of 2.9%, 5.0% and 10.8%, respectively.

In the period, approximately 77% of JBS global sales came from markets where the company operates and 23% from exports.

EBITDA

JBS 1Q18 EBITDA was R$2,788.5 million, a 30.3% increase over 1Q17, with EBITDA growth in all business units, except JBS Brasil. EBITDA margin grew from 5.7% to 7.0%.

R$ Million	1Q18	4Q17	Δ%	1Q17	Δ%
Net income for the period (including minority interest)	**588.2**	**(345.1)**	**-**	**416.9**	**41.1%**
Financial income (expense), net	1,108.1	2,075.3	-46.6%	410.8	169.8%
Current and deferred income taxes	(120.4)	82.1	-	223.8	-
Depreciation and amortization	1,126.7	1,154.3	-2.4%	1,056.2	6.7%
Equity in subsidiaries	(7.1)	(1.4)	392.7%	(1.8)	288.4%
Write-off of Mercosul	0.0	(272.3)	-	0.0	-
Tax payable installments	21.7	388.6	-94.4%	0.0	-
Other income / expenses	61.6	116.9	-47.4%	0.0	-
Investigation impacts due to the leniency agreement	9.6	0.0	-	34.6	-72.1%
(=) Adjusted EBITDA	**2,788.5**	**3,198.3**	**-12.8%**	**2,140.5**	**30.3%**

Net Financial Results

For the quarter, net financial expenses totaled R$1,108.1 million. Net results from foreign exchange variation and the fair value of adjustments of derivatives was R$168.6 million. Interest expense was R$954.0 million, while interest income was R$56.4 million. Taxes, contributions, tariffs and other expenses resulted in an expense of R$42.0 million.

Net income

JBS posted net income of R$506.5 million in 1Q18, a 43.5% increase compared to 1Q17, with an EPS of R$0.18.

Cash Flow of Operating Activities and Free Cash Flow

In 1Q18, the Company generated R$163.3 million in cash from operating activities. Free cash flow was a negative R$109.5 million.

Net cash provided by investing activities

In 1Q18, total cash provided by investing activities was a positive R$699.0 million. CAPEX reduced from R$788.3 million in 1Q17 to R$441.5 million in 1Q18.

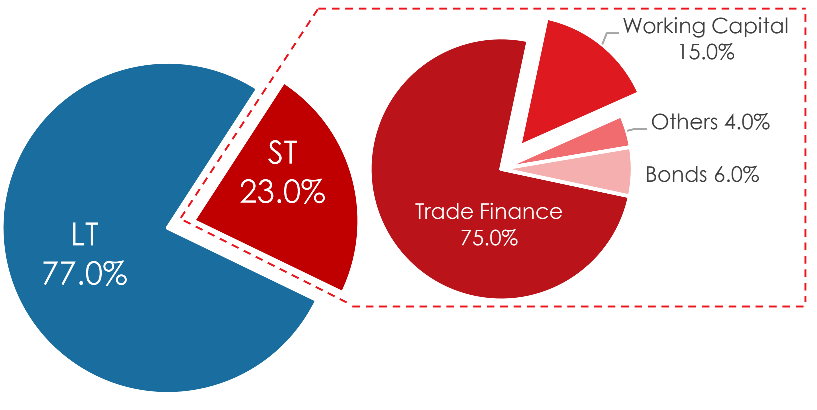
1Q18 CONSOLIDATED RESULTS

Indebtedness

JBS ended 1Q18 with R$10,833.1 million in cash. Additionally, JBS USA has a US$1,295.6 million fully available unencumbered line under revolving credit facilities, equivalent to R$4,306.3 million at the quarter-end exchange rate, providing JBS with total liquidity of R$15,139.5 million, higher than short-term debt. Net debt reduced from R$47,806.0 million in 1Q17 to R$45,503.7 million in 1Q18. Leverage reduced from 4.23x to 3.24x in the period.

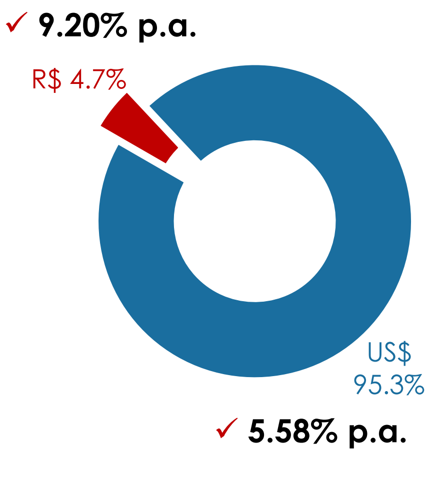
R$ Million	03/31/18	31/03/17	Var.%
Gross Debt	**56,336.9**	**58,550.3**	**-3.8%**
(+) Short Term Debt	13,033.0	17,872.9	-27.1%
(+) Long Term Debt	43,303.9	40,677.4	6.5%
(-) Cash and Equivalents	10,833.1	10,744.3	0.8%
Net Debt	**45,503.7**	**47,806.0**	**-4.8%**
Leverage	**3.24x**	**4.23x**	

Debt profile Short-Term / Long-Term

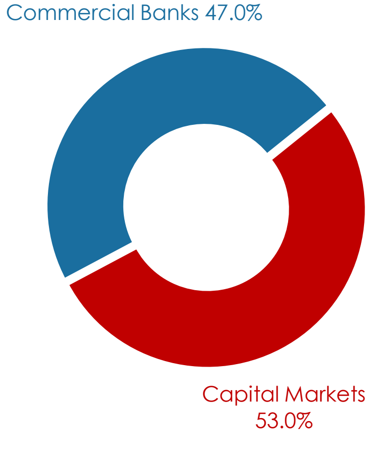


Short-term debt in relation to total debt reduced from 31% in 1Q17 to 23% in 1Q18, of which 75% are trade finance credit lines related to exports from JBS' Brazilian businesses.

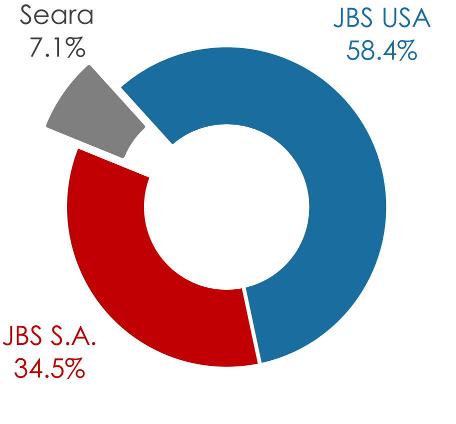
Currency & Cost Breakdown



Source Breakdown



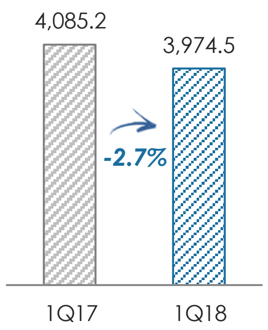
Entity Breakdown



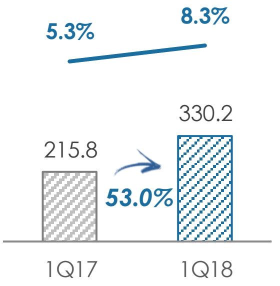
1Q18 BUSINESS UNITS

Seara (R$)

Net Revenue (million)

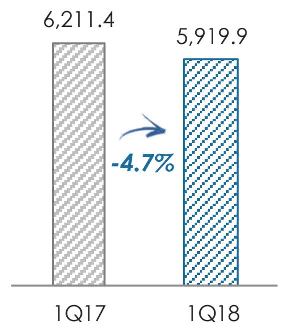


EBITDA (million) and EBITDA Margin

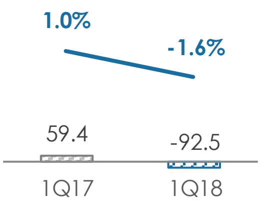


JBS Brazil (R$)

Net Revenue (million)

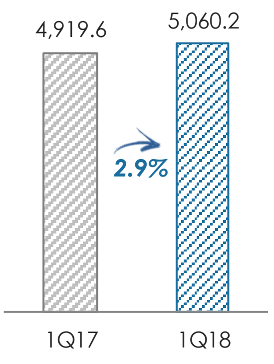


EBITDA (million) and EBITDA Margin

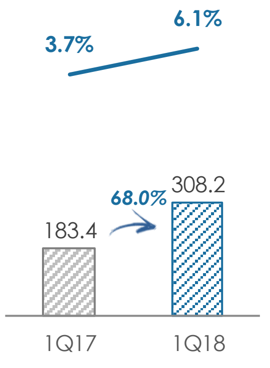


JBS USA Beef (US$)

Net Revenue (million)

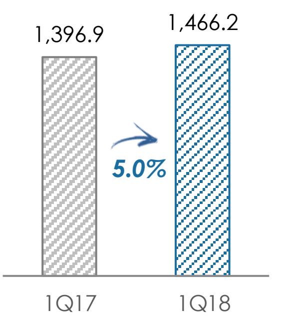


EBITDA (million) and EBITDA Margin

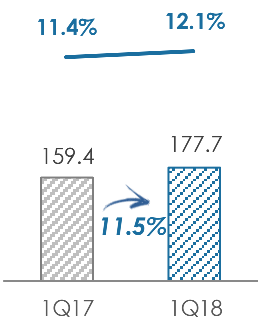


JBS USA Pork (US$)

Net Revenue (million)

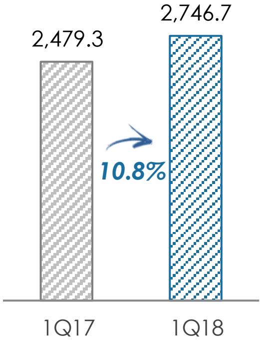


EBITDA (million) and EBITDA Margin

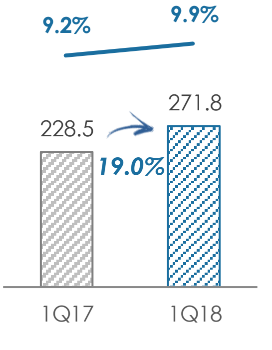


Pilgrim's Pride[1] (US$)

Net Revenue (million)



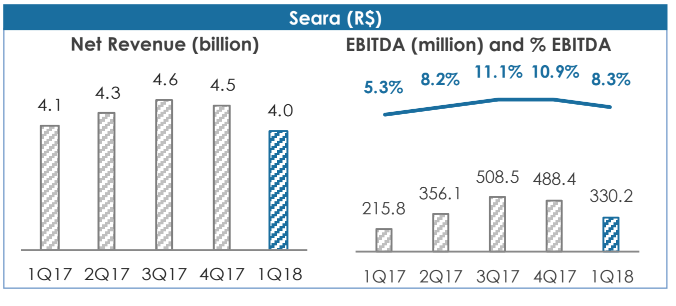
EBITDA (million) and EBITDA Margin

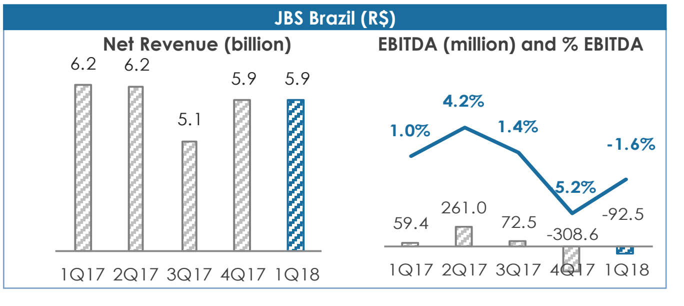


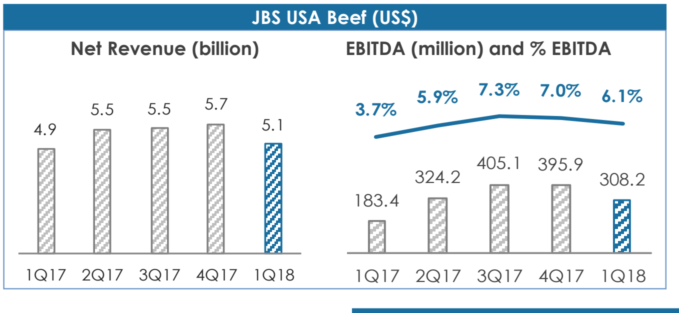
Note 1: includes Moy Park results in 1Q17

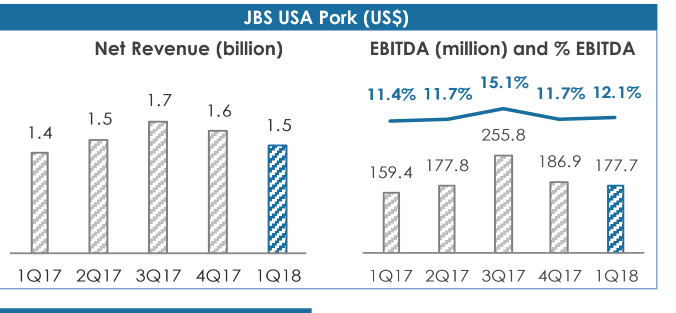
1Q18 BUSINESS UNITS

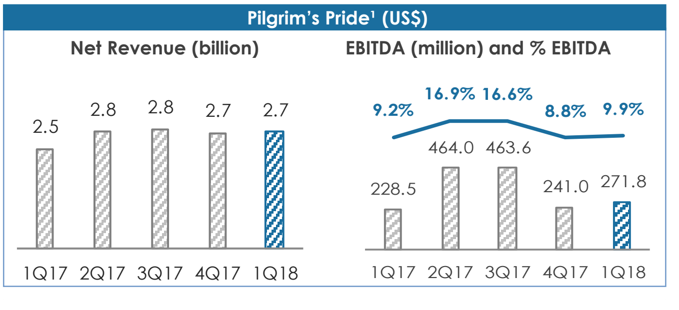
Million		1Q18	4Q17	Δ%	1Q17	Δ%
Net Revenue						
Seara	R$	3,974.5	4,474.6	-11.2%	4,085.2	-2.7%
JBS Brazil	R$	5,919.9	5,918.6	0.0%	6,211.4	-4.7%
JBS USA Beef	US$	5,060.2	5,684.6	-11.0%	4,919.6	2.9%
JBS USA Pork	US$	1,466.2	1,598.0	-8.2%	1,396.9	5.0%
Pilgrim's Pride	US$	2,746.7	2,742.4	0.2%	2,479.3	10.8%
EBITDA						
Seara	R$	330.2	488.4	-32.4%	215.8	53.0%
JBS Brazil	R$	-92.5	-308.6	-70.0%	59.4	-
JBS USA Beef	US$	308.2	395.9	-22.2%	183.4	68.0%
JBS USA Pork	US$	177.7	186.9	-4.9%	159.4	11.5%
Pilgrim's Pride	US$	271.8	241.0	12.8%	228.5	19.0%
EBITDA Margin						
Seara	%	8.3%	10.9%	-2.61 p.p.	5.3%	3.02 p.p.
JBS Brazil	%	-1.6%	-5.2%	3.65 p.p.	1.0%	-2.52 p.p.
JBS USA Beef	%	6.1%	7.0%	-0.87 p.p.	3.7%	2.36 p.p.
JBS USA Pork	%	12.1%	11.7%	0.42 p.p.	11.4%	0.71 p.p.
Pilgrim's Pride	%	9.9%	8.8%	1.11 p.p.	9.2%	0.68 p.p.











Note 1: includes Moy Park results

1Q18 BUSINESS UNITS

Seara

Seara net revenue in 1Q18 was R$3,974.5 million, a 2.7% decrease over 1Q17.

As a results of a higher supply of chicken meat in the Brazilian market, chicken prices dropped by 9.1%, while processed products category posted an increase of 1.9%, as a reflection of the Company's strategy to prioritize business profitability. During the quarter, Seara continued to invest in quality, innovation, research and development, and has just launched a large campaign, reinforcing the quality of its products. Seara also launched a new product category in the Brazilian market with the exclusive Rotisserie line – ready to eat chilled meals, with an original and exclusive technology, following the world's best food trends, which are increasingly more focused on practicality, coupled with freshness and flavor.

In the export market, fresh chicken volumes remained stable, with 2.4% higher prices, and fresh pork volumes decreased by 25.6%, impacted by the temporary suspension of Brazilian exports to Russia.

EBITDA was R$330.2 million, a 53.0% increase in relation to 1Q17, mainly due to a reduction in raw-material costs. EBITDA margin increased to 8.3% in 1Q18 from 5.3% in 1Q17.

Highlights

R$ Million	1Q18		4Q17		Δ%	1Q17		Δ%
	R$	% NR	R$	% NR	QoQ	R$	% NR	YoY
Net Revenue	**3,974.5**	***100.0%***	**4,474.6**	***100.0%***	**-11.2%**	**4,085.2**	***100.0%***	**-2.7%**
Cost of Goods Sold	(3,389.6)	*-85.3%*	(3,541.8)	*-79.2%*	-4.3%	(3,479.1)	*-85.2%*	-2.6%
Gross Profit	584.9	*14.7%*	932.7	*20.8%*	-37.3%	606.1	*14.8%*	-3.5%
EBITDA	**330.2**	**8.3%**	**488.4**	**10.9%**	**-32.4%**	**215.8**	**5.3%**	**53.0%**

1Q18 BUSINESS UNITS

JBS Brazil (including Leather and Related Businesses)

JBS Brazil posted net revenue of R$5,919.9 million in 1Q18, a 4.7% reduction in relation to 1Q17, due to a reduction in volumes as a consequence of the sale of JBS assets in Argentina, Paraguay and Uruguay.

Considering only beef operations in Brazil, revenue increased by 5.9%, with the number of animals processed growing by 7.0% in relation to 1Q17, in line with the Company's installed capacity. In the export market, JBS posted increases in both volume and prices, of 7.3% and 5.4%, respectively. In the domestic market, fresh beef volumes increased by 1.7% with a 4.8% reduction in sales prices.

EBITDA in 1Q18 was a negative R$92.5 million, which corresponds to a negative margin of 1.6%. The drop in EBITDA is mainly due to a reduction in gross margin, which was 15.1% in 1Q17 and 13.0% in 1Q18, impacted by pressured raw material costs mainly in regions where slaughtering capacity was increased by the industry.

In order to mitigate the impacts of an adverse scenario in the Brazilian beef sector, the Company has been investing in the development of a portfolio of higher value added beef products, as well as in commercial partnerships with key-customers in both domestic and export markets.

Leather operations are signaling improvements and the outlook for this segment is positive.

Highlights[1]

R$ Million	1Q18		4Q17		Δ%	1Q17		Δ%
	R$	% NR	R$	% NR	QoQ	R$	% NR	YoY
Net Revenue	**5,919.9**	***100.0%***	**5,918.6**	***100.0%***	**0.0%**	**6,211.4**	***100.0%***	**-4.7%**
Cost of Goods Sold	(5,147.8)	*-87.0%*	(4,929.2)	*-83.3%*	4.4%	(5,276.0)	*-84.9%*	-2.4%
Gross Profit	772.1	*13.0%*	989.4	*16.7%*	-22.0%	935.4	*15.1%*	-17.5%
EBITDA	**(92.5)**	**-1.6%**	**(308.6)**	**-5.2%**	**-70.0%**	**59.4**	**1.0%**	**-**

Note 1: Includes results from beef operations in Argentina, Paraguay and Uruguay in quarters prior to 3Q17.

1Q18 BUSINESS UNITS

JBS USA Beef (including Australia and Canada)

For the quarter, JBS USA Beef posted net revenue of US$5,060.2 million, 2.9% higher than 1Q17.

JBS beef operations in North America grew both in volume and revenues in the domestic and export markets, boosted by the Company's focus on product diversification and customer segmentation, by the improvement in the US economy and by increasing demand in the international market. It is worth mentioning that during the quarter, according to USDA, US export revenue grew by 21.6% when compared with 1Q17, with sales to Japan, South Korea and Hong Kong together increasing by 30% in the period.

In Australia, beef operations improved in relation to the previous year, although they continue to be impacted by a lower supply of cattle, seasonally intensified in the first quarter of the year due to rain, which impacts delivery of cattle in the processing facilities. Primo Smallgoods, the market leader, stood out for the operational improvements and better yields in its prepared foods operations, positively contributing to the Company's performance in that country.

EBITDA in 1Q18 was US$308.2 million, a 68% growth in relation to 1Q17, with EBITDA margin increasing from 3.7% to 6.1%.

Highlights (US GAAP)

US$ Million	1Q18		4Q17		Δ%	1Q17		Δ%
	US$	% NR	R$	% NR	QoQ	US$	% NR	YoY
Net Revenue	**5,060.2**	***100.0%***	**5,684.6**	***100.0%***	**-11.0%**	**4,919.6**	***100.0%***	**2.9%**
Cost of Goods Sold	(4,740.4)	*-93.7%*	(5,262.8)	*-92.6%*	-9.9%	(4,725.7)	*-96.1%*	0.3%
Gross Profit	319.8	*6.3%*	421.8	*7.4%*	-24.2%	193.9	*3.9%*	64.9%
EBITDA	**308.2**	**6.1%**	**395.9**	**7.0%**	**-22.2%**	**183.4**	**3.7%**	**68.0%**

1Q18 BUSINESS UNITS

JBS USA Pork

JBS USA Pork net revenue totaled US$1,466.2 million in 1Q18, a 5.0% increase in comparison to 1Q17.

For the quarter, higher volumes sold in the domestic market and the growth in export volumes and revenue, boosted by the focus on selling products in other regions such as Colombia and Central American countries, have contributed to sustainable business margins. It is worth mentioning that US pork export revenues increased by 7.8%, according to USDA.

JBS USA pork continues to increase volumes and its portfolio of higher value added products in the domestic market associated to commercial partnerships with relevant customers.

EBITDA in 1Q18 was US$177.7 million, which represents an increase of 11.5% in relation to 1Q17, with a 12.1% margin.

Highlights (US GAAP)

US$ Million	1Q18		4Q17		Δ%	1Q17		Δ%
	US$	% NR	R$	% NR	QoQ	US$	% NR	YoY
Net Revenue	**1,466.2**	***100.0%***	**1,598.0**	***100.0%***	**-8.2%**	**1,396.9**	***100.0%***	**5.0%**
Cost of Goods Sold	(1,287.4)	*-87.8%*	(1,407.2)	*-88.1%*	-8.5%	(1,231.9)	*-88.2%*	4.5%
Gross Profit	178.8	*12.2%*	190.8	*11.9%*	-6.3%	165.0	*11.8%*	8.4%
EBITDA	**177.7**	**12.1%**	**186.9**	**11.7%**	**-4.9%**	**159.4**	**11.4%**	**11.5%**

1Q18 BUSINESS UNITS

Pilgrim's Pride Corporation - "PPC"

Pilgrim's Pride posted net revenue of US$2,746.7 million in 1Q18, a 10.8% increase in relation to 1Q17, including Moy Park results in both quarters.

Net revenue of the US operations grew by 6.0% when compared with 1Q17, due to increases in prepared foods volumes and average sales prices, including a significant growth in production of organic products. In Mexico, operations performed above expectations, mainly due to increase in volumes and the normalization of the effects from the natural events that happened in 4Q17. In Europe, the Company already sees positive results from the integration of Moy Park and from operational improvements that are generating synergies faster than originally forecasted.

Acquisitions and strategic investments made by PPC have been adding value to its operations and contributing to increase the differentiation of its product portfolio, strengthening partnerships with key-customers and improving margin profile.

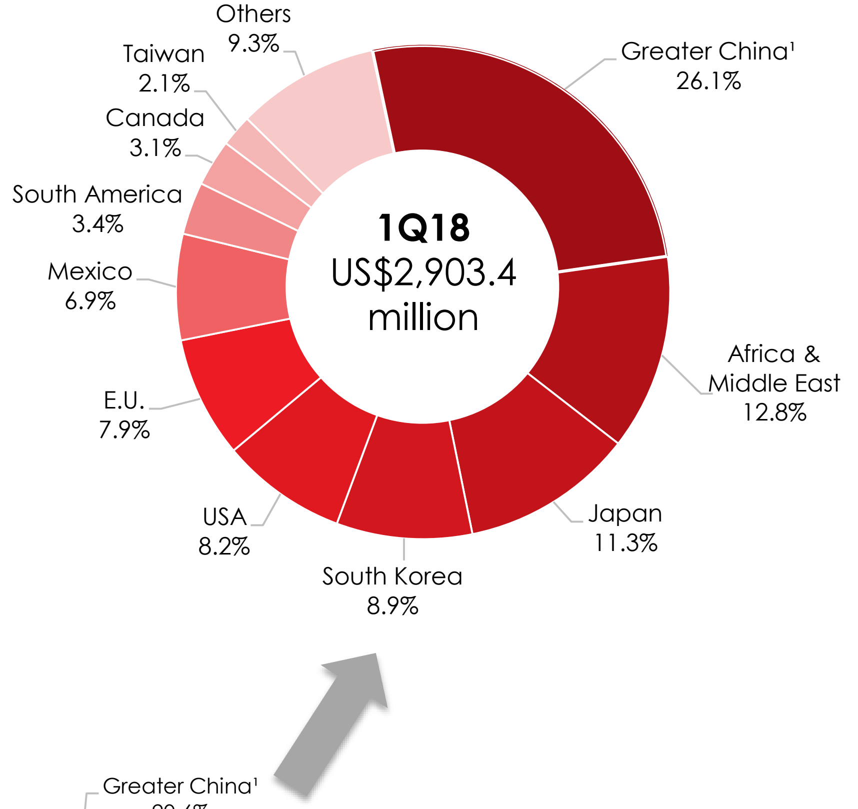
For the quarter, EBITDA totaled R$271.8 million, an increase of 19% in relation to 1Q17, due to a positive performance of all PPC operations. EBITDA margin in 1Q18 was 9.9% compared with 9.2% same period of last year.

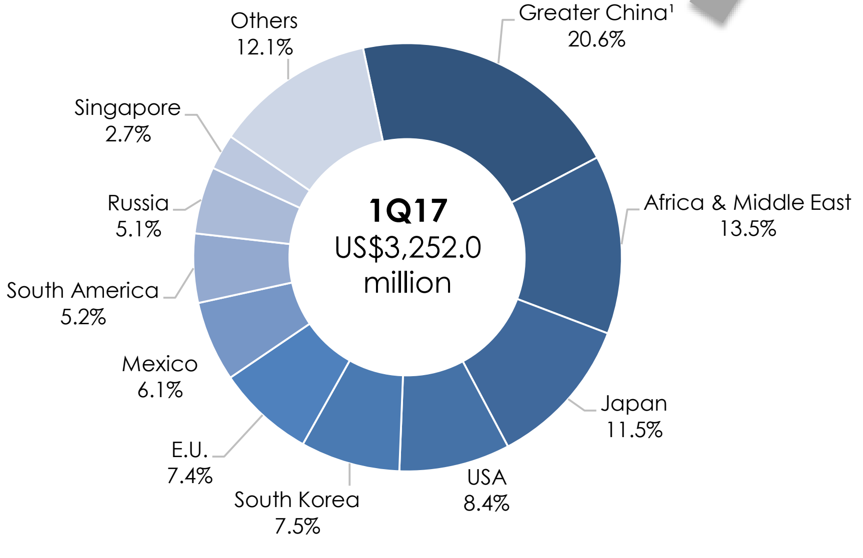
Highlights (US GAAP)

US$ Million	1Q18		4Q17		Δ%	1Q17		Δ%
	US$	% NR	US$	% NR	QoQ	US$	% NR	YoY
Net Revenue	**2,746.7**	***100.0%***	**2,742.4**	***100.0%***	**0.2%**	**2,479.3**	***100.0%***	**10.8%**
Cost of Goods Sold	(2,459.0)	*-89.5%*	(2,480.5)	*-90.5%*	-0.9%	(2,222.8)	*-89.7%*	10.6%
Gross Profit	287.7	*10.5%*	261.8	*9.5%*	9.9%	256.5	*10.3%*	12.1%
EBITDA	**271.8**	**9.9%**	**241.0**	**8.8%**	**12.8%**	**228.5**	**9.2%**	**19.0%**

TABLES AND CHARTS

JBS Consolidated Exports Breakdown in 1Q18 and 1Q17





Note 1. Considers China and Hong Kong

1Q18 Breakdown of Production Costs by Business Unit (%)

1Q18 (%)	Consolidated	JBS Brazil	Seara	USA Beef	USA Pork	PPC
Raw material (livestock)	76.1%	85.6%	65.4%	83.6%	75.2%	55.8%
Processing (including ingredients and packaging)	12.5%	8.0%	21.5%	7.3%	12.8%	25.0%
Labor Cost	11.3%	6.4%	13.1%	9.1%	12.0%	19.1%

TABLES AND CHARTS

Business Units Results in IFRS and excluding intercompany sales

Million		1Q18	4Q17	Δ%	1Q17	Δ%
Net Revenue						
Seara	R$	3,974.5	4,474.6	-11.2%	4,085.2	-2.7%
JBS Brazil	R$	5,919.9	5,918.6	0.0%	6,211.4	-4.7%
JBS USA Beef	US$	4,909.4	5,510.9	-10.9%	4,712.4	4.2%
JBS USA Pork	US$	1,443.2	1,572.1	-8.2%	1,374.8	5.0%
Pilgrim's Pride	US$	2,733.9	2,728.7	0.2%	2,471.3	10.6%
Others	R$	414.2	477.7	-13.3%	419.3	-1.2%
EBITDA						
Seara	R$	330.2	488.4	-32.4%	215.8	53.0%
JBS Brazil	R$	-92.5	-308.6	-70.0%	59.4	-
JBS USA Beef	US$	315.7	411.6	-23.3%	137.4	129.7%
JBS USA Pork	US$	136.7	208.1	-34.3%	167.9	-18.6%
Pilgrim's Pride	US$	333.5	314.7	6.0%	290.5	14.8%
Others	R$	4.7	-8.8	-	-7.8	-
EBITDA Margin						
Seara	%	8.3%	10.9%	-2.61 p.p.	5.3%	3.02 p.p.
JBS Brazil	%	-1.6%	-5.2%	3.65 p.p.	1.0%	-2.52 p.p.
JBS USA Beef	%	6.4%	7.5%	-1.04 p.p.	2.9%	3.51 p.p.
JBS USA Pork	%	9.5%	13.2%	-3.76 p.p.	12.2%	-2.74 p.p.
Pilgrim's Pride	%	12.2%	11.5%	0.66 p.p.	11.8%	0.45 p.p.
Outros	%	1.1%	-1.9%	2.99 p.p.	-1.9%	3.01 p.p.

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 March 31, 2018 and 2017

Index	Page

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Independent Auditor's Report on Review of the Interim Financial Information

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

Introduction

We have reviewed the individual and consolidated Interim Financial Information of JBS S.A. ("Company" or "JBS"), identified as Company and Consolidated, respectively, included in the Interim Financial Information Form (ITR) for the quarter ended March 31, 2018, which comprises the balance sheet as at March 31, 2018 and the related statement of profit and loss, statement of comprehensive income (loss), statement of changes in equity, and statement of cash flows for the three-month period then ended, including the explanatory notes.

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

Scope of review

Except for the matters described in the "Basis for qualified conclusion on the individual and consolidated interim financial information" paragraph, we conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial 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 the standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton

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

Plea bargain agreements, leniency agreement and investigations in progress
As described in Note 2 to the individual and consolidated interim financial information, in May 2017, certain executives and former executives of J&F Investimentos S.A. Group ("J&F") entered into Plea Bargain Agreements ("Plea Bargain") with the Attorney General´s Office ("PGR"), which were subsequently ratified by the Superior Court of Justice in Brazil ("STF"). Among other matters, such agreements require the defendants to cooperate with the Federal Prosecution Office ("MPF") regarding all facts reported to that authority. In June 2017, J&F entered into a Leniency Agreement ("Agreement") with the MPF, which was judicially ratified by the 5th Federal Prosecution Office Court on August 24, 2017 and, at a discovery hearing, by the 10th Federal Court of the Federal District on October 11, 2017. Such Agreement is related to the operations codenamed "Cui Bono", "Carne Fraca", "Sepsis" and "Greenfield". On September 06, 2017, the Company and its subsidiaries signed an instrument of adherence to the Leniency Agreement, to protect them against the financial impacts arising from such Agreement, which will be fully assumed by J&F.

Accordingly, an internal investigation was initiated on the facts involving the Company that were reported under the Plea Bargain, which is one of the requirements set forth in the Agreement. A role of the Independent Oversight Committee ("Committee" or "CSI"), among others, is to approve the service providers that conduct the internal investigation at the Company and adjust the respective work plans for the investigation. In September 2017, an investigation was initiated by external specialized professionals independent of the Company and its management members, which, in addition to the operations mentioned in the Agreement above, also includes Operations "Bullish", "Tendão de Aquiles" and "Lama Asfáltica". To date, partial extractions and processing of the data under analysis were performed.

Additionally, and besides the matters mentioned above, described in said Note 2, we also emphasize the actions described below, which still are under way, therefore, still subject to due diligence and/or conclusion procedures that are not under the Company's full control, the effects of which, if any, may result in significant changes in this individual and consolidated interim financial information, and in the individual and consolidated interim financial information presented for purposes of comparison, including aspects related to insufficient disclosure of certain information in the explanatory notes:

- Additional information submitted by J&F to the MPF, under the Plea Bargain and Leniency Agreement, has not yet been made publicly known;
- The findings or conclusions from the independent investigation being conducted, as required by the Leniency Agreement with the MPF, and supervised by the CSI, have not yet been presented;

- An independent investigation over the Company's international operations are under way and no conclusions were presented to date.

Consequently, although the Company has already disclosed the respective accounting impacts known to date in its interim financial information for the quarter ended March 31, 2018, and corresponding figures presented for purposes of comparison, and the Company's Management does not expect new additional significant impacts on this individual and consolidated interim financial information as a result of the conclusion of all diligence procedures and investigations under way or yet to be completed, and, taking into consideration the aspects mentioned above, we are unable to conclude, to date, that there are no signficant impacts, including on tax aspects, that should have been disclosed in the interim financial information referred to above.

Qualified conclusion on the individual and consolidated interim financial information

Based on our review, except for the possible effects, if any, of the matters mentioned in the "Basis for qualified conclusion on the individual and consolidated interim financial information" section, nothing has come to our attention that cause us to believe that the individual and consolidated interim financial information included in the quarterly financial information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of interim financial information, and presented in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Emphasis of Matters

Credit Line Preservation Agreements

We draw attention to Note 1.b to the individual and consolidated interim financial information, which discusses the stabilization agreements made with financial institutions and other contractual arrangements that require compliance with covenants. Noncompliance with these agreements may have significant impacts on the Company's operating activities. Our conclusion is not qualified regarding this matter.

Significant investigation and judicial procedures

We draw attention to Note 2.2 to the individual and consolidated interim financial information, which refers to several lawsuits filed against the Company at the criminal, administrative and judicial levels and with the Brazilian Securities and Exchange Commission (CVM). An unfavorable outcome to these lawsuits may have material effects on the Company´s operating activities and/or may require the Company to obtain additional funds to meet significant and unusual expenditures that may be incurred. Our conclusion is not qualified regarding this matter.

Other matters

Interim statements of value added

We have also reviewed the individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2018, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) and considered supplemental information by IFRS, which does not require the presentation of a DVA. These statements were subject to the same review procedures described above and, based on our review, except for the possible effects of the matters mentioned in the "Basis for qualified opinion on the interim and consolidated interim financial information" section, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the individual and consolidated interim financial statements taken as a whole.

Audit and review of the corresponding figures for the prior year and quarter

The amounts corresponding to the year ended December 31, 2017, presented for purposes of comparison, were audited by other independent auditors, and their report thereon, dated March 28, 2018, contained modifications and emphasis of matters similar to those included in this report on review. The amounts corresponding to the three-month period ended March 31, 2017, also presented for purposes of comparison, were reviewed by other independent auditors, and their report on review of the interim financial information for the March 31, 2017 was: **(i)** issued on May 15, 2017, containing emphasis of matters regarding the investigation procedures under way and the restatement of the comparative quarterly interim financial information, and, subsequently, **(ii)** reissued on March 28, 2018, containining modifications and emphasis of matters similar to those included in this review report.

São Paulo, May 14, 2018

Rafael Dominguez Barros
Assurance Partner

Alcides Afonso Louro Neto
Assurance Partner

Grant Thornton Auditores Independentes

JBS S.A.

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

		Company		Consolidated	
	Note	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	**1,023,306**	2,138,802	**10,833,147**	11,741,308
Trade accounts receivable	5	**2,507,645**	2,302,913	**9,056,988**	9,333,291
Inventories	6	**1,851,348**	1,823,640	**10,443,284**	9,684,878
Biological assets	7	—	—	**2,762,055**	2,767,250
Recoverable taxes	8	**177,885**	182,885	**1,032,140**	974,404
Derivative assets	24	—	—	**434,305**	30,760
Assets held for sale		—	—	—	817,705
Other current assets		**211,177**	264,807	**812,453**	755,948
TOTAL CURRENT ASSETS		**5,771,361**	**6,713,047**	**35,374,372**	**36,105,544**
NON-CURRENT ASSETS					
Biological assets	7	—	—	**970,637**	967,761
Recoverable taxes	8	**5,704,989**	5,453,216	**7,778,391**	7,521,141
Related party receivables	9	**1,833,607**	2,040,471	**605,077**	897,535
Investments in associates, subsidiaries and joint ventures	10	**19,733,112**	18,562,666	**71,056**	64,006
Property, plant and equipment	11	**11,247,281**	11,544,181	**33,116,514**	33,563,104
Deferred income taxes	17	—	—	**602,773**	434,861
Intangible assets	12	**92,519**	94,739	**5,581,869**	5,512,070
Goodwill	13	**9,085,970**	9,085,970	**22,609,811**	22,488,247
Other non-current assets		**572,248**	512,486	**1,107,704**	1,141,682
TOTAL NON-CURRENT ASSETS		**48,269,726**	**47,293,729**	**72,443,832**	**72,590,407**
TOTAL ASSETS		**54,041,087**	**54,006,776**	**107,818,204**	**108,695,951**

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$

		Company		Consolidated	
	Note	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade accounts payable		**1,985,354**	2,029,104	**9,541,195**	9,992,778
Loans and financing	14	**7,870,904**	8,223,197	**13,032,984**	13,526,051
Accrued income taxes and other taxes	15	**272,406**	259,803	**1,148,043**	1,392,755
Accrued payroll and social charges	16	**579,340**	572,066	**2,712,538**	3,007,816
Dividends payable		**127,449**	127,463	**127,449**	127,463
Other financial liabilities		**7,659**	7,659	**43,216**	73,156
Derivative liabilities	24	**188**	10	**39,769**	118,684
Liabilities held for sale		**-**	-	**-**	23,305
Other current liabilities		**753,913**	699,211	**1,364,612**	917,333
TOTAL CURRENT LIABILITIES		**11,597,213**	**11,918,513**	**28,009,806**	**29,179,341**
NON-CURRENT LIABILITIES					
Loans and financing	14	**11,556,320**	11,834,158	**43,303,903**	43,498,600
Accrued income taxes and other taxes	15	**683,198**	667,388	**802,335**	787,223
Accrued payroll and social charges	16	**1,563,908**	1,434,838	**1,966,718**	1,848,200
Other financial liabilities		**23,177**	24,827	**33,338**	39,868
Deferred income taxes	17	**1,763,762**	1,965,792	**3,400,621**	3,697,195
Provisions	18	**1,815,055**	1,820,007	**2,716,441**	2,888,150
Other non-current liabilities		**28,159**	53,641	**582,273**	616,706
TOTAL NON-CURRENT LIABILITIES		**17,433,579**	**17,800,651**	**52,805,629**	**53,375,942**
EQUITY	19				
Share capital - common shares		**23,576,206**	23,576,206	**23,576,206**	23,576,206
Capital reserve		**(306,962)**	(289,295)	**(306,962)**	(289,295)
Other reserves		**66,538**	67,906	**66,538**	67,906
Profit reserves		**2,302,208**	2,277,205	**2,302,208**	2,277,205
Accumulated other comprehensive income (loss)		**(1,135,585)**	(1,344,410)	**(1,135,585)**	(1,344,410)
Retained earnings		**507,890**	-	**507,890**	-
Attributable to company shareholders		**25,010,295**	**24,287,612**	**25,010,295**	**24,287,612**
Attributable to non-controlling interest		**-**	-	**1,992,474**	1,853,056
TOTAL EQUITY		**25,010,295**	**24,287,612**	**27,002,769**	**26,140,668**
TOTAL LIABILITIES AND EQUITY		**54,041,087**	**54,006,776**	**107,818,204**	**108,695,951**

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

JBS S.A.

Statements of income (loss) for the three month period ended March 31, 2018 and 2017
In thousands of Brazilian Reais - R$

		Company		Consolidated	
	Note	2018	2017	2018	2017
NET REVENUE	20	**6,261,961**	**6,030,384**	**39,783,151**	**37,616,352**
Cost of sales		**(5,509,685)**	(5,175,930)	**(34,631,012)**	(33,195,380)
GROSS PROFIT		**752,276**	**854,454**	**5,152,139**	**4,420,972**
General and administrative expenses		**(533,427)**	(552,408)	**(1,213,061)**	(1,323,763)
Selling expenses		**(540,023)**	(479,198)	**(2,324,687)**	(2,069,466)
Other expense		**(3,939)**	-	**(78,820)**	(7,774)
Other income		-	1,501	**33,299**	29,722
OPERATING EXPENSE		**(1,077,389)**	**(1,030,105)**	**(3,583,269)**	**(3,371,281)**
OPERATING PROFIT (LOSS)		**(325,113)**	**(175,651)**	**1,568,870**	**1,049,691**
Finance income	21	**150,351**	760,035	**56,427**	525,505
Finance expense	21	**(443,280)**	(414,053)	**(1,164,558)**	(936,269)
		(292,929)	**345,982**	**(1,108,131)**	**(410,764)**
Share of profit of equity-accounted investees, net of tax	10	**922,535**	309,593	**7,050**	1,815
PROFIT (LOSS) BEFORE TAXES		**304,493**	**479,924**	**467,789**	**640,742**
Current income taxes	17	**705**	731	**(309,092)**	(132,147)
Deferred income taxes	17	**201,324**	(127,608)	**429,491**	(91,663)
		202,029	**(126,877)**	**120,399**	**(223,810)**
NET INCOME		**506,522**	**353,047**	**588,188**	**416,932**
ATTRIBUTABLE TO:					
Company shareholders				**506,522**	353,047
Non-controlling interest				**81,666**	63,885
				588,188	**416,932**
Basic earnings per share - common shares (R$)	22	**0.18**	0.12	**0.18**	0.12
Diluted earnings per share - common shares (R$)	22	**0.18**	0.12	**0.18**	0.12

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

JBS S.A.

Statements of comprehensive income for the three month period ended March 31, 2018 and 2017
In thousands of Brazilian Reais - R$

		Company		Consolidated	
	Reference	2018	2017	2018	2017
Net income	IS	**506,522**	353,047	**588,188**	416,932
Other comprehensive income (loss)					
Items that may be subsequently reclassified to profit or loss:					
Foreign currency translation adjustments	SCSE	**208,825**	69,633	**264,115**	43,581
Total other comprehensive income (loss)		**208,825**	**69,633**	**264,115**	**43,581**
Comprehensive income (loss)		**715,347**	**422,680**	**852,303**	**460,513**
Total comprehensive income (loss) attributable to:					
Company shareholders	SCSE	**715,347**	422,680	**715,347**	422,680
Non-controlling interest	SCSE	-	-	**136,956**	37,833
		715,347	**422,680**	**852,303**	**460,513**

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

JBS S.A.
Statements of changes in equity for the three month period ended March 31, 2018 and 2017
In thousands of Brazilian Reais - R$

	Note	Share capital	Capital reserves: Premium on issue of shares	Capital reserves: Capital transaction (1)	Capital reserves: Stock options	Capital reserves: Treasury shares (2)	Other reserves	Profit reserves: Treasury shares (2)	Profit reserves: Legal	Profit reserves: Investments statutory	Other comprehensive income: VAE (3)	Other comprehensive income: ATA (4)	Retained earnings (loss)	Total	Non-controlling interest	Total equity
DECEMBER 31, 2016		**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		–	–	–	–	–	–	–	–	–	–	–	353,047	**353,047**	63,885	**416,932**
Comprehensive income (loss)		–	–	–	–	–	–	–	–	–	(3,894)	73,527	–	**69,633**	(26,052)	**43,581**
Total comprehensive income (loss)		–	–	–	–	–	–	–	–	–	**(3,894)**	**73,527**	**353,047**	**422,680**	**37,833**	**460,513**
Cancellation of treasury shares	19	–	–	–	–	1,539,573	–	–	–	(1,539,573)	–	–	–	–	–	–
Share-based compensation	19	–	–	28,615	25,008	–	–	–	–	–	–	–	–	**53,623**	977	**54,600**
Treasury shares used in stock option plan	19	–	–	–	(37,598)	85,937	–	–	–	(48,339)	–	–	–	–	–	–
Realization other reserves		–	–	–	–	–	(1,904)	–	–	–	–	–	1,904	–	–	–
PPC share repurchase		–	–	(32,191)	–	–	–	–	–	–	–	–	–	**(32,191)**	(13,634)	**(45,825)**
Scott dividend to non-controlling interest		–	–	–	–	–	–	–	–	–	–	–	–	–	(9)	**(9)**
MARCH 31, 2017		**23,576,206**	**211,879**	**(408,259)**	**61,831**	–	**71,612**	–	**442,661**	**1,617,989**	**193,175**	**(3,303,983)**	**354,951**	**22,818,062**	**1,168,469**	**23,986,531**
DECEMBER 31, 2017		**23,576,206**	**211,879**	**(556,963)**	**55,789**	–	**67,906**	**(192,882)**	**469,371**	**2,000,716**	**8,023**	**(1,352,433)**	–	**24,287,612**	**1,853,056**	**26,140,668**
Net income		–	–	–	–	–	–	–	–	–	–	–	506,522	**506,522**	81,666	**588,188**
Comprehensive income (loss)	10	–	–	–	–	–	–	–	–	–	16,868	191,957	–	**208,825**	55,290	**264,115**
Total comprehensive income (loss)		–	–	–	–	–	–	–	–	–	**16,868**	**191,957**	**506,522**	**715,347**	**136,956**	**852,303**
Share-based compensation	19	–	–	3,244	3,647	–	–	–	–	–	–	–	–	**6,891**	1,048	**7,939**
Treasury shares used in stock option plan	19	–	–	–	(25,003)	–	–	26,317	–	(1,314)	–	–	–	–	–	–
Realization other reserves		–	–	–	–	–	(1,368)	–	–	–	–	–	1,368	–	–	–
Scott dividend to non-controlling interest		–	–	–	–	–	–	–	–	–	–	–	–	–	1,414	**1,414**
Others		–	–	445	–	–	–	–	–	–	–	–	–	**445**	–	**445**
MARCH 31, 2018		**23,576,206**	**211,879**	**(553,274)**	**34,433**	–	**66,538**	**(166,565)**	**469,371**	**1,999,402**	**24,891**	**(1,160,476)**	**507,890**	**25,010,295**	**1,992,474**	**27,002,769**

(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 three month period ended March 31, 2018 and 2017
In thousands of Brazilian Reais - R$

	Notes	Company 2018	Company 2017	Consolidated 2018	Consolidated 2017
Cash flows from operating activities					
Net income		**506,522**	**353,047**	**588,188**	**416,932**
Adjustments for:					
Depreciation and amortization	7, 11 and 12	**197,353**	179,296	**1,126,739**	1,056,219
Allowance for doubtful accounts	5	**58,570**	5,091	**59,507**	8,848
Share of profit of equity-accounted investees	10	**(922,535)**	(309,593)	**(7,050)**	(1,815)
(Gain) loss on assets sales		**3,941**	(1,411)	**4,854**	5,599
Tax expense	17	**(202,029)**	126,877	**(120,399)**	223,810
Finance expense (income), net	21	**292,929**	(345,982)	**1,108,131**	410,764
Share-based compensation	19	**3,647**	25,008	**7,939**	54,600
Provisions	18	**(14,581)**	14,316	**(138,591)**	42,445
Impairment		-	-	**52,763**	-
(Gain) loss with the divestment program		-	-	**3,860**	-
Obsolete inventory accrual		-	-	**37,857**	-
State tax payable in installments		**21,690**	-	**21,690**	-
Impacts from the leniency agreement	18	**9,630**	34,552	**9,630**	34,552
		(44,863)	**81,201**	**2,755,118**	**2,251,954**
Changes in assets and liabilities:					
Trade accounts receivable		**(248,536)**	732,714	**273,523**	1,048,901
Inventories		**(27,708)**	(227,512)	**(754,522)**	(799,050)
Recoverable taxes		**(77,515)**	(9,690)	**(143,025)**	1,482
Other current and non-current assets		**(12,746)**	26,529	**(447,859)**	(131,485)
Biological assets		-	-	**(257,778)**	(257,506)
Trade accounts payable		**(48,145)**	(513,822)	**(423,307)**	(978,383)
Tax payable in installments		**(64,487)**	(11,901)	**(66,219)**	(11,901)
Other current and non-current liabilities		**(27,979)**	(28,011)	**(252,033)**	(539,986)
Income taxes paid		-	-	**(520,595)**	(136,017)
Changes in operating assets and liabilities		**(507,116)**	**(31,693)**	**(2,591,815)**	**(1,803,945)**
Cash provided by (used in) operating activities		**(551,979)**	**49,508**	**163,303**	**448,009**
Interest paid		**(215,892)**	(345,109)	**(1,106,114)**	(806,613)
Interest received		**139,089**	254,667	**134,223**	73,168
Net cash of interest used in operating activities		**(628,782)**	**(40,934)**	**(808,588)**	**(285,436)**
Cash flow from investing activities					
Purchases of property, plant and equipment	11	**(77,902)**	(157,493)	**(441,494)**	(788,347)
Purchases of intangible assets	12	**(2,999)**	(3,437)	**(8,547)**	(5,412)
Proceeds from sale of property, plant and equipment	11	**178,727**	11,661	**209,502**	22,635
Acquisitions, net of cash acquired		-	-	-	(1,125,088)
Assets held for sale, net of cash		-	-	**622,235**	-
Dividends received from associates and joint-ventures		-	78,291	-	-
Proceeds from the divestment program		**6,616**	-	**6,616**	-
Related party transactions	9	**60,275**	2,053,138	**310,660**	153,462
Other		-	-	**72**	-
Net cash provided by (used in) investing activities		**164,717**	**1,982,160**	**699,044**	**(1,742,750)**
Cash flow from financing activities					
Proceeds from loans and financings	14	-	1,899,352	**4,857,260**	16,035,327
Payments of loans and financings	14	**(669,337)**	(2,900,952)	**(5,703,332)**	(12,603,146)
Derivatives instruments received/settled	24	**15,858**	(4,015)	**(6,302)**	64,185
Dividends paid to non-controlling interest		-	-	**(1,414)**	-
PPC share repurchase		-	-	-	(45,825)
Others		-	-	**8,849**	(9)
Net cash provided by (used in) investing activities		**(653,479)**	**(1,005,615)**	**(844,939)**	**3,450,532**
Effect of exchange rate changes on cash and cash equivalents		**2,048**	**(12,036)**	**46,322**	**(33,659)**
Net change in cash and cash equivalents		**(1,115,496)**	923,575	**(908,161)**	1,388,687
Cash and cash equivalents beginning of period		**2,138,802**	4,712,796	**11,741,308**	9,355,622
Cash and cash equivalents at the end of period		**1,023,306**	**5,636,371**	**10,833,147**	**10,744,309**

Non-cash transactions:

	Notes	Company 2018	Company 2017	Consolidated 2018	Consolidated 2017
Increase in share capital in subsidiaries' through assumption of credit		-	111,986	-	-
Negative investment transference		**35,397**	38,474	-	-
Treasury shares cancellation		-	1,539,573	-	1,539,573
Payments of loans through settlement of related parties		**(137,966)**	394,612	-	-
Compensation reversal of recoverable taxes with accrued payroll and social charges	8	**169,258**	-	**169,258**	-

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

JBS S.A.

Economic value added the three month period ended March 31, 2018 and 2017
In thousands of Brazilian Reais - R$

	Company		Consolidated	
	2018	2017	2018	2017
Revenue				
Sales of goods and services	**6,420,125**	6,168,156	**40,176,898**	38,098,824
Other income (expense)	**(3,740)**	3,119	**(9,836)**	3,618
Allowance for doubtful accounts	**(58,570)**	(5,091)	**(59,507)**	(8,848)
	6,357,815	**6,166,184**	**40,107,555**	**38,093,594**
Goods				
Cost of services and goods sold	**(4,834,320)**	(4,538,518)	**(25,315,257)**	(24,554,087)
Materials, energy, services from third parties and others	**(893,350)**	(815,657)	**(6,644,980)**	(6,034,774)
	(5,727,670)	**(5,354,175)**	**(31,960,237)**	**(30,588,861)**
Gross added value	**630,145**	**812,009**	**8,147,318**	**7,504,733**
Depreciation and Amortization	**(197,353)**	(179,296)	**(1,126,739)**	(1,056,219)
Net added value generated	**432,792**	**632,713**	**7,020,579**	**6,448,514**
Net added value by transfer				
Share of profit of equity-accounted investees, net of tax	**922,535**	309,593	**7,050**	1,815
Financial income	**150,351**	760,035	**56,427**	525,505
Others	**(4,170)**	(5,425)	**(38,709)**	15,564
NET ADDED VALUE TOTAL TO DISTRIBUTION	**1,501,508**	**1,696,916**	**7,045,347**	**6,991,398**
DISTRIBUTION OF ADDED VALUE				
Labor				
Salaries	**445,604**	464,579	**3,917,059**	3,758,395
Benefits	**57,952**	58,552	**798,510**	671,365
FGTS (Brazilian Labor Social Charge)	**31,491**	28,377	**67,283**	61,872
	535,047	**551,508**	**4,782,852**	**4,491,632**
Taxes and contribution				
Federal	**(200,760)**	188,685	**2,201**	443,380
State	**195,272**	131,546	**336,167**	311,953
Municipal	**4,928**	4,803	**5,203**	9,354
	(560)	**325,034**	**343,571**	**764,687**
Capital Remuneration from third parties				
Interests and exchange variation	**427,353**	406,087	**1,122,599**	920,728
Rents	**23,529**	53,929	**174,238**	200,883
Others	**9,617**	7,311	**33,899**	196,536
	460,499	**467,327**	**1,330,736**	**1,318,147**
Owned capital remuneration				
Net income (loss) attributable to company shareholders	**506,522**	353,047	**506,522**	353,047
Non-controlling interest	-	-	**81,666**	63,885
	506,522	**353,047**	**588,188**	**416,932**
ADDED VALUE TOTAL DISTRIBUTED	**1,501,508**	**1,696,916**	**7,045,347**	**6,991,398**

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 (BM&FBOVESPA S.A. - 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 on May 14th, 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. JBS Five Rivers sale conclusion

As part of its divestment program announced in 2017, in January 17, 2018, the Company's indirect subsidiary, 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 million, 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.

a2. Senior unsecured notes offering in JBS USA

In February 1, 2018, JBS USA announced the pricing of unsecured senior notes in an aggregate principal amount of US$900 million with a coupon of 6.75% due 2028. In February 15, 2018, the offering was concluded. The proceeds will be used for general corporate purposes, including to repay a portion of the outstanding amount under its senior secured revolving credit facility.

b. Agreements for the Preservation of Credit Lines

The Company amortized four installments of 2.5% of the principal amount of the debts and will continue to amortize the interest incurred under the original agreements. Extraordinarily, the Company amortized an installment of the principal amount under the Agreements upon receiving the net proceeds from its divestment plan.

In the quarter ended March 31, 2018, the Company's quick ratio was 3.24x the EBITDA, meeting the Agreements requirements.

c. INSS tax installments

In February 2018, the Company adhered a tax payable installment program to settle INSS payable from august to December 2017 in the amount of R$169,258, adding interest and fines, totaling R$206,571 which 10% were paid and the remaining balance will be paid in 59 installments. With this transaction, PIS/COFINS credits will be classified in the Company's assets.

d. Subsequent event: In April 30, 2018, it was approved in the Company's Extraordinary and Ordinary Shareholders Meeting the payment of the total dividend amount of R$126,873, which will take place on June 26, 2018.

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, seeking their best interest, protecting themselves to any financial impact which J&F will be fully responsible for, and may the Company undertake any costs related to the ongoing investigations.

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, the Company it is only maintaining contact and providing information to the United States Department of Justice (DoJ) regarding the progress of ongoing independent investigations 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 for the three month period ended March 31, 2018, which have a quarterly review report dated May 4, 2018 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.

2.1 Independent 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 ongoing. The Company's Management has concluded, based on internal analytical procedures adopted, the impacts on its financial statements which were disclosed and recognized in its financial statements of the year ended December 31, 2017. There is no impacts or new events identified in these interim condensed financial statements for the three month period ended March 31, 2018.

2.2 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 below:

2.2.1 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 subjected 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.

- Carne Fraca 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 one 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 and information leaking).

2.2.2 Parliamentary Inquiry Commission (CPI):

- Senate CPI - Social Security: Created 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: 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: Created to investigate all investments made by BNDES in JBS S.A.

2.2.3 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 plaintiffs.

- 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
In December 14, 2017, a judgment of termination of process was issued without merit resolution which an appeal was lodged by the plaintiffs.

- 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, which created the Tax Incentive Regularization 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
The process was reallocated to the Federal Justice of São Paulo.

- 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.

2.2.4 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 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.
In April 2, 2018, a sentence was rendered dismissing the action, without resolution of merit by the loss of the object of the action. Possible appeal is awaited.

- 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 shareholders meeting that refrain from preventing, delaying or in any way, disturb the possibility for shareholders to discuss and resolve the measure set forth in art. 120 of the law of joint stock companies (Lei das sociedades por ações - Leis das SA's), in case is raised at the JBS's shareholders meeting, 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
Plaintiffs: 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 ADMIN
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 ADMIN
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.

2.3 Compliance Program

The Company is moving forward the compliance program "Always Do the Right Thing". During the first quarter of 2018, several leaderships were trained in person, including the Board of Directors and the Fiscal Council. Over than a thousand employees were trained in person for subjects such as anticorruption, money laundering prevention, anticompetitive practices, conflict of interests, and others. The Company is currently developing some contents for online courses aiming to reach a higher number of employees and in the future, third party employees,

In March 2018, the Board of Directors approved a new Global Ethical Conduct Manual. The manual will be unique for all different regions where the Company has operations and it will be available as of May 1st. A wide communication campaign involving leaderships from several countries is being prepared for this launch besides a mandatory training program about its content to all employees which is being developed.

Additionally, the department is still expanding. Currently in Brazil, the department has ten employees and a few extra positions are in their final hiring process. It was also concluded the hiring process of the Head of Ethic and Compliance in JBS USA, who will start in the end of April. The goal of this new position is to accelerate the implementation of all compliance initiatives in other countries where the Company has operations.

3 Basis of preparation

The interim condensed financial statements (consolidated and individual) were prepared in accordance with IFRS 34 - Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), and in accordance with CPC 21 (R1) - Demonstração Intermediária issued by the Brazilian Accounting Pronouncements Committee (Comitê de Pronunciamentos Contábeis - "CPC"). 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 for the year ended December 31, 2017, prepared in accordance with International Financial Reporting Standards ("IFRS") and the accounting practices adopted in Brazil issued by CPC and approved by the Brazilian Securities Commission ("CVM"). Therefore these condensed interim financial statements as of March 31, 2018 are not disclosed fully when compared to the financial statements for the year ended December 31, 2017, approved by the Board of Directors on March 28, 2018. 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
ii. Business combination
iii. Biological assets
iv. Recoverable taxes
v. Property, plant and equipment
vi. Intangible
vii. Goodwill
viii. Trade accounts payable
ix. Loans and financing
x. Operating and finance leases
xi. Dividends payable
xii. Other financial liabilities
xiii. Expenses by nature
xiv. Risk management and financial instruments

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)

Pronouncements and interpretations issued recently and adopted by the Company

a. IFRS 9/CPC 48 - Financial instruments

As from January 1, 2018, the Company and its subsidiaries adopted IFRS 9 / CPC 48 - Financial Instruments as a basis for recognition, derecognition, classification and measurement of financial instruments. There were also changes in the measuring method for the expectation of loss on financial assets, which is no longer based on historical loss and is carried out based on the analysis of historical data and expectations of future loss.

The Company and its subsidiaries reviewed the methodology of impairment estimative in accordance with IFRS and did not identify significant impacts with the adoption of this standard in relation to the expected loss.

The Company and its subsidiaries apply the simplified approach of IFRS 9 / CPC 48 - Financial Instruments to measure expected credit losses, which uses an allowance for expected losses for all accounts receivable. The changes in the methodology did not represent changes in the net balance of accounts receivable from prior years.

Risks of losses on other financial assets are monitored periodically by the Company and its subsidiaries which haven't identified credit risks of these assets as of March 31, 2018.

In addition, the accounting classification nomenclature of the financial instruments was adapted, without any changes in the way these instruments are subsequently remeasured.

Below, are presented the balances of financial instruments presented in the year ended December 31, 2017, with the new classifications:

	December 31, 2017		Category	
Financial instruments	**Company**	**Consolidated**	**IAS 39 / CPC 38**	**IFRS 9 / CPC 48**
Cash and cash equivalents	1,074,718	5,884,806	Loans and receivables	Amortized cost
Trade accounts receivable	2,302,913	9,333,291	Loans and receivables	Amortized cost
Related party receivables	5,059,258	897,535	Loans and receivables	Amortized cost

b. IFRS 15/CPC 47 - Revenue from Contracts with Customers

As from January 1, 2018, the Company and its subsidiaries adopted IFRS 15 / CPC 47 - Revenue from contracts with customers. The standard sets the criteria which an entity will need to apply to determine revenue measurement and how and when it is recognized, based on five steps: i) identification of contracts with customers; ii) identification of the performance obligations predicted in the contracts; iii) determination of the price of the transaction; iv) price allocation of the transaction to the performance obligation predicted in the contracts and v) revenue recognition when the performance obligation is met. The changes establish the criteria for the measurement and recording of sales, in a way that was effectively carried out with due presentation, as well as the registration for the amounts that the Company and its subsidiaries are entitled to in the operation, considering eventual estimates of loss.

The Company and its subsidiaries have assessed the new standard and have not identified any material impacts on their condensed interim financial statements, considering the nature of their sales transactions, where the performance obligations are clear and the transfer of control of the assets is not complex which ownership and benefits are transferred to the beneficiary.

In addition, the Company and its subsidiaries already adopted the standard to recognize bonuses so that net revenue represents the effective value generated in the operation, based on the conditions established with the customers.

New standards, amendments and interpretations that are not yet effective

IFRS 16/CPC 6 - Leases: Requires the recognition of operating leases in the same standard as financial leases (starting for annual periods beginning on or after January 1, 2019) . The Company's and its subsidiaries assessments on the impacts of the new standard are ongoing jointly by several areas of the Company, identifying the existing lease agreements as well as the environment of internal controls and systems impacted by the adoption of the new standard.

There are no other standards, changes in standards and interpretations which are not in force that the Company expects to have a material impact arising from its application in its financial statements.

4 Cash and cash equivalents

	Company		Consolidated	
	March 31, 2018	**December 31, 2017**	**March 31, 2018**	**December 31, 2017**
Cash on hand and at banks	**585,758**	1,074,718	**5,867,761**	5,884,806
CDB (bank certificates of deposit) and National Treasury Bill (Tesouro Selic)	**437,548**	1,064,084	**4,965,386**	5,856,502
	1,023,306	**2,138,802**	**10,833,147**	**11,741,308**

(Expressed in thousands of Brazilian reais)

5 Trade accounts receivable, net

	Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Current receivables	**2,298,057**	2,030,682	**7,499,804**	7,705,162
Overdue receivables:				
From 1 to 30 days	**126,529**	166,265	**1,140,378**	1,185,345
From 31 to 60 days	**49,509**	22,685	**194,279**	172,242
From 61 to 90 days	**40,215**	57,566	**94,503**	121,615
Above 90 days	**241,764**	219,569	**499,142**	477,294
Allowance for doubtful accounts	**(245,172)**	(191,163)	**(366,919)**	(324,570)
Present value adjustment	**(3,257)**	(2,691)	**(4,199)**	(3,797)
	209,588	**272,231**	**1,557,184**	**1,628,129**
	2,507,645	**2,302,913**	**9,056,988**	**9,333,291**

Below are the changes in the allowance for doubtful accounts:

	Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Initial balance	**(191,163)**	**(119,859)**	**(324,570)**	**(238,084)**
Additions	**(58,570)**	(88,210)	**(68,068)**	(126,900)
Exchange variation	-	-	**(1,330)**	(3,183)
Write-offs	**4,561**	16,906	**27,049**	41,880
Assets held for sale	-	-	-	1,717
Final balance	**(245,172)**	**(191,163)**	**(366,919)**	**(324,570)**

6 Inventories

	Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Finished products	**1,163,639**	1,080,588	**6,773,606**	5,974,007
Work in process	**372,836**	422,025	**950,447**	938,354
Raw materials	**167,600**	171,436	**1,075,474**	1,136,595
Warehouse spare parts	**147,273**	149,591	**1,643,757**	1,635,922
	1,851,348	**1,823,640**	**10,443,284**	**9,684,878**

7 Biological assets

Changes in biological assets:	Current	Non-current
Balance at December 31, 2017	**2,767,250**	**967,761**
Increase by reproduction (born) and cost to reach maturity	5,957,780	404,442
Reduction for slaughter, sale or consumption	(6,293,216)	(49,623)
Increase by purchase	157,146	120,318
Decrease by death	(2,981)	(4,135)
Fair value adjustments, net	(31,956)	-
Changes from non-current to current	189,618	(189,618)
Exchange rate variation	18,414	7,310
Amortization	-	(285,818)
Balance at March 31, 2018	**2,762,055**	**970,637**

(Expressed in thousands of Brazilian reais)

8 Recoverable taxes

	Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Value-added tax on sales and services - ICMS	**985,416**	971,234	**2,511,521**	2,456,714
Excise tax - IPI	**13,432**	12,713	**90,975**	89,832
Social contribution on billings - PIS and COFINS	**2,854,962**	2,633,753	**3,747,732**	3,546,549
Withholding income tax - IRRF/IRPJ	**1,952,881**	1,952,864	**2,328,764**	2,283,289
Reintegra	**58,559**	48,053	**91,463**	79,829
Other	**17,624**	17,484	**40,076**	39,332
	5,882,874	**5,636,101**	**8,810,531**	**8,495,545**
Current	**177,885**	182,885	**1,032,140**	974,404
Non-current	**5,704,989**	5,453,216	**7,778,391**	7,521,141
	5,882,874	**5,636,101**	**8,810,531**	**8,495,545**

The increase of R$221,209 in the caption Social contribution on billings - PIS and COFINS is related to the reversion of compensations previously done offset with INSS payable, as described in footnote 1 item c, in the amount of R$169,258; and by tax credits and debits arising from transactions incurred in the quarter.

9 Related parties transactions

The main balances of assets and liabilities, as well as the transactions resulting in income (loss) for any period, that relate to transactions between related parties or arose from transactions at prices and conditions established between the related parties. Transference of costs includes borrowing costs, interest and management fee, when applicable. 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	Costs transfer (administrative and funding)	March 31, 2018	December 31, 2017	Q1 2018	Q1 2017
Direct subsidiaries						
Seara Alimentos [(2)]	R$	CDI + 1% p.m.	**4,202,606**	3,433,716	**115,620**	109,930
JBS Embalagens Metálicas [(2)]	R$	CDI + 1% p.m.	**146,198**	141,011	**5,184**	7,574
Conceria Priante [(1)]	EUR	5,11% p.y.	**122,348**	117,136	**1,759**	–
Brazservice [(2)]	R$	CDI + 1% p.m.	**107,143**	90,622	**3,542**	4,368
Midtown Participações [(1)] [(2)]	R$	–	**2,092**	2,092	–	–
Enersea [(2)]	R$	CDI + 1% p.m.	**724**	(361)	**(271)**	(293)
Tannery	R$	CDI + 1% p.m.	–	–	–	3,083
JBS HU [(1)]	US$	2,25% p.y.	–	–	–	(31)
JBS Mendoza [(1)]	US$	–	**(722)**	(723)	–	–
JBS Confinamento [(2)]	R$	CDI + 1% p.m.	**(8,670)**	(5,516)	**807**	4,570
Beef Snacks do Brasil [(2)]	R$	–	**(25,348)**	(25,348)	–	–
Indirect subsidiaries						
Trump Asia [(1)]	US$	5,11 to 8,375% p.y.	**215,233**	211,070	**3,078**	–
JBS Leather Uruguai [(1)]	US$	8,375% p.y.	**68,842**	67,150	**1,338**	–
Zendaleather México [(1)]	US$	2,5% p.y.	**22,723**	22,479	**134**	129
JBS Aves [(2)]	R$	CDI + 1% p.m.	–	950,199	**28,288**	94,300
Frigorífico Canelones	US$	3,5% p.y.	–	–	–	(274)
JBS Handels GmbH [(1)]	EUR	–	**(591,105)**	(581,481)	**(3,950)**	–
JBS USA Holding Lux [(1)]	US$	8,375% p.y.	**(2,452,269)**	(2,405,358)	**(34,568)**	–
Other related party						
Flora Higiene e Produtos	R$	Selic	**23,812**	23,783	**394**	–
			1,833,607	**2,040,471**	**121,355**	**220,273**

(1) Refers to working capital funding. Settlement in the future shall be through a capital reduction and/or dividends distribution.

(2) In May 2017, was implemented the Tax Regularization Special Program ("PERT") which rules allow the use of own credits of direct or indirect subsidiaries, or parent companies and their direct or indirect subsidiaries. In September 2017, the Company received the assignment of the credits from its related parties, which included a 25% discount in the tax amount assigned, in the amount of approximately R$75,000, recognized under the caption "Other operating income". These transactions were approved unanimously by the Related Party Committee.

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.

(Expressed in thousands of Brazilian reais)

Following, are demonstrated all commercial transactions between related parties recognized in the individual financial statement:

	Accounts receivable		Accounts payable		Purchases/Services rendered		Sale of products/Services rendered	
COMPANY	**March 31, 2018**	**December 31, 2017**	**March 31, 2018**	**December 31, 2017**	**Q1 2018**	**Q1 2017**	**Q1 2018**	**Q1 2017**
Direct subsidiaries								
Priante	50,859	22,964	-	-	-	-	41,954	6,091
Seara Alimentos	33,597	29,336	12,125	18,968	14,929	35,180	153,901	78,810
Brazservice	13,271	6,852	5,055	1,945	14,039	16,254	33,753	22,293
JBS Confinamento	572	153	2,207	8,513	1,611	20,848	689	120
Enersea	-	763	-	-	35,613	32,991	29,764	19,817
Indirect subsidiaries								
JBS Global UK	52,639	59,192	-	-	-	-	57,867	35,010
JBS Australia Pty	-	-	578	402	3,969	-	-	-
Toledo	28,836	16,821	-	-	-	-	67,671	51,497
JBS Aves	1,514	941	21,257	21,516	2,865	22,563	2,243	5,119
Weddel	6,607	7,642	-	-	-	-	9,699	12,051
Sampco	59,999	30,071	-	-	-	-	101,860	65,133
Meat Snacks Partners	16,304	5,970	75	101	421	88	65,572	45,683
Trump Asia	7,694	22,180	487	475	-	211	7,332	98,536
JBS Paraguay	-	-	-	-	-	23,129	-	646
JBS Leather Argentina	-	7,865	-	513	-	56	88	9,986
JBS Leather Uruguai	18,228	-	472	-	1,013	-	17,342	-
Braslo Produtos de Carnes	-	-	-	-	-	-	-	54,217
JBS USA	-	39	-	-	113	5	-	19,156
Agrícola Jandelle	1,674	1,341	23,397	23,190	4,449	24,533	2,125	1,301
Swift Beef Company	-	-	-	1,805	4,725	-	-	-
Other related parties								
Vigor	-	-	-	-	-	25,786	-	17
JBJ Agropecuária	277	279	5,808	26,288	40,727	54,861	847	775
Flora Produtos	14,223	6,627	2	3	6	7	31,962	28,613
Dan Vigor Indústria e Com.	-	-	-	-	-	4,525	-	26,965
	306,294	219,036	71,463	103,719	124,480	261,037	624,669	581,836

Financial transactions

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 March 31, 2018 and December 31, 2017, the unpaid balance of transferred receivables was R$639,021 and R$848,273 in the Company, and R$1,099,039 and R$1,490,395 in the Consolidated, respectively. During the three month periods ended March 31, 2018 and 2017, JBS incurred financial costs related to this operation in the amount of R$14,255 and R$23,312 in the Company, and R$26,136 and R$41,302 in the Consolidated, respectively, recognized in the consolidated financial statements as financial expenses.

Additionally at March 31, 2018 and December 31, 2017, the Company holds investments with Banco Original, in the amount of R$66,649 and R$68,760 in the Company and R$145,896 and R$157,862 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 three month periods ended March 31, 2018 and 2017, the Company earned interest from these investments in the amount of R$825 and R$1,907 in the Company, and R$1,900 and R$3,235 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$21,337 and R$22,003 at March 31, 2018 and December 31, 2017, referring to Seara and Macedo, are bank notes issued by BNDES (Brazilian Development Bank). Outstanding borrowings under these notes bear interest at an average rate of 8.75% at March 31, 2018, which is payable on a monthly basis. The notes are due in 2019 to 2024 and may be pre-paid at any time without penalty.

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 three month periods ended March 31, 2018 and 2017, JBS made donations in the amounts of R$2,738 and R$4,400 in the Company, respectively, and in the Consolidated, R$2,738 and R$7,111, respectively, recognized in the financial statements as administrative expenses.

Credit with related parties - Consolidated

	March 31, 2018	December 31, 2017
J&F Oklahoma [3]	581,265	873,752
Flora Produtos de Hig. Limp. S.A. [4]	23,812	23,783
	605,077	897,535

[3] This amount represents the result of the use of a credit facility between the indirect subsidiary Moyer Distribution (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$2.2 billions (US$675,000). 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. J&F Oklahoma uses this credit facility to purchase cattle.

Further, Moyer Distribution 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$3.8 billion (US$1.15 billion) and is guaranteed by the accounts receivable and inventories of J&F Oklahoma. 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, Moyer Distribution will be responsible for up to R$830,950 (US$250,000) of the secured loans.

Moyer Distribution assumed both transactions described above after the conclusion of Five Rivers sale as foreseen in the divestment plan, described in footnote 1.

(Expressed in thousands of Brazilian reais)

[4] 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.

Commercial transactions - Consolidated

JBS Australia is part to a commercial agreement with J&F Australia as described below:

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 agreement, J&F has agreed to maintain sufficient cattle on JBS-owned feedlots so they remain 80% full at least. 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. JBS Australia must purchase at least 200,000 animals/ year, with a term lasting from 2011 through 2019. The cattle sale and purchase agreement also contain provisions to share in gains and losses incurred by J&F on its sale of cattle to JBS.

Prior to the sale of JBS Five Rivers and JBS Canada in the divestment program, each was party to a cattle supply and feeding agreement with J&F Oklahoma and J&F Canada similar to the aforementioned. The terms of these agreements were:

i. Cattle purchase and sale agreements which required JBS to purchase from J&F a certain volume of animals per year. The minimum purchase commitments under these agreements were: i) JBS USA commitment of at least 800,000 animals/year, with a term from 2009 to 2019 and ii) JBS Canada commitment of approximately 38,000 animals/year with a term from 2013 to 2019.
ii. These agreements were terminated on the respective sale dates and new agreements were made to replace them, determining that JBS USA and JBS Canada purchase the remaining cattle until the agreement's maturity dates. The agreements will terminate once all cattle have been delivered.

During the three month periods ended March 31, 2018 and 2017, the amounts received under the cattle supply and feeding agreements were R$505,198 (US$155,744) and R$602,810 (US$191,800) respectively, and amounts paid under the cattle sale and purchase agreements were R$2.4 billion (US$709,457) and R$2.2 billion (US$722,900), respectively.

No expense for doubtful accounts or bad debts relating to related-party transactions were recorded during the three month periods ended March 31, 2018 and 2017.

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 three month periods ended March 31, 2018 and 2017 is the following:

	2018	2017
Salaries and wages	**4,350**	2,400
Variable cash compensation	**5,000**	2,125
Share-based compensation (*)	-	2,500
	9,350	**7,025**

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

The Administrative and Control Officer, the Investor Relations Officer 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)

10 Investments in associates, subsidiaries and joint ventures

- **In the Company:**

	December 31, 2017	Addition (disposal)	Exchange rate variation	Changes in the Equity of investees	Proportionate share of income (loss)	March 31, 2018
JBS Embalagens Metálicas	**(54,038)**	-	-	-	(5,210)	**(59,248)**
JBS Confinamento	**572,160**	-	-	-	(2,126)	**570,034**
JBS Slovakia Holdings	**15**	-	-	-	-	**15**
Conceria Priante	**6,490**	-	166	-	(905)	**5,751**
JBS Holding GMBH	**583,594**	-	16,788	-	(9,190)	**591,192**
JBS Global Luxembourg	**12,472,336**	-	86,692	62,636	1,099,173	**13,720,837**
JBS Leather International	**(189,411)**	-	(1,361)	(1,835)	(18,542)	**(211,149)**
Brazservice	**(49,034)**	-	-	-	(8,309)	**(57,343)**
Seara Alimentos	**4,477,051**	-	-	46,070	(139,028)	**4,384,093**
Meat Snack Partners	**64,006**	-	479	(479)	7,050	**71,056**
Rigamonti	**115,107**	-	3,388	-	1,406	**119,901**
Enersea	**(87)**	-	-	-	(140)	**(227)**
JBS Mendoza	**747**	-	(43)	-	49	**753**
JBS HU Liquidity Management	**3,957**	-	17	-	(103)	**3,871**
Midtown Participações	**180,965**	-	-	-	(1,531)	**179,434**
Midup Participações	**18,635**	-	-	-	(168)	**18,467**
Beef Snacks Brasil	**67,327**	-	-	-	297	**67,624**
JBS Milestone	**276**	-	(4)	-	(188)	**84**
Subtotal	**18,270,096**	-	**106,122**	**106,392**	**922,535**	**19,405,145**
Accrual for loss on investments (*)	**292,570**					**327,967**
Total	**18,562,666**					**19,733,112**

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

	December 31, 2017	Disposal	Changes in the Equity of investees	Proportionate share of income	March 31, 2018
Meat Snack Partners	**64,006**	-	-	7,050	**71,056**
Total	**64,006**	-	-	**7,050**	**71,056**

11 Property, plant and equipment

Changes in property, plant and equipment:

Company	December 31, 2017	Additions net of transferences (1)	Disposals	Depreciation	March 31, 2018
Buildings	3,161,541	195,451	(1,178)	(31,503)	**3,324,311**
Land	1,526,572	-	-	-	**1,526,572**
Machinery and equipment	3,766,569	81,795	(1,234)	(102,731)	**3,744,399**
Facilities	1,465,693	38,947	(8)	(29,455)	**1,475,177**
Computer equipment	69,962	8,002	(34)	(7,280)	**70,650**
Vehicles	319,342	41,840	(2,093)	(16,139)	**342,950**
Construction in progress	1,181,445	(311,508)	(178,042)	-	**691,895**
Other	53,057	23,375	(79)	(5,026)	**71,327**
	11,544,181	**77,902**	**(182,668)**	**(192,134)**	**11,247,281**

Consolidated	December 31, 2017	Additions net of transferences (1)	Disposals	Depreciation	Exchange rate variation	March 31, 2018
Buildings	11,877,234	209,949	(6,451)	(162,231)	33,493	**11,951,994**
Land	4,009,654	99,546	(1,632)	-	5,131	**4,112,699**
Machinery and equipment	11,589,239	368,825	(16,922)	(463,574)	28,076	**11,505,644**
Facilities	2,081,688	55,246	(406)	(49,469)	(12)	**2,087,047**
Computer equipment	302,449	1,560	(700)	(27,681)	1,572	**277,200**
Vehicles	406,823	56,426	(8,770)	(22,624)	(252)	**431,603**
Construction in progress	2,636,047	(376,535)	(178,024)	-	8,060	**2,089,548**
Other	659,970	26,477	(1,451)	(29,380)	5,163	**660,779**
	33,563,104	**441,494**	**(214,356)**	**(754,959)**	**81,231**	**33,116,514**

(1) Additions for each category includes transfer from construction in progress during the period.

For the three month periods ended March 31, 2018 and 2017, the amount of capitalized interest added to construction in progress and included in additions was R$7,662 and R$12,957 in the Company, respectively, and in the Consolidated was R$23,410 and R$27,957, respectively.

(Expressed in thousands of Brazilian reais)

On December 31, 2018, the Company tested the recoverability of its assets that were identified as having an indicator of impairment using the concept of value in use through discounted cash flow models and it did not recognized any expense. For the three month period ended March 31, 2018, there were no indicates of impairment.

12 Intangible assets

Changes in intangible assets:

Company	December 31, 2017	Additions	Amortization	March 31, 2018
Amortizing:				
Trademarks	42,560	—	(2,660)	**39,900**
Software	27,379	2,999	(2,559)	**27,819**
Non-amortizing:				
Trademarks	24,800	—	—	**24,800**
	94,739	**2,999**	**(5,219)**	**92,519**

Consolidated	December 31, 2017	Additions	Disposal	Amortization	Exchange rate variation and others	March 31, 2018
Amortizing:						
Trademark	239,093	—	(40)	(6,190)	1,816	**234,679**
Software	75,646	8,547	(32)	(6,961)	181	**77,381**
Customer relationships	2,082,710	—	—	(70,908)	16,002	**2,027,804**
Others	19,998	74,218	—	(1,903)	1,974	**94,287**
Non-amortizing:						
Trademarks	3,059,717	—	—	—	53,054	**3,112,771**
Water rights	34,906	—	—	—	41	**34,947**
	5,512,070	**82,765**	**(72)**	**(85,962)**	**73,068**	**5,581,869**

13 Goodwill

Goodwill is recognized as an asset and included in the accounts 'Investments in associates, subsidiaries and joint ventures' in the Company because, for the investor, it is part of its investment in the subsidiary's acquisition; and in the Consolidated, since it refers to expectation of future earnings from the acquired subsidiary, which assets and liabilities are consolidated with the Company. Therefore, in the Company there is only goodwill from incorporations and the remaining are classified as investments in the amount of R$9,085,970. In the Consolidated, all goodwill are recognized as intangible.

Changes in goodwill:

Balance at December 31, 2017	**22,488,247**
Exchange rate variation and others	121,564
Balance at March 31, 2018	**22,609,811**

CGU Groups	March 31, 2018	December 31, 2017
Brazil Beef	**9,069,926**	9,069,926
Australia Smallgoods	**994,052**	1,005,113
Moy Park	**2,877,025**	2,760,016
USA Pork	**2,308,492**	2,297,518
Seara	**3,533,294**	3,533,294
Others CGUs without significant goodwill	**3,827,022**	3,822,380
Total	**22,609,811**	**22,488,247**

CGU groups containing goodwill are tested for impairment annually. For the three month period ended March 31, 2018 there were no events or circumstances that indicate that the recoverable amount may be less than the carrying amount.

(Expressed in thousands of Brazilian reais)

14 Loans and financing

	Company							
					Current		Non-current	
Type	Average annual interest rate	Currency	Index on variable rate loans	Payment terms / non-current debt	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017
Foreign currency								
ACC - Advances on exchange contracts	4.80%	USD	–	*	3,361,281	3,687,101	–	–
Prepayment	4.82%	USD	LIBOR	2019 - 23	3,392,549	3,406,881	2,544,820	2,776,910
144-A	7.14%	USD	–	2020 - 24	222,244	153,432	8,372,726	8,331,310
Working capital - Euro	2.40%	EUR	EURIBOR	2023	18,327	18,362	51,864	58,643
FINIMP	2.53%	EUR	EURIBOR	*	307	600	–	–
					6,994,708	7,266,376	10,969,410	11,166,863
Local currency								
Credit note - export	9.05%	BRL	CDI p.y.	2019 - 20	674,398	763,412	359,855	467,358
Working capital - Brazilian Reais	10.60%	BRL	CDI p.y. e TJLP	2019 - 20	115,073	116,167	14,566	14,205
FINAME	8.51%	BRL	TJLP	2019 - 25	41,907	45,178	63,253	73,130
FINEP	6.05%	BRL	–	2019 - 25	21,957	22,005	76,709	81,922
CDC - Direct credit to consumers	17.08%	BRL	–	2020 - 23	22,861	10,059	72,527	30,680
					876,196	956,821	586,910	667,295
					7,870,904	8,223,197	11,556,320	11,834,158

(Expressed in thousands of Brazilian reais)

	Consolidated							
					Current		Non-current	
Type	Average annual interest rate	Currency	Indexer	Payment terms / non-current debt	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017
Foreign currency								
ACC - Advances on exchange contracts	4.80%	USD	Libor	*	4,688,934	5,055,776	–	–
Prepayment	5.84%	USD	Libor	2019 - 23	4,776,340	5,048,964	2,721,783	3,084,877
144-A	7.14%	USD	–	2020 - 24	222,244	153,432	8,372,726	8,331,310
Credit note – import	4.89%	USD	Libor	*	99,004	98,641	–	–
FINIMP	5.82%	USD and EUR	Libor and Euribor	*	12,583	15,682	–	4,658
Working capital - Euros/US dollars/Pound sterling	2.40%	USD, EUR e GBP	Libor, Euribor and GBPLibor	2023	32,473	29,957	51,864	58,643
					9,831,578	10,402,452	11,146,373	11,479,488
Local currency								
FINAME	7.92%	BRL	TJLP	2019 - 25	50,299	53,599	84,267	96,183
FINEP	5.90%	BRL	–	2019 - 25	25,921	25,971	80,330	86,531
JBS Mortgage	5.80%	USD	–	2020	641	622	5,986	6,123
Senior Secured Credit Facility JBS Lux	3.50%	USD	Libor	2019	10,862	13,808	1,445,118	1,933,926
Term loan Five Rivers 2019	–	–	–	-	–	276,456	–	–
Term loan JBS Lux 2022	4.70%	USD	ABR and Libor	2022	109,826	107,278	9,079,342	9,056,728
Notes 6,25% Moy Park 2021	6.25%	GBP	–	*	309,496	8,022	–	1,317,011
Notes 8,25% JBS Lux 2020	–	–	–	-	–	79,600	–	2,298,881
Notes 7,25% JBS Lux 2021	7.25%	USD	–	2021	93,143	22,984	3,789,464	3,768,904
Notes 5,875% JBS Lux 2024	5.88%	USD	–	2024	31,323	67,212	2,478,850	2,466,501
Notes 5,75% JBS Lux 2025	5.75%	USD	–	2025	51,123	7,608	2,970,915	2,956,088
Notes 5,75% PPC 2025	5.75%	USD	–	2025	9,024	42,005	3,307,301	2,477,272
Notes 5,875% PPC 2027	5.88%	USD	–	2027	921	29,798	2,773,844	1,962,329
Notes 6,75% JBS Lux 2028	6.75%	–	–	2028	26,361	–	2,963,563	–
PPC term loan	2.97%	USD	ABR and Libor	2022	149,006	147,285	2,403,506	2,447,920
PPC revolving credit facility	–	–	–	–	–	324	–	216,208
Marshaltown	–	–	–	–	–	63	–	32,395
Working capital - Brazilian Reais	10.55%	BRL	CDI and TJLP	2019 - 21	120,182	121,667	22,558	22,531
Working capital - US Dollars	4.09%	USD	Libor	*	129,626	112,472	–	–
Working capital - Euros	1.47%	EUR	Euribor	2019 - 23	84,598	90,706	8,314	10,648
Credit note – export	8.92%	BRL	CDI	2019 - 22	1,485,408	1,603,518	421,585	528,520
Credit note – import	3.75%	USD and EUR	Euribor	*	2,451	187,462	–	–
FCO - Middle West Fund	10.15%	BRL	–	*	1,265	1,725	–	–
CDC - Direct credit to consumers	17.08%	BRL	–	2020 - 23	22,861	10,059	72,527	30,680
CCB	8.75%	BRL	UM BNDES	2019 - 24	3,012	3,009	18,325	18,994
ACC - Advances on exchange contracts	4.09%	USD	Libor	*	964	126	–	–
Prepayment	4.89%	USD	Libor	–	267,649	–	–	–
Rural - Credit note	9.97%	BRL	Libor	*	169,456	100,630	–	–
Canadian credit facility & revolving credit facility	4.00%	CAD	CDOR, RBC and Libor	2021	–	7	(459)	(533)
Mexico credit facility	8.80%	MEX$	TIEE	2019	1,811	1,813	232,078	252,424
Other	0.95%	GBP and EUR	Euribor	2019-20	44,177	7,770	116	32,848
					3,201,406	3,123,599	32,157,530	32,019,112
					13,032,984	13,526,051	43,303,903	43,498,600

* Balances classified as current which have their maturities between April 1, 2018 and March 31, 2018.

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

As of March 31, 2018 and 2017, the availability under JBS USA revolving credit facilities was R$3.9 billion (US$1.2 billion) and R$3.3 billion (US$1 billion), respectively.

(Expressed in thousands of Brazilian reais)

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

	March 31, 2018	
Maturity	Company	Consolidated
2019	**404,554**	**2,462,055**
2020	**4,313,519**	**4,573,354**
2021	**890,746**	**4,949,053**
2022	**862,981**	**11,729,877**
2023	**2,590,598**	**2,594,968**
Maturities thereafter	**2,493,922**	**16,994,596**
	11,556,320	**43,303,903**

14.1 Guarantees and contractual restrictions ("covenants")

The information demonstrated below complement the information already disclosed in the financial statements for the year ended December 31, 2017.

Type	Issuer and guarantors	Covenants / Guarantees	Events of default	March 31, 2018
Notes 6,75% JBS Lux 2028	- JBS S.A.; - JBS Global Lux; - JBS Global Meat Holdings; - JBS USA Holding Lux; - JBS USA Food Company; - JBS Ansembourg Holding; S.à r.l - JBS Luxembourg S.à r.l.; and - Each of the U.S. restricted subsidiaries that guarantee the senior secured credit facility (subject to certain exceptions).	The Notes contain negative covenants that may limit JBS Lux ability and certain of our subsidiaries ability to, among other things: - incur certain additional indebtedness; - create certain liens; - sell or dispose of certain assets; - pay certain dividends and other restricted payments; - permit restrictions on dividends and other restricted payments to restricted subsidiaries - prepay or cancel certain indebtedness; - enter into certain transactions with affiliates; - enter into certain sale/leaseback transactions; and - undergo changes of control without making an offer to purchase the Notes. The indenture governing the Notes also restricts JBS S.A. from incurring any debt (subject to certain permitted exceptions), unless on the date of such incurrence and the application of the proceeds therefrom, its net debt to EBITDA ratio is less than 4.75 to 1.00. In addition, the indenture restricts JBS S.A.'s ability to make restricted payments and other distributions.	The indenture also contains customary events of default [(1)] . In case any event of default occurs, the trustee or the holders of at least 25% of the notes principal amount at the time may state to pay immediately the principal and accrued interest on the notes. The notes are unsecured debts.	**2,989,924**

[(1)] Customary events of default includes failure to perform or observe terms, covenants or other agreements in the facility, defaults on other indebtedness if the effect is to permit acceleration, failure to make a payment on other indebtedness unless waived or extended within the applicable grace period, entry of unsatisfied judgments or orders against the issuer or its subsidiaries and certain events related to bankruptcy and insolvency matters.

The Company was in compliance with all of its debt covenant restrictions at March 31, 2018.

15 Accrued income taxes and other taxes

	Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Accrued income taxes	-	-	**697,412**	905,484
Withholding income taxes	-	-	**578**	638
ICMS / VAT / GST tax payable	**26,304**	21,031	**58,480**	61,075
PIS / COFINS tax payable	**64,974**	58,074	**81,553**	72,973
Taxes payable in installments	**805,040**	798,350	**859,779**	853,988
Others	**59,286**	49,736	**252,576**	285,820
	955,604	927,191	**1,950,378**	2,179,978
Breakdown:				
Current liabilities	**272,406**	259,803	**1,148,043**	1,392,755
Non-current liabilities	**683,198**	667,388	**802,335**	787,223
	955,604	927,191	**1,950,378**	2,179,978

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%. As of March 31, 2018 and December 31, 2017, the Company has recorded under Income taxes, payroll, social charges and tax obligation the amount of R$60,653 and R$54,154 in the Company, respectively, and in the Consolidated R$75,793 and R$67,539, respectively, regarding to PIS/COFINS over financial income.

Taxes payables in installments - Adherence to the Special Tax Regularization Program (PERT): As disclosed in the financial statements for the year ended December 31, 2017, in November 7, 2017, the Company adhered the Special Tax Regularization Program - PERT, related to debts of PIS, COFINS, and Income tax. In March 31, 2018 the tax payable installment was R$279,677, updated with Selic.

Taxes payable in installments - Infraction fines in the states of Mato Grosso do Sul and Rondônia: As disclosed in the financial statements for the year ended December 31, 2017, the Company received infractions from the States of Mato Grosso do Sul and Rondônia due to irregularities in the calculation of ICMS credits. In March 31, 2018 the tax payable installment was R$420,679, updated with Selic.

(Expressed in thousands of Brazilian reais)

16 Accrued payroll and social charges

	Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Salaries and related social charges	**162,309**	234,685	**1,009,770**	1,075,368
Bonus and vacation along with related social charges	**230,384**	186,092	**1,733,026**	2,051,375
Taxes payable in installments	**1,746,360**	1,580,839	**1,758,305**	1,593,079
Others	**4,195**	5,288	**178,155**	136,194
	2,143,248	2,006,904	**4,679,256**	4,856,016
Breakdown:				
Current liabilities	**579,340**	572,066	**2,712,538**	3,007,816
Non-current liabilities	**1,563,908**	1,434,838	**1,966,718**	1,848,200
	2,143,248	2,006,904	**4,679,256**	4,856,016

Taxes payable in installments: As disclosed in the financial statements for the year ended December 31, 2017, in November 7, 2017, the Company adhered the Special Tax Regularization Program - PERT, related to debts of INSS. In March 31, 2018 the tax payable installment was R$1,7 billion, updated with Selic.

17 Income taxes

a. Reconciliation of income tax and social contribution expense:

	Company		Consolidated	
	2018	2017	2018	2017
Profit (loss) before income taxes (PBT)	**304,493**	**479,924**	**467,789**	**640,742**
Nominal rate	**(34)%**	**(34)%**	**(34)%**	**(34)%**
Expected tax expense	**(103,528)**	(163,174)	**(159,048)**	(217,852)
Adjustments to reconcile taxable income:				
Earnings and losses due to equity method	**313,662**	105,261	**2,397**	617
Prior years loss carryfowards	–	–	**1,440**	–
Domestic production activities deduction	–	–	**5,502**	32,210
Difference on tax rates for foreign subsidiaries	–	–	**125,113**	24,569
Transfer price adjustment	–	–	**(45)**	–
Unrecognized tax benefit	–	–	**38,401**	(40,700)
Adjustments on financial statements - Foreign subsidiaries	–	–	**(7,820)**	(31,380)
Stock option plan	**(1,240)**	(8,503)	**(1,650)**	(16,996)
Non-taxable interest - Foreign subsidiaries	–	–	**46,668**	33,382
Dual jurisdiction taxation - Foreign subsidiaries	–	–	**78,980**	55,386
Penalties for infringements and/or tax payable in installments	**(1,763)**	–	**(2,415)**	(953)
Other permanent differences	**(5,102)**	(60,461)	**(7,124)**	(62,093)
Current and deferred income tax (expense) benefit	**202,029**	**(126,877)**	**120,399**	**(223,810)**
Current income tax	**705**	731	**(309,092)**	(132,147)
Deferred income tax	**201,324**	(127,608)	**429,491**	(91,663)
	202,029	**(126,877)**	**120,399**	**(223,810)**
% IT/PBT	**66.35 %**	**(26.44)%**	**25.74 %**	**(34.93)%**

	Company		Consolidated	
	2018	2017	2018	2017
Adjustments to reconcile taxable income [(1)]				
Goodwill amortization - deferred	–	137,700	–	140,130
Prior years loss carryfowards - deferred	**(181,195)**	3,804	**(315,330)**	(65,439)
Unrecognized tax losses	–	–	**(38,401)**	40,700
Deferred tax prior year booking	–	–	**(1,440)**	–
Income tax on realization of other reserves	**(705)**	(731)	**(6,914)**	(7,901)
Current and deferred income tax (expense) benefit - ADJUSTED	**20,129**	**13,896**	**(241,686)**	**(116,320)**
Effective income tax rate	**6.61%**	**2.90%**	**(51.67)%**	**(18.15)%**

[(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) Recognition of deferred tax from the current year; ii) 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); iii) Income tax on realization of the other reserves (since it is not relate to the net operating income); iv) Prior years unrecognized tax losses recognition.

(Expressed in thousands of Brazilian reais)

b. Composition of deferred income tax and social contribution

	Consolidated			
	December 31, 2017	Income statement	Other adjustments	March 31, 2018
Tax losses and negative basis of social contribution	-	181,195	-	**181,195**
Allowance for doubtful accounts	61,111	18,363	-	**79,474**
Provisions for contingencies	175,077	(1,683)	-	**173,394**
Present value adjustment - Clients	915	192	-	**1,107**
Other temporary differences assets	13,073	796	-	**13,869**
Goodwill amortization	(1,916,521)	-	-	**(1,916,521)**
Present value adjustment - Suppliers	(3,132)	212	-	**(2,920)**
Realization of other reserves / deemed cost	(272,982)	-	706	**(272,276)**
Other temporary differences liabilities	(23,333)	2,249	-	**(21,084)**
Deferred taxes, net	**(1,965,792)**	**201,324**	**706**	**(1,763,762)**

	Consolidated				
	December 31, 2017	Income statement	Exchange variation	Other adjustments	March 31, 2018
Tax losses and negative basis of social contribution	871,991	315,330	2,200	3,062	**1,192,583**
Allowance for doubtful accounts	72,559	17,165	47	-	**89,771**
Provision for contingencies	335,993	20,199	49	-	**356,241**
Present value adjustment - Clients	1,292	135	-	-	**1,427**
Inventory valuation - Foreign subsidiaries	(112,978)	62,334	998	-	**(49,646)**
Tax credits - Foreign subsidiaries	92,433	630	458	-	**93,521**
Biological assets - Foreign subsidiaries	45,939	(6,795)	53	-	**39,197**
Labor accidents accruals - Foreign subsidiaries	106,879	1,628	550	-	**109,057**
Employee benefit plan - Foreign subsidiaries	75,489	(165)	357	-	**75,681**
Accounts payable accruals - Foreign subsidiaries	300,228	25,871	2,071	-	**328,170**
Moy Park business restructure	13,114	(26)	62	-	**13,150**
Other temporary differences assets	215,390	(253)	(129)	-	**215,008**
Goodwill amortization	(2,033,318)	-	-	-	**(2,033,318)**
Present value adjustment - Suppliers	(6,073)	288	-	-	**(5,785)**
Business combination	(2,310,175)	(12,869)	(20,280)	51,835	**(2,291,489)**
Insurance claims accruals - Foreign subsidiaries	(96,769)	(1,663)	(504)	-	**(98,936)**
Realization of other reserves / deemed cost	(683,930)	5,549	-	705	**(677,676)**
Other temporary differences liabilities	(150,398)	2,133	(1,163)	(5,376)	**(154,804)**
Deferred taxes, net	**(3,262,334)**	**429,491**	**(15,231)**	**50,226**	**(2,797,848)**

	Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Deferred income taxes assets	-	-	**602,773**	434,861
Deferred income taxes liabilities	**(1,763,762)**	(1,965,792)	**(3,400,621)**	(3,697,195)
	(1,763,762)	(1,965,792)	**(2,797,848)**	(3,262,334)

18 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				Consolidated			
	March 31, 2018		December 31, 2017		March 31, 2018		December 31, 2017	
	Quantity	R$	Quantity	R$	Quantity	R$	Quantity	R$
Labor	**15,963**	**162,445**	16,692	143,954	**34,930**	**423,968**	36,437	406,434
Civil	**1,047**	**19,106**	1,004	22,017	**3,504**	**166,035**	3,501	362,904
Tax and Social Security	**1,277**	**1,633,504**	1,240	1,654,036	**1,983**	**2,126,438**	1,922	2,118,812
Total	**18,287**	**1,815,055**	**18,936**	**1,820,007**	**40,417**	**2,716,441**	**41,860**	**2,888,150**

(Expressed in thousands of Brazilian reais)

Changes in provisions

	Company			
	December 31, 2017	Additions, disposals and changes in estimates	Payments	March 31, 2018
Labor	143,954	64,165	(45,674)	**162,445**
Civil	22,017	(2,618)	(293)	**19,106**
Tax and Social Security	1,654,036	(19,806)	(726)	**1,633,504**
Total	**1,820,007**	**41,741**	**(46,693)**	**1,815,055**

	Consolidated				
	December 31, 2017	Additions, disposals and changes in estimates	Payments	Exchange rate variation	March 31, 2018
Labor	406,434	101,061	(83,517)	**(10)**	**423,968**
Civil	362,904	(192,809)	(4,060)	**-**	**166,035**
Tax and Social Security	2,118,812	9,544	(1,810)	**(108)**	**2,126,438**
Total	**2,888,150**	**(82,204)**	**(89,387)**	**(118)**	**2,716,441**

a. 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.

The adjustment recognized in the year ended December 31, 2017 was update with Selic rate and in the three month period ended March 31, 2018 was R$9,630, recognized as tax and social security contingencies

b. Social contributions — Rural Workers' Assistance Fund (FUNRURAL): As disclosed in the financial statements of the year ended December 31, 2017, on January 2001, JBS filed an injunction to suspend the collectability retention and transfer the Rural Workers' Assistance Fund - NOVO FUNRURAL). A favorable sentence was deliberated, which discharged the Company to the withholding and payment of the referred contribution. This sentence was reformulated by the Federal Regional Court of 3rd region. The Company filed an extraordinary appeal, which was halted on the basis of Article 543-B, § 1 of the Code of Civil Procedure, until the final decision of the Supreme Court - STF on the matter. To avoid the institution to lose the right to require the contribution to the New Funrural, INSS released tax notifications, in a total of 17 infringement notices, in the amount of R$2.5 billion on March 31, 2018. JBS has presented its defense in those administrative proceedings, informing that it does not collect the amount due to a favorable court ruling, considering that there is no final decision of the writ of mandamus mentioned. This matter was the subject of decisions favorable to the taxpayers, issued by the STF for companies whose activities are similar to JBS's activity in the trials of Extraordinary Appeals number 363.852/MG and 596.177/RS. In March 30, 2017, the STF recognized the constitutionality of Funrural in the trial of the Extraordinary Appeal n° 718.874/RS, with general repercussion recognized by a majority of votes. Since the action was proposed by a rural producer, the decision did not consider the validity or otherwise of the subrogation of the contribution by the acquirer, and it is not yet possible to know whether the effects of the decision will be modulated. Based on the opinion of legal advisers and based on case law in favor of the STF in a similar cases, Management believes that its fundamentals will prevail and no provision was recorded for that contingency. The probability of loss is considered remote.

c. Rural Tax Regularization Program (PRR): In January 10, 2018, Law No. 13.606 was published, establishing the Rural Tax Regularization Program (PRR), providing payment for Funrural's debts - either by rural producers or by acquiring companies - with a reduction of 100% percent) on interest, fines and charges of such debts. The adhesion period for said program was initially until April 30, 2018, and was extended to May 30, 2018, through Law 13.630/2018. Although the Company understands, as described above, that the likelihood of loss in the proceeding is possible, the Company has not yet concluded the economic and financial assessment of the feasibility of adherence of the referred program, especially by extending the term (with possible changes in terms of the program) and because the judgment of the Declaration of Appeal in Extraordinary Appeal n° 718.874/ RS is scheduled for May 17, 2018, where the modulation of the effects of the decision should be assessed, and the contribution may be required from the decision.

19 Equity

a. Share capital: Share capital on March 31, 2018 is R$23,576,206, represented by 2,728,747,412 common shares, having no nominal value.

b. Capital reserves:

b1. Premium on issue of shares: refers to the difference between the subscription price that the stockholders pay for the shares and their fair value;

b2. 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 establishes the criteria of granting the options and selecting the employees. The number of grantable shares authorized to be granted 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 program's fair value is recognized as an expense with an offset to 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 options are granted. The number of stock options that each employee is entitled to was calculated based on the average of the Company's stock price for the three months prior to the grant date. The stock option program has 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.

The fair value of each stock option granted was estimated at the grant date based on the Black-Scholes-Merton pricing model.

(Expressed in thousands of Brazilian reais)

The primary assumptions considered in the model were:

Grants						Fair value assumptions			
Program		Quantity of options	Fair value of the option	Exercise price in R$	Expected exercise term	Risk free interest rate	Volatility	Share price on the grant date	Dividend Yield
2014A	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%
2014B	Sept-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%
2015A	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%
2016A	Mar-16	3,350,000	R$11.55	0.00001	Immediate vesting	-	-	11.55	-
2016C	Apr-16	2,477,651	R$ 9.85 to R$ 10.75	0.00003	1 to 3 years	13,54% to 13,78%	69.19%	11.12	4.45%
2016D	Jun-16	3,259,890	R$ 9.20 to R$ 10.05	0.00001	1 to 3 years	12,66% to 13,60%	65.98%	11.12	4.45%
2016E	Nov-16	3,350,000	R$11.27	0.0000003	Immediate vesting	-	-	11.27	-
2016F	Nov-16	195,000	R$ 9.81 to R$ 10.49	0.000015	1 to 3 years	11,42% to 11,60%	50.30%	11.27	3.35%
2017A	Jan-17	3,700,979	R$11.90	0.01000	Immediate vesting	-	-	11.90	-
2017B	May-17	1,004,722	R$ 11.72 to R$ 11.82	0.000002	1 to 3 years	9,31% to 9,64%	46.15%	11.86	0.45%
2017B1	May-17	35,876	R$11.86	0.00003	Immediate vesting	-	-	11.86	-
2017C	May-17	2,315,842	R$ 11.10 to R$ 11.15	1.00000	1 to 3 years	9,31% to 9,64%	46.15%	12.07	0.45%
2017D	Oct-17	3,350,000	R$8.39	0.0000003	Immediate vesting	-	-	8.39	-
	Total	27,352,870							

* The program 2016B was cancelled during 2017 and its options were transferred to the 2017C program.

March 31, 2018					
Program		Grant	Vesting terms	Options outstanding	Remaining contractual life (years)
2016C	May-16	05.01.16	1/3 per year with final maturity in April 1, 2019	513,757	0.83
2016D	Jun-16	06.01.16	1/3 per year with final maturity in June 1, 2019	779,376	0.83
2017B	May-17	05.01.17	1/3 per final with final maturity in May 1, 2020	592,062	2.17
				1,885,195	

Risk free interest rate: The Company uses as a risk free interest rate the projection obtained from Interpolation of fixed x floating interest rate swap (BM&F'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:

	March 31, 2018		
	Quantity of options	Average exercise price per share	
Opening balance	**4,672,811**	**R$**	**10.11**
Exercised	(2,602,188)	R$	10.92
Cancelled	(185,428)	R$	10.79
Closing balance	**1,885,195**	**R$**	**10.11**

During the three month period ended March 31, 2018, the expense with options plan totaled R$6,891 in the Company and in the Consolidated in the amount of R$7,939. The expenses were recorded in the net income (loss) under the caption "General and administrative expenses", with the respective offset in "Capital Reserves."

b3. Treasury shares:

Treasury share activity during the three month period ended March 31, 2018 was as follows:

	March 31, 2018	
	Quantity	R$ thousand
Opening balance	**19,072,043**	**192,882**
Treasury shares used in stock option plan	(2,602,188)	(26,317)
Closing balance	**16,469,855**	**166,565**

20 Net revenue

	Company		Consolidated	
	2018	2017	2018	2017
GROSS REVENUE				
Sales of products				
Domestic sales	**4,384,703**	4,300,644	**31,629,569**	28,750,858
Export sales	**2,263,100**	2,087,504	**9,417,932**	10,220,788
	6,647,803	**6,388,148**	**41,047,501**	**38,971,646**
SALES DEDUCTION				
Returns and discounts	**(227,678)**	(219,992)	**(870,603)**	(872,822)
Sales taxes	**(158,164)**	(137,772)	**(393,747)**	(482,472)
	(385,842)	**(357,764)**	**(1,264,350)**	**(1,355,294)**
NET REVENUE	**6,261,961**	**6,030,384**	**39,783,151**	**37,616,352**

21 Finance income (expense)

	Company		Consolidated	
	2018	2017	2018	2017
Exchange rate variation	**(71,248)**	505,368	**(139,298)**	452,337
Fair value adjustments on derivatives	**15,680**	(6,090)	**(29,314)**	(11,216)
Interest expense	**(356,105)**	(400,018)	**(953,980)**	(909,270)
Interest income	**134,671**	254,667	**56,427**	73,168
Taxes, contribution, tariff and others	**(15,927)**	(7,945)	**(41,966)**	(15,783)
	(292,929)	**345,982**	**(1,108,131)**	**(410,764)**
Finance income	**150,351**	760,035	**56,427**	525,505
Finance expense	**(443,280)**	(414,053)	**(1,164,558)**	(936,269)
	(292,929)	**345,982**	**(1,108,131)**	**(410,764)**

22 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).

	2018	2017
Net income (loss) attributable to shareholders	**506,522**	**353,047**
Weighted average common shares outstanding	**2,856,858**	2,856,858
Weighted average - treasury shares	**(16,535)**	(12,477)
Weighted average - common shares outstanding (basic)	**2,840,323**	**2,844,381**
Basic earnings (loss) per share - (R$)	**0.18**	**0.12**

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 had only one category of potential common shares that would cause dilution: outstanding options to purchase shares (shares in thousands).

	2018	2017
Net income (loss) attributable to shareholders	**506,522**	**353,047**
Weighted average common shares outstanding (basic) - R$	**2,840,323**	2,844,381
Dilutive effect of outstanding stock options	**11,071**	14,814
Weighted average - common shares outstanding (diluted)	**2,851,394**	**2,859,195**
Diluted earnings (loss) per shares - (R$)	**0.18**	**0.12**

For the three month period ended March 31, 2018, 1,885,195 shares (4,672,811 shares in December 31, 2017) related to outstanding stock options have been excluded from the calculation of diluted weighted average common shares.

(Expressed in thousands of Brazilian reais)

23 Operating segments and geographic reporting

The Company's Management established the operating segments based on the reports that are used to make strategic decisions. Starting from 2018, the Company changed its management structure, and the information per segment started to be elaborated considering the following segments: Brazil, Seara, Beef USA, Pork USA, Chicken USA and Others.

Brazil: this segment includes all the operating activities from Company and its subsidiaries, mainly represented by slaughter facilities, cold storage and meat processing, fat, feed and production of beef by-products such as leather, collagen and others products produced in Brazil.

Seara: this segment includes all the operating activities of Seara and its subsidiaries, mainly represented by chicken and pork processing, production and commercialization of food products.

Beef USA: this segment includes JBS USA's operations, including Australia and Canada as well, related to beef processing: slaughter, cold storage, production and others beef by-products, besides cattle fattening services.

Pork USA: this segment includes JBS USA's pork and lamb operations, including Plumrose and Australia as well, related to slaughter, cold storage, production and commercialization of food products.

Chicken USA: this segment includes PPC's operations, including Moy Park as well, mainly represented by chicken processing, production and commercialization of food products in the United States of America, Mexico, United Kingdom and France.

Due to the volume's substantial percentage of the operating segments above, the others segments and activities in which the Company operates do not have a major share. Those segments are included in "Others". Furthermore, the eliminations between the companies of the group are presented separately.

The accounting policies of the reportable segments are the same as described in these financial statements. The Company evaluates its performance per segment, which according to its accounting policies, are disclosed with the breakdown of net revenue, net operating income and depreciation.

There are no revenues arising out of transactions with any single customer that represents 5% or more of the total revenues. Net revenue presented below is from external customers.

The segment profitability reviewed by the Statutory Directors is operating income, which does not include finance income (expense), share of profit or loss of equity accounted investees, or income taxes. The Company manages its loans and financing and income taxes at the corporate level and not by segment.

The information by consolidated operational segment are as follows:

Segments presented by product:

	Net revenue		Operating income [1]		Depreciation	
	2018	2017	2018	2017	2018	2017
Segments						
Brazil	**6,402,742**	6,156,255	**(301,359)**	(158,960)	**200,426**	191,568
Seara	**6,507,019**	6,181,664	**84,258**	(25,687)	**245,913**	241,478
Beef USA	**16,414,047**	15,461,914	**858,776**	273,509	**165,167**	158,412
Pork USA	**4,756,107**	4,390,204	**373,109**	466,873	**70,474**	60,906
Chicken USA	**8,896,347**	7,929,207	**646,935**	526,903	**434,893**	386,020
Others	**617,651**	1,258,722	**28**	1,652	**9,866**	17,835
Intercompany elimination	**(3,810,762)**	(3,761,614)	-	-	-	-
Total	**39,783,151**	**37,616,352**	**1,661,747**	**1,084,290**	**1,126,739**	**1,056,219**

Total assets by product:

	March 31, 2018	December 31, 2017
Total assets		
Brazil	**56,795,721**	56,512,511
Seara	**34,511,691**	30,165,204
Beef USA	**18,159,701**	17,867,772
Pork USA	**8,154,010**	8,156,216
Chicken USA	**22,313,106**	21,726,292
Others	**67,845,686**	63,817,377
Intercompany elimination	**(99,961,711)**	(89,549,421)
Total	**107,818,204**	**108,695,951**

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	
	2018	2017	2018	2017	2018	2017
United States of America	**30,066,500**	26,191,671	**1,871,707**	1,218,800	**674,390**	542,470
South America	**13,036,853**	13,143,496	**(211,352)**	(169,298)	**449,026**	444,475
Others	**490,560**	2,042,799	**1,392**	34,788	**3,323**	69,274
Intercompany elimination	**(3,810,762)**	**(3,761,614)**	-	-	-	-
Total	**39,783,151**	**37,616,352**	**1,661,747**	**1,084,290**	**1,126,739**	**1,056,219**

(Expressed in thousands of Brazilian reais)

Total assets by geographic area:

	March 31, 2018	December 31, 2017
Total assets		
United States of America	**61,562,000**	63,463,155
South America	**91,749,687**	84,281,668
Others	**54,468,228**	50,500,549
Intercompany elimination	**(99,961,711)**	**(89,549,421)**
Total	**107,818,204**	**108,695,951**

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

	Operating income	
	2018	2017
Net income (loss)	**588,188**	416,932
Income tax and social contribution - current and deferred	**(120,399)**	223,810
Finance (income) expense, net	**1,108,131**	410,764
Share of profit of equity-accounted investees, net of tax	**(7,050)**	(1,815)
Operating profit	**1,568,870**	**1,049,691**
FADEFE tax installments	**21,690**	–
Other operating expense/income	**61,557**	47
Investigation impacts due to the leniency agreement	**9,630**	34,552
Net operating profit	**1,661,747**	**1,084,290**

24 Risk management and financial instruments

Financial instruments:

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

		Company		Consolidated	
	Notes	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Assets					
Fair value through profit or loss					
Financial investments and national treasury bill	4	**437,548**	1,064,084	**4,965,386**	5,856,502
Derivative assets	24	–	–	**434,305**	30,760
Loans and receivables at amortized cost					
Cash at banks	4	**585,758**	1,074,718	**5,867,761**	5,884,806
Trade accounts receivable	5	**2,507,645**	2,302,913	**9,056,988**	9,333,291
Related parties receivables	9	**4,911,721**	5,059,258	**605,077**	897,535
Total		**8,442,672**	**9,500,973**	**20,929,517**	**22,002,894**
Liabilities					
Liabilities at amortized cost					
Loans and financing	14	**(19,427,224)**	(20,057,355)	**(56,336,887)**	(57,024,651)
Trade accounts payable		**(1,985,354)**	(2,029,104)	**(9,609,466)**	(9,992,778)
Debits with related parties	9	**(3,078,114)**	(3,018,787)	–	–
Other financial liabilities		**(30,836)**	(32,486)	**(76,554)**	(113,024)
Fair value through profit or loss					
Derivative liabilities	24	**(188)**	(10)	**(39,769)**	(118,684)
Total		**(24,521,716)**	**(25,137,742)**	**(66,062,676)**	**(67,249,137)**

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	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Level 1	**78,912**	708,406	–	–
Level 2	–	–	**358,636**	355,678

	Consolidated							
	Current assets						Current liabilities	
	National treasury bill		Financial investments		Derivative assets		Derivatives liabilities	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Level 1	**78,912**	708,406	-	-	-	-	-	-
Level 2	-	-	**4,886,474**	5,148,096	**434,305**	30,760	**(39,769)**	(118,684)

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

	Company						Consolidated					
	March 31, 2018			December 31, 2017			March 31, 2018			December 31, 2017		
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	**3,323,800**	**103.02**	**3,424,179**	3,308,000	102.37	3,386,400	**3,323,800**	**103.02**	**3,424,179**	3,308,000	102.37	3,386,400
JBS S.A Notes 2023	**2,575,945**	**95.49**	**2,459,770**	2,563,700	95.43	2,446,539	**2,575,945**	**95.49**	**2,459,770**	2,563,700	95.43	2,446,539
JBS S.A Notes 2024	**2,492,850**	**99.09**	**2,470,165**	2,481,000	99.02	2,456,686	**2,492,850**	**99.09**	**2,470,165**	2,481,000	99.02	2,456,686
JBS Lux Notes 2020	-	-	-	-	-	-	-	-	-	2,315,600	102.30	2,368,859
JBS Lux Notes 2021	-	-	-	-	-	-	**3,822,370**	**101.13**	**3,865,563**	3,804,200	102.50	3,899,305
JBS Lux Notes 2024	-	-	-	-	-	-	**2,492,850**	**98.25**	**2,449,225**	2,481,000	99.75	2,474,798
JBS Lux Notes 2025	-	-	-	-	-	-	**2,991,420**	**94.75**	**2,834,370**	2,977,200	97.00	2,887,884
JBS Lux Notes 2028	-	-	-	-	-	-	**2,991,420**	**95.75**	**2,864,285**	-	-	-
PPC Notes 2025	-	-	-	-	-	-	**3,323,800**	**97.38**	**3,236,716**	2,481,000	103.25	2,561,633
PPC Notes 2027	-	-	-	-	-	-	**2,825,230**	**94.00**	**2,655,716**	1,984,800	103.18	2,047,917
Moy Park	-	-	-	-	-	-	**306,215**	**102.84**	**314,912**	1,334,593	103.04	1,375,165
	8,392,595		**8,354,114**	8,352,700		8,289,625	**27,145,900**		**26,574,901**	25,731,093		25,905,186

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, 2017. There were no changes in the nature of these risks in the current period.

Below ARE 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	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
OPERATING				
Cash and cash equivalents	**480,794**	1,032,719	**1,357,844**	1,614,777
Trade accounts receivable	**1,785,444**	1,545,762	**3,401,395**	3,072,269
Sales orders	**1,277,070**	1,179,665	**1,617,464**	2,867,967
Trade accounts payable	**(41,391)**	(37,854)	**(127,218)**	(77,508)
Purchase orders	-	-	**(41,872)**	(67,668)
Subtotal	**3,501,917**	**3,720,292**	**6,207,613**	**7,409,837**
FINANCIAL				
Related parties transaction (net)	**(2,619,088)**	(2,572,041)	**(5,634,625)**	(4,786,741)
Net debt in foreign subsidiaries	**(23,911,248)**	(24,170,798)	**(23,911,248)**	(24,170,798)
Loans and financing	**(17,893,619)**	(18,355,634)	**(20,790,234)**	(22,231,204)
Subtotal	**(44,423,955)**	**(45,098,473)**	**(50,336,107)**	**(51,188,743)**
Total exposure	**(40,922,038)**	**(41,378,181)**	**(44,128,494)**	**(43,778,906)**
DERIVATIVES				
Deliverable Forwards (DF´s)	-	-	**198,723**	(18,237)
Non Deliverable Forwards (NDF´s)	-	-	**(10,174)**	2,577
Total derivatives	-	-	**188,549**	**(15,660)**
NET EXPOSURE IN R$	**(40,922,038)**	**(41,378,181)**	**(43,939,945)**	**(43,794,566)**

Sensitivity analysis at March 31, 2018 (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	3.3238	3.3711	49,835	88,339	4.1548	875,532	1,551,997	4.9857	1,750,959	3,103,807
Financial	Depreciation	3.3238	3.3711	(291,910)	(376,044)	4.1548	(5,128,485)	(6,606,612)	4.9857	(10,256,354)	(13,212,429)
Derivatives	Appreciation	3.3238	3.3711	-	2,683	4.1548	-	47,140	4.9857	-	94,275
				(242,075)	**(285,022)**		**(4,252,953)**	**(5,007,475)**		**(8,505,395)**	**(10,014,347)**

			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	3.3238	3.3711	(340,274)	(340,274)	4.1548	(5,978,172)	(5,978,172)	4.9857	(11,955,624)	(11,955,624)
				(340,274)	**(340,274)**		**(5,978,172)**	**(5,978,172)**		**(11,955,624)**	**(11,955,624)**

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 since the debt is denominated in the functional currency of each country, these debt instruments are translated to Brazilian Reais upon consolidation and are therefore affected by Exchange rate variation, which impacts the Company's consolidated leverage ratios.

Derivatives financial instruments breakdown:

			Consolidated					
			March 31, 2018			December 31, 2017		
Instrument	**Risk factor**	**Nature**	**Notional (USD)**	**Notional (R$)**	**Fair value**	**Notional (USD)**	**Notional (R$)**	**Fair value**
Non Deliverable Forwards	American dollar	Long	**(3,061)**	**(10,174)**	**130**	779	2,577	(20)
Deliverable Forwards	American dollar	Short	**59,788**	**198,723**	**4,028**	(5,513)	(18,237)	(2,316)

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

	Company		Consolidated	
	March 31, 2018	**December 31, 2017**	**March 31, 2018**	**December 31, 2017**
OPERATING				
Cash and cash equivalents	**56,276**	12,388	**81,592**	38,285
Trade accounts receivable	**89,449**	105,726	**208,786**	227,215
Sales orders	**140,935**	219,001	**209,670**	432,811
Trade accounts payable	**(25,666)**	(23,919)	**(70,189)**	(65,308)
Purchase orders	-	-	**(40,113)**	(16,056)
Subtotal	**260,994**	**313,196**	**389,746**	**616,947**
FINANCIAL				
Related parties transaction (net)	**4,139**	2,275	**4,139**	2,275
Loans and financings	**(70,499)**	(77,605)	**(74,437)**	(83,444)
Subtotal	**(66,360)**	**(75,330)**	**(70,298)**	**(81,169)**
Total exposure	**194,634**	**237,866**	**319,448**	**535,778**
DERIVATIVES				
Deliverable Forwards (DF´s)	-	-	**29,299**	(107,603)
Non Deliverable Forwards (NDF´s)	-	-	**(16,902)**	(26,811)
Total derivatives	-	-	**12,397**	**(134,414)**
NET EXPOSURE IN R$	**194,634**	**237,866**	**331,845**	**401,364**

Sensitivity analysis at March 31, 2018 (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	4.0850	4.0182	(4,268)	(6,373)	3.0638	(65,245)	(97,432)	2.0425	(130,497)	(194,873)
Financial	Depreciation	4.0850	4.0182	1,085	1,150	3.0638	16,589	17,574	2.0425	33,180	35,149
Derivatives	Appreciation	4.0850	4.0182	-	(203)	3.0638	-	(3,099)	2.0425	-	(6,199)
				(3,183)	**(5,426)**		**(48,656)**	**(82,957)**		**(97,317)**	**(165,923)**

Derivatives financial instruments breakdown:

			Consolidated					
			March 31, 2018			December 31, 2017		
Instrument	Risk factor	Nature	Notional (EUR)	Notional (R$)	Fair value	Notional (EUR)	Notional (R$)	Fair value
Non Deliverable Forwards	Euro	Short	**(4,137)**	**(16,902)**	**1,094**	(6,755)	(26,811)	(40)
Deliverable Forwards	Euro	Short	**7,172**	**29,299**	**1,266**	(27,109)	(107,603)	275

EXPOSURE in Mexican Peso (amounts in thousands of R$):

	Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
OPERATING				
Cash and cash equivalents	–	–	**250,797**	168,119
Trade accounts receivable	–	–	**334,162**	272,930
Trade accounts payable	–	–	**(254,859)**	(240,885)
Biological assets	–	–	**49,515**	49,243
Inventories	–	–	**428,893**	471,430
Recoverable taxes	–	–	**40,903**	81,602
Other non-current assets	–	–	–	3,890
Other current assets	–	–	**118,567**	69,276
Prepaid expenses	–	–	**2,832**	4,340
Payroll, taxes and social charges current	–	–	**(56,132)**	(76,990)
Payroll, taxes and social charges noncurrent	–	–	**(17,134)**	(28,264)
Subtotal	–	–	**897,544**	**774,691**
FINANCIAL				
Loans and financings	–	–	**(233,889)**	(254,233)
Subtotal	–	–	**(233,889)**	**(254,233)**
Total exposure	–	–	**663,655**	**520,458**
NET EXPOSURE IN R$	–	–	**663,655**	**520,458**

Sensitivity analysis at March 31, 2018 (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	Depreciation	0.1822	0.1795	–	3,466	0.1367	–	58,408	0.0911	–	116,945
Financial	Appreciation	0.1822	0.1795	–	(13,301)	0.1367	–	(224,139)	0.0911	–	(448,771)
				–	**(9,835)**		–	**(165,731)**		–	**(331,826)**

b. Commodity price risk

The Company operates globally across (the entire livestock protein chain and related business) and during the regular course of its operations brings is exposed to price fluctuations in feeder cattle, live cattle, lean hogs, corn, soybeans, and energy, especially in the American, Australian and Brazilian markets. Commodity markets are characterized by volatility arising from external factors including climate, supply levels, transportation costs, agricultural policies and storage costs, among others. The Risk Management Department is responsible for mapping the exposures to commodity prices of the Company and its subsidiaries and proposing strategies to the Risk Management Committee, in order to mitigate such exposures.

b.1. Position balance in commodities (cattle) contracts

EXPOSURE in Commodities (Cattle)	March 31, 2018	December 31, 2017
Firm Contracts of cattle purchase	**107,031**	26,306
Subtotal	**107,031**	**26,306**
DERIVATIVES		
Future contracts	**65,872**	(23,666)
Subtotal	**65,872**	**(23,666)**
NET EXPOSURE	**172,903**	**2,640**

(Expressed in thousands of Brazilian reais)

Sensitivity analysis:

			Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) @ Variation - 25%		Scenario (ii) @ Variation - 50%	
				Effect on income		Effect on income		Effect on income
Exposure	Risk	Current price	Price	Company	Price	Company	Price	Company
Operational	Cattle arroba depreciation	143.50	140.58	(2,178)	107.63	(26,754)	71.75	(53,515)
Derivatives of cattle	Cattle arroba appreciation	143.50	140.58	(1,340)	107.63	(16,466)	71.75	(32,936)
				(3,518)		**(43,220)**		**(86,451)**

Derivatives financial instruments breakdown:

			Company					
			March 31, 2018			December 31, 2017		
Instrument	Risk factor	Nature	Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts B3	Commodities	Long	**1,423**	**65,872**	**868**	480	(23,666)	(10)

b.2. Position balance in commodities (grain) derivatives financial instruments of Seara Alimentos:

	Seara Alimentos	
EXPOSURE in Commodities (Grain)	**March 31, 2018**	**December 31, 2017**
OPERATING		
Purchase orders	**117,654**	61,239
Subtotal	**117,654**	**61,239**
DERIVATIVES		
Future contracts	**5,800**	**(3,978)**
Subtotal	**5,800**	**(3,978)**
NET EXPOSURE	**123,454**	**57,261**

Sensitivity analysis:

		Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Price variation - 25%		Scenario (ii) Price variation - 50%	
			Effect on income		Effect on income		Effect on income
Exposure	Risk	Price	Seara Alimentos	Price	Seara Alimentos	Price	Seara Alimentos
Operational	Depreciation	(2.41)%	(2,835)	(25.00)%	(29,414)	(50.00)%	(58,827)
Derivatives	Appreciation	(2.41)%	(140)	(25.00)%	(1,450)	(50.00)%	(2,900)
			(2,975)		**(30,864)**		**(61,727)**

Derivatives financial instruments breakdown:

			Consolidated					
			March 31, 2018			December 31, 2017		
Instrument	Risk factor	Nature	Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts B3	Commodities	Short	**(8,860)**	**5,800**	**(544)**	1,597	(3,978)	(631)

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

	JBS USA	
EXPOSURE in Commodities	**March 31, 2018**	**December 31, 2017**
OPERATIONAL		
Forwards - commodities	**9,450,215**	10,078,159
Subtotal	**9,450,215**	**10,078,159**
DERIVATIVES		
Deliverable Forwards	**(1,451,666)**	(4,749,990)
Subtotal	**(1,451,666)**	**(4,749,990)**
NET EXPOSURE	**7,998,549**	**5,328,169**

(Expressed in thousands of Brazilian reais)

Sensitivity analysis:

		Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Price variation - 25%		Scenario (ii) Price variation - 50%	
			Effect on income		Effect on income		Effect on income
Exposure	Risk	Price	JBS USA	Price	JBS USA	Price	JBS USA
Operational	Depreciation	(1.50)%	(141,753)	(25.00)%	(2,362,554)	(50.00)%	(4,725,107)
Derivatives	Appreciation	(1.50)%	21,775	(25.00)%	362,917	(50.00)%	725,833
			(119,978)		(1,999,637)		(3,999,274)

Derivatives financial instruments breakdown:

			Consolidated					
			March 31, 2018			December 31, 2017		
Instrument	Risk factor	Nature	Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts B3	Commodities	Short	**1,423**	**65,872**	**868**	480	(23,666)	(10)

			March 31, 2018			December 31, 2017		
Instrument	Risk factor	Nature	Notional (USD)	Notional (R$)	Fair value	Notional (USD)	Notional (R$)	Fair value
Deliverable Forwards	Commodities	Short	**(436,749)**	**(1,451,666)**	**390,118**	(1,435,910)	(4,749,990)	(86,375)

c. Liquidity risk

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

	Company									
	March 31, 2018					December 31, 2017				
	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total
Trade accounts payable	1,985,354	–	–	–	1,985,354	2,029,104	–	–	–	2,029,104
Debits w/ related parties	–	–	–	3,078,114	3,078,114	–	–	–	3,018,825	3,018,825
Loans and financings	7,870,904	5,568,726	3,482,223	2,505,371	19,427,224	8,223,197	4,986,261	1,721,616	5,126,282	20,057,355
Estimated interest on loans and financing	895,655	1,336,386	693,477	183,643	3,109,161	949,268	1,402,287	724,651	246,329	3,322,535
Derivatives financing liabilities (assets)	188	–	–	–	188	10	–	–	–	10
Other financial liabilities	7,659	11,550	11,550	77	30,836	7,659	13,200	11,550	77	32,486

	Consolidated									
	March 31, 2018					December 31, 2017				
	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total
Trade accounts payable	9,609,469	–	–	–	9,609,469	9,992,778	–	–	–	9,992,778
Loans and financings	13,032,984	7,035,409	16,678,930	19,589,564	56,336,887	13,526,051	10,339,616	18,129,338	15,029,646	57,024,651
Estimated interest on loans and financing [(1)]	2,746,418	4,603,634	3,403,756	3,055,439	13,809,247	2,743,687	4,535,767	2,878,624	1,918,143	12,076,221
Derivatives financing liabilities (assets)	39,769	–	–	–	39,769	118,684	–	–	–	118,684
Other financial liabilities	43,216	21,710	11,551	77	76,554	73,156	28,241	11,550	77	113,024

[(1)] Includes interest on all loans and financing outstanding. Payments are estimated for variable rate debt based on effective interest rates at December 31, 2018 and December 31, 2017. Payments in foreign currencies are estimated using the March 31, 2018 and December 31, 2017 exchange rates.

The Company has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at March 31, 2018 is R$78,708 (R$54,389 at December 31, 2017). 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 March 31, 2018 is R$151,898 (R$353,625 at December 31, 2017). 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)

25 Approval of the financial statements

The issuance of these interim condensed consolidated financial statements was authorized by the Board of Directors on May 14th, 2018.

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

FISCAL COUNCIL REPORT

The Fiscal Council reviewed the interim condensed financial statements of the Company for the three month period ended March 31, 2018.

Our review included: a. analysis of the annual 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 unqualified opinion" of the Independent Auditors' report, relating to (i) the Collaboration Agreement Award, Leniency Agreement and Independent Investigation.

FISCAL COUNCIL

Chairman:	Adrian Lima da Hora
Council Member:	José Paulo da Silva Filho
Council Member:	Demetrius Nichele Macei
Council Member:	Robert Juenemann

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 interim condensed financial statements for the three month period ended March 31, 2018, and

(ii) They reviewed, discussed and agreed with the interim condensed financial statements for the three month period ended March 31, 2018.

STATUTORY 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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