

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>01/31/2011</u>			
A This return/report is for:	☐ a multiemployer plan; ☒ a single-employer plan;	☐ a multiple-employer plan; or ☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report; ☐ an amended return/report;	☒ the final return/report; ☒ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	▶ ☒		
D Check box if filing under:	☐ Form 5558; ☐ special extension (enter description)	☐ automatic extension;	☐ the DFVC program;

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)</u>	1b Three-digit plan number (PN) ▶	<u>002</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>JBS USA HOLDINGS, INC.</u> <u>1770 PROMONTORY CIR</u> <u>GREELEY, CO 80634-9039</u>		1c Effective date of plan <u>09/19/2002</u>	
2b Employer Identification Number (EIN) <u>81-0557240</u>		2c Sponsor's telephone number <u>970-506-7649</u>	
2d Business code (see instructions) <u>311610</u>		<div style="background-color: #cccccc; height: 40px;"></div>	

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	<u>07/25/2011</u>	<u>JUDITH SITTON</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	<u>07/25/2011</u>	<u>JUDITH SITTON</u>
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") JBS USA HOLDINGS, INC. 1770 PROMONTORY CIR GREELEY, CO 80634-9039	3b Administrator's EIN 81-0557240 3c Administrator's telephone number 970-506-7649
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	14539
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	0
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	0
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 2T

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance	(1) ☒ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
(2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
(2) ☐ **I** (Financial Information – Small Plan)
(3) ☒ ¹ **A** (Insurance Information)
(4) ☒ **C** (Service Provider Information)
(5) ☒ **D** (DFE/Participating Plan Information)
(6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2011 and ending 01/31/2011		
A Name of plan JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500. JBS USA HOLDINGS, INC.	D Employer Identification Number (EIN) 81-0557240	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	456396	0	01/01/2011	01/31/2011

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 0**5** Current value of plan's interest under this contract in separate accounts at year end **5** 0**6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**
Specify nature of costs ▶**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year **7b****c** Additions: (1) Contributions deposited during the year **7c(1)**(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)**(4) Transferred from separate account **7c(4)**(5) Other (specify below) **7c(5)**

▶

(6) Total additions **7c(6)****d** Total of balance and additions (add **b** and **c(6)**). **7d****e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)**(2) Administration charge made by carrier **7e(2)**(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)**

▶

(5) Total deductions **7e(5)****f** Balance at the end of the current year (subtract **e(5)** from **d**) **7f** 0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.		OMB No. 1210-0110
			2010
			This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning **01/01/2011** and ending **01/31/2011**

A Name of plan JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 JBS USA HOLDINGS, INC.	D Employer Identification Number (EIN) 81-0557240	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRINCIPAL LIFE INSURANCE COMPANY
42-0127290

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	500	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

IBBOTSON ASSOCIATES INC.

36-2923857

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 26	CONTRACT ADMINISTRATOR	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
IBBOTSON ASSOCIATES INC.	13 26	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	8 BASIS POINTS ON ASSETS MANAGED BY IBBOTSON	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III	Termination Information on Accountants and Enrolled Actuaries (see instructions) (complete as many entries as needed)
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a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2011 and ending 01/31/2011

A Name of plan <u>JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)</u>	B Three-digit plan number (PN) <u>002</u>	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>JBS USA HOLDINGS, INC.</u>	D Employer Identification Number (EIN) <u>81-0557240</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRINCIPAL STABLE VALUE FUND</u>		
b Name of sponsor of entity listed in (a): <u>UNION BOND & TRUST COMPANY</u>		
c EIN-PN <u>93-6274328-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LGCAP S&P 500 INDEX SA-I2</u>		
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>		
c EIN-PN <u>42-0127290-016</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN SMCAP S&P 600 INDEX SA-I2</u>		
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>		
c EIN-PN <u>42-0127290-028</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN MIDCAP S&P 400 IDX SA-I2</u>		
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>		
c EIN-PN <u>42-0127290-023</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN TRUST TGT 2010 FD I25</u>		
b Name of sponsor of entity listed in (a): <u>PRINCIPAL TRUST COMPANY</u>		
c EIN-PN <u>26-6447574-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN TRUST TGT 2015 FD I25</u>		
b Name of sponsor of entity listed in (a): <u>PRINCIPAL TRUST COMPANY</u>		
c EIN-PN <u>26-6447574-002</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN TRUST TGT 2020 FD I25</u>		
b Name of sponsor of entity listed in (a): <u>PRINCIPAL TRUST COMPANY</u>		
c EIN-PN <u>26-6447574-003</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2025 FD I25**b** Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY

c EIN-PN 26-6447574-004	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2030 FD I25**b** Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY

c EIN-PN 26-6447574-005	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2035 FD I25**b** Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY

c EIN-PN 26-6447574-006	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2040 FD I25**b** Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY

c EIN-PN 26-6447574-007	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2045 FD I25**b** Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY

c EIN-PN 26-6447574-008	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2050 FD I25**b** Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY

c EIN-PN 26-6447574-009	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2055 FD I25**b** Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY

c EIN-PN 26-6447574-010	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST INCOME FUND I25**b** Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY

c EIN-PN 26-6447574-011	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	0
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2011 and ending 01/31/2011		
A Name of plan JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 JBS USA HOLDINGS, INC.	D Employer Identification Number (EIN) 81-0557240	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	22996	0
(2) Participant contributions	1b(2)	54844	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	3810407	
(9) Value of interest in common/collective trusts.....	1c(9)	18322847	0
(10) Value of interest in pooled separate accounts.....	1c(10)	3813633	0
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	27844338	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	53869065	0

Liabilities

g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	53869065	0
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	0	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	2356	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		2356
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	8968	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		8968
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		-231968
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		52584
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		118547
c Other income.....	2c		-6333
d Total income. Add all income amounts in column (b) and enter total.....	2d		-55846

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	13343	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		13343
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	500	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		500
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		13843

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-69689
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		53799376

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **SELLERS, RICHARDSON, HOLMAN AND WEST**

(2) EIN: **26-2732677**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....	☒	☐	116759
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....	☐	☒	0
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	☐	☒	0
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	☐	☒	0
e Was this plan covered by a fidelity bond?.....	☒	☐	1500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	☐	☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	☐	☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	☐	☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	☐	☒	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	☐	☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	☒	☐	
l Has the plan failed to provide any benefit when due under the plan?	☐	☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	☒	☐	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	☒	☐	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
JBS 401(K) SAVINGS PLAN	81-0557240	001

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2011 and ending 01/31/2011

A Name of plan <u>JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>JBS USA HOLDINGS, INC.</u>	D Employer Identification Number (EIN) <u>81-0557240</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>42-0127290</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____	If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Financial Statements and
Supplemental Schedules

For the Period ended January 11, 2011 (Date of Merger) and
Years Ended December 31, 2010 and 2009

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Table of Contents

Independent Auditor's Report	1
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	5
Supplemental Schedules	
Schedule 1—Schedule H, Line 4(i)—Schedule of Assets (Held at End of Year)	15
Schedule 2—Schedule H, Line 4(a)—Schedule of Delinquent Participant Contributions	16



SELLERS RICHARDSON HOLMAN & WEST^{LLP}

216 Summit Boulevard | Suite 300 | Birmingham, AL 35243 | 205-278-0001 Main | 205-278-0003 Fax | www.srhwcpa.com

CERTIFIED PUBLIC ACCOUNTANTS

ADVISORY | AUDIT | TAX

INDEPENDENT AUDITOR'S REPORT

To the Investment Committee
JBS 401(k) Savings Plan (For Union Employees)
Greeley, Colorado

We were engaged to audit the statements of net assets available for benefits of the JBS 401(k) Savings Plan (For Union Employees) (Plan) as of January 11, 2011 (date of merger) and December 31, 2010, and the related statements of changes in net assets available for benefits for the period and year then ended, and the supplemental schedules of assets (held at end of year) and delinquent participant contributions as of December 31, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management. Other auditors were engaged to audit the financial statements of the Plan for the year ended December 31, 2009, whose report dated October 4, 2010, disclaimed an opinion on the 2009 financial statements for the same reasons described in the following paragraph.

As permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Principal Trust Company, the current trustee of the Plan and Charles Schwab Trust Company and Wells Fargo Bank, N.A., the former trustees of the Plan, except for comparing this information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that the trustee/trustees holds/held the Plan's assets and executes/executed transactions. The Plan Administrator has obtained certifications from the trustees regarding the completeness and accuracy of the information summarized in Note 3 that was provided to the Plan Administrator by the current trustee as of and for the period ended January 11, 2010 and year ended December 31, 2010, and by the former trustees as of and for the year ended December 31, 2009.

Because of the significance of the information in the Plan's 2011 and 2010 financial statements that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules as of or for the period ended January 11, 2011 and year ended December 31, 2010. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified or provided by the current and former trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

As discussed in Note 1 to the financial statements, the Plan sponsor voted on August 16, 2010 to merge the Plan into the JBS 401(k) Savings Plan (For Non-Union Employees) effective January 1, 2011. Substantially all Plan assets were transferred to the JBS 401(k) Savings Plan (For Non-Union Employees) on January 11, 2011.

Sellers Richardson Holman & West, LLP

July 18, 2011

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JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Statements of Net Assets Available for Benefits

January 11, 2011 (Date of Merger) and December 31, 2010 and 2009

	January 11, 2011 (Date of Merger)	2010	2009 (as Revised)
Assets			
Cash	\$ -	\$ -	\$ 24,626
Investments, at fair value (see Note 4)	-	49,980,818	43,418,485
Receivables			
Participant	-	54,844	48,901
Employer	-	22,996	31,019
Notes receivable from participants	-	3,824,301	3,344,993
	<u>-</u>	<u>3,902,141</u>	<u>3,424,913</u>
Total assets	-	53,882,959	46,868,024
Liabilities			
Other liabilities	-	-	23,240
	<u>-</u>	<u>-</u>	<u>23,240</u>
Net assets reflecting all investments at fair value	-	53,882,959	46,844,784
Adjustment from fair value to contract value for fully benefit-responsive investment contract	-	(270,170)	-
	<u>-</u>	<u>(270,170)</u>	<u>-</u>
Net assets available for benefits	<u>\$ -</u>	<u>\$ 53,612,789</u>	<u>\$ 46,844,784</u>

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Statements of Changes in Net Assets Available for Benefits

Period Ended January 11, 2011 (Date of Merger)

and Years Ended December 31, 2010 and 2009

	Period Ended January 11, 2011 (Date of Merger)	2010	2009 (as Revised)
Additions to Net Assets Attributed to:			
Investment income (loss)			
Net appreciation in fair value of investments (see Note 4)	\$ 209,334	\$ 3,943,086	\$ 4,621,119
Interest	-	-	836,123
Dividends	8,968	516,701	-
Other	(6,333)	334,615	37,654
	<u>211,969</u>	<u>4,794,402</u>	<u>5,494,896</u>
 Interest income on notes receivable from participants	 2,356	 182,021	 193,345
 Contributions			
Participant	-	3,406,530	2,643,621
Employer	-	2,852,872	3,014,815
Rollovers	-	150,559	19,936
	<u>-</u>	<u>6,409,961</u>	<u>5,678,372</u>
 Total additions	 214,325	 11,386,384	 11,366,613

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Statements of Changes in Net Assets Available for Benefits

Period Ended January 11, 2011 (Date of Merger)

and Years Ended December 31, 2010 and 2009

	Period Ended January 11, 2011 (Date of Merger)	2010	2009 (as Revised)
Deductions from Net Assets Attributed to:			
Benefits paid to participants	\$ 13,343	\$ 4,265,392	\$ 2,647,725
Administrative expenses	500	111,083	229,767
	<u>13,843</u>	<u>4,376,475</u>	<u>2,877,492</u>
Total deductions			
	<u>13,843</u>	<u>4,376,475</u>	<u>2,877,492</u>
Net increase	200,482	7,009,909	8,489,121
Transfers to JBS 401(k) Savings Plan (For Non-Union Employees)	(53,813,271)	(697,341)	(1,647,387)
Transfers from JBS 401(k) Savings Plan (For Non-Union Employees)	-	455,437	6,137,064
	<u>(53,813,271)</u>	<u>(241,904)</u>	<u>4,489,677</u>
Net transfers			
	<u>(53,813,271)</u>	<u>(241,904)</u>	<u>4,489,677</u>
Net Assets Available for Benefits			
Beginning of year	53,612,789	46,844,784	33,865,986
	<u>53,612,789</u>	<u>46,844,784</u>	<u>33,865,986</u>
End of year	\$ -	\$ 53,612,789	\$ 46,844,784
	<u>\$ -</u>	<u>\$ 53,612,789</u>	<u>\$ 46,844,784</u>

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Notes to Financial Statements

Note 1. Description of Plan

The following description of the JBS 401(k) Savings Plan (For Union Employees) (Plan) provides only general information. Participants should refer to the Plan document and Summary Plan Description for a more complete description of the Plan's provisions.

Plan Amendments

Effective January 1, 2010, the Plan sponsor changed from JBS USA, LLC to JBS USA Holdings, Inc. (Company or Plan sponsor).

General

JBS USA, LLC, former Plan sponsor, established the Plan effective as of September 19, 2002. The Plan, as amended, is a defined contribution plan covering substantially all full-time union employees of the Company who have attained various service requirements up to one year of service, as defined, depending on the union agreement under which they are employed. Non-resident aliens, leased employees, temporary employees and employees employed in an employment classification under an applicable collective bargaining agreement which the employee is regularly scheduled to work less than 1,000 hours per calendar year and does in fact work less than 1,000 hours in each calendar year of employment are not eligible to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective January 1, 2011, the Plan sponsor voted to merge the Plan into the JBS 401(k) Savings Plan (For Non-Union Employees). Both plans are sponsored by the same Company and have the same trustee. All participant data and account balances of the Plan were transferred to the JBS 401(k) Savings Plan (For Non-Union Employees) during 2011. During the transfer, the Plan enacted a blackout period whereby participants were unable to request loans or withdrawals, make changes to investment selections, or transfer between investments until the blackout period was completed. Plan assets in the amount of \$53,813,271 were transferred subsequent to the effective date of the merger, January 1, 2011. The financials are shown through January 11, 2011, the date the Plan assets were transferred for the merger. The merged plan was renamed the JBS 401(k) Savings Plan during 2011.

Contributions

Each year, participants may contribute up to 75 percent of annual compensation, as defined by the Plan, not to exceed the annual limits imposed by the Internal Revenue Service (IRS). Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Company makes matching contributions in accordance with the union agreement under which the participant is employed. These agreements specify matching contributions ranging from 0% to an amount not to exceed 66.67% of the first 6% of a participant's elective deferral contributions, and not to exceed 4% of total compensation. The Company also contributes a non-discretionary amount as determined by certain union agreements. These contributions are \$700 a year after participants attain one year of service, paid out each December, or \$500 a year for each full five years of service a participant has with the Company, paid each June. In addition, the Company may contribute an additional discretionary profit sharing amount. The

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Notes to Financial Statements

Company did not elect to make any discretionary contributions during 2010 and 2009. Contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions, (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on the union agreement under which the participant is employed. These agreements have vesting schedules ranging from 20% per year with full vesting after five years to immediate vesting upon employment. If a participant dies while employed, becomes totally or permanently disabled, or retires at normal retirement age the participant becomes 100 percent vested in his or her account.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of 1) \$50,000 reduced by the excess, if any, of the highest outstanding balance during the year before the loan date or 2) the greater of a) 50 percent of their vested balance or b) \$10,000. The foregoing notwithstanding, the amount of such loan shall not exceed 50 percent of the amount of the participant's vested account. For purposes of this maximum, a participant's vested account does not include any accumulated deductible employee contributions, as defined in Internal Revenue Code (IRC) Section 72(o)(5)(B). No collateral other than a portion of the participant's vested account (as limited above) shall be accepted.

The loans are secured by the vested balance in the participant's account bearing interest at rates commensurate with local prevailing rates as determined by the Plan Administrator. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits

Upon termination of service, a participant may receive an amount equal to the vested balance in his or her account in either a lump sum or a rollover of his or her account balance. Further, the Plan Administrator may permit a participant who experiences a qualified financial hardship, as defined, to receive a distribution of a portion of the participant's account balance. Distributions are subject to the applicable provisions of the Plan document.

Forfeitures

During 2010 and 2009, employees who were not fully vested in employer matching contributions terminated from the Plan. At December 31, 2010 and 2009, forfeited nonvested accounts totaled \$1,360 and \$160,749, respectively. These accounts will be used to first pay administrative expenses of the Plan and then to reduce future employer matching contributions. During 2010, forfeitures were used to pay administrative expenses

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Notes to Financial Statements

and reduce employer contributions in the amount of \$34,583 and \$299,738, respectively. No forfeitures were used during 2009.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. One of the investment options in which the participants may direct the investment of their accounts, the Principal Stable Value Fund, holds a fully benefit-responsive investment contract. For the year ended December 31, 2010, the statement of net assets available for benefits presents the fair value of the investment contract as well as the adjustment of the fully benefit-responsive investment contract from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from these estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's realized gains and losses on investments bought and sold as well as unrealized gains and losses on investments held during the year.

Payment of Benefits

Benefits are recorded when paid.

Subsequent Events

The Plan Administrator has evaluated subsequent events through July 18, 2011, the date on which the financial statements were available for issuance.

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Notes to Financial Statements

Recent Accounting Pronouncements and Accounting Changes

In September 2010, the Financial Accounting Standards Board (FASB) issued an amendment, *Plan Accounting—Defined Contribution Pension Plans (Topic 962): Reporting Loans to Participants by Defined Contribution Pension Plans* (Accounting Standards Update (ASU) 2010-25), which provides guidance on how loans to participants should be classified and measured by defined contribution plans. This amendment requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. This amendment was effective for periods ending after December 15, 2010, with early adoption permitted. This amendment requires retrospective application to all periods presented.

This amendment was adopted for the year ended December 31, 2010, and retrospectively applied to December 31, 2009. Prior year amounts and disclosures have been revised to reflect the retrospective application of adopting this new amendment. The adoption resulted in a reclassification of participant loans totaling \$3,824,301 and \$3,344,993 from investments to notes receivable from participants as of December 31, 2010 and 2009, respectively. There was no impact to the net assets as of December 31, 2010 or 2009, as a result of the adoption. Additionally, this resulted in a reclassification of loan interest totaling \$182,021 and \$193,345 from investment income to interest income on notes receivable from participants for the years ended December 31, 2010 and 2009, respectively.

In January 2010, FASB issued an amendment, *Fair Value Measurements and Disclosures—Improving Disclosures about Fair Value Measurements* (ASU 2010-06), which requires new disclosures about transfers of financial assets and liabilities between Levels 1 and 2. This amendment also clarifies that fair value measurement disclosures are required for each class of financial assets and liabilities, and disclosures about inputs and valuation techniques are required for both Level 2 and 3 measurements. It further clarifies that the reconciliation of Level 3 measurements should separately present purchases, sales, issuances, and settlements instead of netting these changes. With respect to matters other than Level 3 measurements, the amendment was effective and adopted for periods beginning on or after December 15, 2009. The effect of the adoption on the Plan's financial statements was not material. This guidance related to Level 3 measurements is effective for periods beginning on or after December 15, 2010, and has not yet been adopted. The impact of the guidance related to Level 3 measurements is not expected to have a material impact on the Plan's financial statements.

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Notes to Financial Statements

Note 3. Information Certified and Provided by Trustees

The following is a summary of the Plan's asset information as of December 31, 2010 and 2009, and for the years then ended, included throughout the Plan's financial statements and supplemental schedules, that was prepared or derived from information provided by Principal Trust Company, the current trustee of the Plan, and Charles Schwab Trust Company and Wells Fargo Bank, N.A., the former trustees of the Plan, and furnished to the Plan Administrator. The Plan Administrator has obtained certification from the trustees that information provided to the Plan Administrator by the trustees related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information, which appears throughout the financial statements and supplemental schedules, related to the following assets:

	December 31, 2010	December 31, 2009
Investments at fair value:		
Money market funds	\$ -	\$ 13,036,297
Mutual funds	27,844,338	30,382,188
Pooled separate accounts	3,813,633	-
Common/collective trust funds	4,824,599	-
Investment at contract value:		
Common/collective trust fund	13,228,078	-
Notes receivable from participants	3,824,301	3,344,993

The trustees also certified to the completeness and accuracy of the following amounts:

	January 11, 2011	December 31, 2010	December 31, 2009
Investment income (loss):			
Net appreciation in fair value of investments	\$ 209,334	\$ 3,943,086	\$ 4,621,119
Dividends and interest	8,968	516,701	836,123
Other income (loss)	(6,333)	334,615	37,654
Interest income on notes receivable from participants	2,356	182,021	193,345

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Notes to Financial Statements

Note 4. Investments

The following investments represent five percent or more of the Plan's net assets at December 31, 2010 and 2009:

	<u>2010</u>
Investments at fair value held by Principal Trust Company:	
Pimco Total Return D Fund	\$ 11,415,657
Principal Equity Income Inst Fund	5,042,579
Principal LargeCap Growth I Inst Fund	4,989,447
Principal LargeCap S&P 500 Index	3,755,491
Thornburg International Value R5 Fund	3,307,369
Investment at contract value held by Principal Trust Company:	
Principal Stable Value Fund	13,228,078
	<u>2009</u>
Investments at fair value held by Charles Schwab Trust Company:	
Schwab Retirement Advantage Money Fund	\$ 13,036,297
Pimco Total Return Fund	11,281,249
Dodge & Cox Stock Fund	4,873,310
Janus Growth and Income Fund	4,487,793
Schwab S&P 500 Index Fund	3,590,717
ING International Value Fund	3,302,088

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated during period ended January 11, 2011, and years ended December 31, 2010 and 2009, as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Mutual funds	\$ 118,547	\$ 2,726,287	\$ 4,621,119
Common/collective trust funds	38,203	782,036	-
Pooled separate accounts	52,584	434,763	-
	<u>\$ 209,334</u>	<u>\$ 3,943,086</u>	<u>\$ 4,621,119</u>

Note 5. Fair Value Measurements

Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Notes to Financial Statements

priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the valuation methodologies used at December 31, 2010 and 2009.

Money market fund: Valued at the net asset value of shares held by the Plan at year-end.

Mutual funds: Valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end.

Pooled separate accounts: Valued at the net asset value per share based on quoted market prices of underlying investments.

Common/collective trust funds: Valued at the net asset value of units held by the Plan based on the fair value of the underlying investments comprising the trust based upon audited financial statements.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Due to the fact that all investment balances as of January 11, 2011 were zero (see Note 1), fair value hierarchy information is not presented for this period.

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Notes to Financial Statements

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010 and 2009:

Assets at Fair Value as of December 31, 2010				
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income	\$ 11,415,657	\$ -	\$ -	\$ 11,415,657
International equity	3,564,399	-	-	3,564,399
Large U.S. equity	10,032,026	-	-	10,032,026
Small/Mid U.S. equity	2,832,256	-	-	2,832,256
Total mutual funds	27,844,338	-	-	27,844,338
Pooled separate accounts:				
Large U.S. equity	-	3,755,491	-	3,755,491
Small/Mid U.S. equity	-	58,142	-	58,142
Total pooled separate accounts	-	3,813,633	-	3,813,633
Common/collective trust funds:				
Balanced/Asset allocation	-	4,824,599	-	4,824,599
Short-term fixed income	-	13,498,248	-	13,498,248
Total common/collective trust funds	-	18,322,847	-	18,322,847
Total assets at fair value	<u>\$ 27,844,338</u>	<u>\$ 22,136,480</u>	<u>\$ -</u>	<u>\$ 49,980,818</u>
Assets at Fair Value as of December 31, 2009				
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 13,036,297	\$ -	\$ -	\$ 13,036,297
Mutual funds:				
Large cap	12,951,810	-	-	12,951,810
Mid cap	1,453,548	-	-	1,453,548
Small cap	1,157,635	-	-	1,157,635
Large cap—international	3,302,088	-	-	3,302,088
Mid cap—international	235,858	-	-	235,858
Bond—intermediate term	11,281,249	-	-	11,281,249
Total mutual funds	30,382,188	-	-	30,382,188
Total assets at fair value	<u>\$ 43,418,485</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,418,485</u>

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Notes to Financial Statements

Amounts invested in Plan investments are subject to transfer restrictions, excluding amounts invested in the Principal Stable Value Fund, Pimco Total Return D Fund, Thornburg International Value R5 Fund, and Buffalo Small Cap Fund. Participants are restricted to making one fund transfer to other investment options offered by the Plan per 30-day period, with the exception of the Perkins Mid Cap Value T Fund, which is restricted to making one fund transfer per 90-day period.

Note 6. Administrative Expenses

The Plan's administrative expenses are paid by either the Plan or the Company as provided by the Plan document.

Note 7. Plan Termination

The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their account balances.

Note 8. Tax Status

The IRS has determined and informed the Company by a letter dated December 3, 2005, that the Plan is designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. The Plan has filed for a new determination letter from the IRS. As of the audit report date, the new determination letter had not been received.

GAAP requires Plan management to evaluate tax positions taken by the Plan. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax-exempt status and had taken no uncertain tax positions that require recognition or disclosure in the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Plan is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for tax years before 2007.

Note 9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term that such changes could materially affect participants' account balances, and the amounts reported in the statements of net assets available for benefits.

Note 10. Related-Party Transactions

During the period ended January 11, 2011, and years ended December 31, 2010 and 2009, certain Plan investments are/were shares or units of investments managed or sponsored by Principal Trust Company, the current trustee of the Plan, and Charles Schwab Trust Company and Wells Fargo Bank, N.A., the former trustees of the Plan. Therefore, these transactions qualify as party-in-interest transactions. These transactions are exempt from the prohibited transaction rules.

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Notes to Financial Statements

Note 11. Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements as of January 11, 2011 and December 31, 2010 and 2009, to the Form 5500:

	January 11, 2011	December 31, 2010	December 31, 2009
Net assets available for benefits per the financial statements	\$ -	\$ 53,612,789	\$ 46,844,784
Deemed distributions	-	(13,894)	-
Adjustment from fair value to contract value for fully benefit-responsive investment contract	-	270,170	-
Net assets available for benefits per the Form 5500	<u>\$ -</u>	<u>\$ 53,869,065</u>	<u>\$ 46,844,784</u>

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements for the period ended January 11, 2011 and year ended December 31, 2010, to the Form 5500:

	January 11, 2011	December 31, 2010
Net increase in net assets available for benefits per the financial statements	\$ 200,482	\$ 7,009,909
Deemed distributions	-	(13,894)
Adjustment from fair value to contract value for fully benefit-responsive investment contract	(270,170)	270,170
Rounding	(1)	-
Net income per the Form 5500	<u>\$ (69,689)</u>	<u>\$ 7,266,185</u>
Net transfers of assets from this plan per the financial statements	\$ (53,813,271)	\$ (241,904)
Deemed distributions	13,894	-
Rounding	1	-
Net transfers of assets from this plan per the Form 5500	<u>\$ (53,799,376)</u>	<u>\$ (241,904)</u>

Note 12. Nonexempt Transaction

For the year ended December 31, 2010, the Company failed on one occasion to remit participant contributions and participant loan repayments to the Plan within the time limit required by the DOL, representing a nonexempt loan of funds to the Company from the Plan. The Company will remit lost earnings on delinquent contributions and loan payments to the Plan once the amount is calculated. The Company does not expect the lost earnings to be material.

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Plan Number: 002

EIN: 81-0557240

Schedule H, Line 4(i)—Schedule of Assets (Held at End of Year)

December 31, 2010

(a)	(b)	(c)	(d)	(e)
	Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
*	Principal Stable Value Fund	Common/Collective Trust Fund	\$	13,498,248
	Pimco Total Return D Fund	Mutual Fund		11,415,657
*	Principal Equity Income Inst Fund	Mutual Fund		5,042,579
*	Principal Large Cap Growth I Inst Fund	Mutual Fund		4,989,447
*	Principal Large Cap S&P 500 Index	Pooled Separate Account		3,755,491
	Thornburg International Value R5 Fund	Mutual Fund		3,307,369
	Perkins Mid Cap Value T Fund	Mutual Fund		1,549,771
	Buffalo Small Cap Fund	Mutual Fund		1,240,218
*	Principal Trust Target 2025 Fund	Common/Collective Trust Fund		865,098
*	Principal Trust Target 2030 Fund	Common/Collective Trust Fund		846,677
*	Principal Trust Target 2020 Fund	Common/Collective Trust Fund		729,510
*	Principal Trust Target 2035 Fund	Common/Collective Trust Fund		634,432
*	Principal Trust Target 2040 Fund	Common/Collective Trust Fund		487,049
*	Principal Trust Target 2015 Fund	Common/Collective Trust Fund		402,185
*	Principal Trust Target 2045 Fund	Common/Collective Trust Fund		338,700
*	Principal Trust Target 2010 Fund	Common/Collective Trust Fund		257,576
	Columbia Acorn International Z Fund	Mutual Fund		257,030
*	Principal Trust Target 2050 Fund	Common/Collective Trust Fund		183,907
*	Principal Trust Income Fund	Common/Collective Trust Fund		42,562
*	Principal Small Cap S&P 600 Index	Pooled Separate Account		40,957
*	Principal Trust Target 2055 Fund	Common/Collective Trust Fund		36,903
	T Rowe Price Mid Cap Growth Adv Fund	Mutual Fund		32,742
*	Principal Mid Cap S&P 400 Index	Pooled Separate Account		17,185
	Columbia Small Cap Value I Z Fund	Mutual Fund		9,525
*	Participant Loans	Maturing through October 2020 at interest rates ranging from 4.25% to 10.25%		
				3,824,301
			\$	53,805,119

(d) All investments are participant-directed. Historical cost information has been omitted.

* Party-in-interest.

JBS 401(K) SAVINGS PLAN (FOR UNION EMPLOYEES)

Plan Number: 002

EIN: 81-0557240

Schedule H, Line 4(a)—Schedule of Delinquent Participant Contributions

December 31, 2010

Participant contributions transferred late to plan	Total that constitute prohibited non exempt transactions			
\$116,759	\$116,759			
Check here if late participant loan repayments are included: ☒	Contributions not corrected	Contributions corrected outside VFCP	Contributions pending correction in VFCP	Total fully corrected under VFCP and PTE 2002-51
2010	\$ 116,759	N/A	N/A	N/A