



INTERIM REPORT

28 JULY 2018

(3 Months)



Interim Report to Our Shareholders

The Directors of Jamaica Broilers Group Limited now release the unaudited financial results for the quarter ended July 28, 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Group revenues for the first quarter amounted to \$12.2 billion, a 6% increase over the \$11.5 billion achieved in the corresponding quarter of the previous year. Our gross profit for the quarter was \$3.2 billion, a 19% increase over the previous year.

Jamaica Operations reported a strong first quarter segment result of \$842 million, which was \$392 million or 87% above last year's segment result of \$449 million. This increase was attributed to improved gross margins resulting from increased production and improved inventory management. Total revenue for our Jamaica Operations showed an increase of 5%.

Our US Operations reported a segment result of \$300 million, which was a 6% decrease from the prior year's result of \$318 million. This decrease was primarily attributable to one-off staff cost elements and acquisition costs related to the recent feed mill purchase; these cost elements are not expected to recur. Total revenue for this segment increased by 8% over the prior year driven by increased sales of our main products – fertile eggs and baby chicks.

Haiti Operations has increased their market share of table eggs to 34%, compared to 30% of the market at the end of the first quarter last year. The segment result for the first quarter amounted to \$60 million, which is \$15 million or 32% above last year's segment result of \$45 million. Total revenue increased by 13%.

The Other Caribbean Operations reported first quarter segment results of \$847 million an increase of \$772 million over the corresponding quarter of the previous year. The significant increase is mainly due to the net results of the JBGL Stockholders Nominee Limited, driven by the unrealised fair value gains of the shares held.

Distribution and administrative costs, reflected an increase of 17% over the previous year due primarily to salary increases and exchange movements. These first quarter results also include the costs of operating the new hatchery in Pennsylvania, these costs were not in last year's results. Additionally, the costs related to the formation of the Shareholders' Trust are recorded during the quarter ended July 28, 2018.

Financing costs for the Group, inclusive of foreign exchange movements, showed an increase of \$173 million.

We recorded profits attributable to stockholders of \$399 million (102% increase over the corresponding quarter of prior year) or 38.58 cents per stock unit (134% increase over the corresponding quarter of prior year).

The Staff, Management and the Board of Directors of Jamaica Broilers Group Limited continue to trust in the Lord's guidance for our company and are grateful for His Blessings and Provision.


Robert Levy
Chairman


Christopher Levy
President & Chief Executive Officer

September 5, 2018

Jamaica Broilers Group Limited

Group Statement of Comprehensive Income Three Months ended 28 July 2018

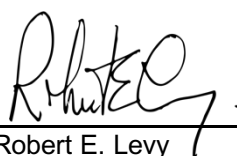
	Quarter ended 28 July 2018 \$'000	Quarter ended 29 July 2017 \$'000
Revenue	12,163,067	11,487,354
Cost of sales	<u>(8,984,952)</u>	<u>(8,815,615)</u>
Gross Profit	3,178,115	2,671,739
Other income	192,556	68,943
Distribution costs	(436,092)	(443,776)
Administration and other expenses	<u>(2,269,880)</u>	<u>(1,860,476)</u>
Operating Profit	664,699	436,430
Finance income	300,057	10,439
Finance costs	<u>(323,651)</u>	<u>(150,447)</u>
Profit before Taxation	641,105	296,422
Taxation	<u>(227,730)</u>	<u>(83,837)</u>
Net Profit	<u>413,375</u>	<u>212,585</u>
Other Comprehensive Income, net of taxes - Item that will be reclassified to profit or loss -		
Exchange differences on translating foreign operations	<u>299,371</u>	<u>16,014</u>
Total other comprehensive income	<u>299,371</u>	<u>16,014</u>
Total Comprehensive Income	<u><u>712,746</u></u>	<u><u>228,599</u></u>
Net Profit Attributable to:		
Stockholders of the company	398,842	197,687
Non-controlling interests	<u>14,533</u>	<u>14,898</u>
	<u><u>413,375</u></u>	<u><u>212,585</u></u>
Total Comprehensive Income Attributable to:		
Stockholders of the company	694,282	211,349
Non-controlling interests	<u>18,464</u>	<u>17,250</u>
	<u><u>712,746</u></u>	<u><u>228,599</u></u>
	Cents	Cents
Earnings per Stock Unit	<u><u>38.58</u></u>	<u><u>16.48</u></u>

Jamaica Broilers Group Limited

Group Balance Sheet

28 July 2018

	28 July 2018 \$'000 Unaudited	28 April 2018 \$'000 Audited	29 July 2017 \$'000 Unaudited
Non-Current Assets			
Property, plant and equipment	8,435,037	8,186,112	7,222,340
Intangible assets	1,008,681	983,047	1,048,261
Investment property	6,271	6,313	6,437
Investments	277,967	260,319	8,567
Loans receivable	1,410,123	1,647,029	1,696,582
Deferred income taxes	63,483	59,317	37,370
Post-employment benefit assets	438,600	438,600	691,100
	<u>11,640,162</u>	<u>11,580,737</u>	<u>10,710,657</u>
Current Assets			
Inventories	6,516,000	5,783,503	5,567,070
Biological assets	5,742,202	5,443,704	4,348,510
Receivables	4,344,397	3,945,121	3,859,145
Loans receivable	363,348	341,535	352,257
Taxation recoverable	37,319	34,311	49,532
Financial assets at fair value through profit or	667,199	767,150	832,271
Cash and short term investments	3,107,735	3,116,000	1,981,658
	<u>20,778,200</u>	<u>19,431,324</u>	<u>16,990,443</u>
Current Liabilities			
Payables	6,246,806	5,019,273	4,511,474
Taxation payable	359,878	540,986	110,057
Borrowings	6,502,318	5,364,899	2,622,490
Other long term liabilities – current portion	-	1,540,268	-
	<u>13,109,002</u>	<u>12,465,426</u>	<u>7,244,021</u>
Net Current Assets	<u>7,669,198</u>	<u>6,965,898</u>	<u>9,746,422</u>
	<u>19,309,360</u>	<u>18,546,635</u>	<u>20,457,079</u>
Stockholders' Equity			
Share capital	765,137	765,137	765,137
Reserves	1,346,101	1,050,661	1,184,357
Retained earnings	14,214,691	13,815,849	12,702,685
Shares held by Trust	(3,010,231)	(3,010,231)	-
	<u>13,315,698</u>	<u>12,621,416</u>	<u>14,652,179</u>
Non-controlling interests	<u>57,421</u>	<u>38,957</u>	<u>(5,587)</u>
	<u>13,373,119</u>	<u>12,660,373</u>	<u>14,646,592</u>
Non-Current Liabilities			
Borrowings	4,572,672	4,658,531	5,059,612
Other long term liabilities	720,383	720,383	-
Deferred income taxes	617,186	481,348	728,475
Post-employment benefit obligations	26,000	26,000	22,400
	<u>19,309,360</u>	<u>18,546,635</u>	<u>20,457,079</u>



Robert E. Levy

Chairman



Christopher Levy

President & CEO

September 5 2018

Jamaica Broilers Group Limited

Group Statement of Changes in Stockholders' Equity

Three Months ended 28 July 2018

	Attributable to the Company's Stockholders					Non-controlling Interests	Total Equity
	Number of Shares	Share Capital	Reserves	Retained Earnings	Shares held by Trust		
	'000	\$'000	\$'000	\$'000	\$'000		
Balance at 30 April 2017	1,199,277	765,137	1,170,695	12,504,998	-	(22,837)	14,417,993
Exchange differences on translating foreign	-	-	13,662	-	-	2,352	16,014
Total other comprehensive income	-	-	13,662	-	-	2,352	16,014
Net profit	-	-	-	197,687	-	14,898	212,585
Total comprehensive income	-	-	13,662	197,687	-	17,250	228,599
Balance at 29 July 2017	1,199,277	765,137	1,184,357	12,702,685	-	(5,587)	14,646,592
Balance at 29 April 2018	1,033,825	765,137	1,050,661	13,815,849	(3,010,231)	38,957	12,660,373
Exchange differences on translating foreign	-	-	295,440	-	-	3,931	299,371
Total other comprehensive income	-	-	295,440	-	-	3,931	299,371
Net profit	-	-	-	398,842	-	14,533	413,375
Total comprehensive income	-	-	295,440	398,842	-	18,464	712,746
Balance at 28 July 2018	1,033,825	765,137	1,346,101	14,214,691	(3,010,231)	57,421	13,373,119

Jamaica Broilers Group Limited

Group Statement of Cash Flows Three Months ended 28 July 2018

	Quarter ended 28 July 2018 \$'000	Quarter ended 29 July 2017 \$'000
Cash Flows from Operating Activities		
Net profit	413,375	212,585
Adjustments for:		
Depreciation	212,166	154,181
Amortisation	30,047	30,983
Gain on disposal of property, plant and equipment	-	(1,926)
Fair value gain on financial assets at fair value through profit or loss	(16,789)	(10,450)
Taxation expense	227,730	83,837
Interest income	(48,425)	(53,500)
Unrealised foreign exchange (gains)/losses	(151,805)	24,305
Interest expense	177,229	153,174
	<u>843,528</u>	<u>593,189</u>
Changes in operating assets and liabilities:		
Inventories	(732,497)	(402,781)
Biological assets	(298,498)	108,862
Receivables	(399,276)	(290,490)
Payables	1,227,533	97,332
Financial assets at fair value through profit or loss	116,740	(61,125)
Translation gain on working capital of foreign subsidiaries	203,612	3,361
	<u>961,142</u>	<u>48,348</u>
Taxation paid	(277,498)	(138,717)
Cash provided by/(used in) operating activities	<u>683,644</u>	<u>(90,369)</u>

Jamaica Broilers Group Limited

Group Statement of Cash Flows (Continued)

Three Months ended 28 July 2018

	Quarter ended 28 July 2018 \$'000	Quarter ended 29 July 2017 \$'000
Cash Flows from Operating Activities	683,644	(90,369)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(287,358)	(298,031)
Purchase of intangible assets	(1,569)	-
Proceeds from disposal of property, plant and equipment	-	3,980
Loan repayments received	344,734	339,607
Interest received	50,370	198,181
Cash provided by investing activities	106,177	243,737
Cash Flows from Financing Activities		
Long term loans repaid	(178,505)	(304,655)
Long term loans received	800,000	389,969
Other long term liabilities paid	(1,540,268)	-
Interest paid	(195,366)	(151,325)
Cash used in financing activities	(1,114,139)	(66,011)
Effect of changes in exchange rates on cash and cash equivalents	151,327	(6,463)
(Decrease)/increase in cash and cash equivalents	(172,991)	80,894
Cash and cash equivalents at beginning of year	2,925,625	1,596,383
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,752,634	1,677,277

Jamaica Broilers Group Limited

Segment Reporting Information
Three Months ended 28 July 2018

3 Months to 28 July 2018

	Jamaica Operations	US Operations	Haiti Operations	Other Caribbean Operations	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	8,243,619	3,324,457	594,991	-	-	12,163,067
Revenue from other segments	74,921	635,379	-	104,272	(814,572)	-
Total revenue	8,318,540	3,959,836	594,991	104,272	(814,572)	12,163,067
Segment result	841,821	299,832	59,965	847,318	(1,005,462)	1,043,474
Unallocated corporate expenses						(378,775)
Operating profit						664,699
Finance income						300,057
Finance costs						(323,651)
Profit before tax						641,105
Taxation						(227,730)
Net profit						413,375
Segment assets -						
Current assets	17,278,752	6,923,517	1,100,820	1,413,282	(5,938,171)	20,778,200
Non-current assets	9,654,374	2,785,759	774,639	4,553,707	(6,128,317)	11,640,162
Total assets	26,933,126	9,709,276	1,875,459	5,966,989	(12,066,488)	32,418,362
Segment liabilities -						
Current liabilities	10,118,956	3,824,596	1,499,186	3,604,358	(5,938,094)	13,109,002
Non-current liabilities	4,301,763	2,665,054	-	723,577	(1,754,153)	5,936,241
Total liabilities	14,420,719	6,489,650	1,499,186	4,327,935	(7,692,247)	19,045,243

Jamaica Broilers Group Limited

Segment Reporting Information (Continued)

Three Months ended 28 July 2018

3 Months to 29 July 2017

	Jamaica Operations	US Operations	Haiti Operations	Other Caribbean Operations	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	7,867,880	3,092,701	526,773	-	-	11,487,354
Revenue from other segments	67,656	559,345	-	213,033	(840,034)	-
Total revenue	7,935,536	3,652,046	526,773	213,033	(840,034)	11,487,354
Segment result	449,463	317,667	45,475	75,325	(60,156)	827,774
Unallocated corporate expenses						(391,344)
Operating profit						436,430
Finance income						10,439
Finance costs						(150,447)
Profit before tax						296,422
Taxation						(83,837)
Net profit						212,585
Segment assets -						
Current assets	11,540,934	6,368,598	1,038,504	1,389,392	(3,346,985)	16,990,443
Non-current assets	10,314,137	2,435,515	603,570	357,736	(3,000,301)	10,710,657
Total assets	21,855,071	8,804,113	1,642,074	1,747,128	(6,347,286)	27,701,100
Segment liabilities -						
Current liabilities	5,010,938	3,759,569	782,194	1,045,861	(3,354,541)	7,244,021
Non-current liabilities	5,045,980	2,640,051	680,507	3,161	(2,559,212)	5,810,487
Total liabilities	10,056,918	6,399,620	1,462,701	1,049,022	(5,913,753)	13,054,508

Jamaica Broilers Group Limited

Notes to the Interim Financial Statements

28 July 2018

Accounting Periods

The company's financial year consists of 12 accounting periods ending on the Saturday closest to the calendar month end. The accounting year ends on the Saturday closest to April 30.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention, as modified by the revaluation of biological assets and certain financial assets.

These financial statements are presented in Jamaican dollars unless otherwise indicated.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 28 April 2018.

The required adjustments for the newly effective IFRS 9, 'Financial Instruments' and IFRS 15, 'Revenue from contracts with customers' have not yet been implemented. The adjustments will be included in the second quarter results to be published.

Segmental Financial Information

Management has determined the operating segments based on the reports reviewed by the President and Chief Executive Officer that are used to make strategic decisions.

Segment information is provided for reportable segments as follows:

- Jamaica Operations
- US Operations
- Haiti Operations
- Other Caribbean Operations

Effective 29 April 2018, the Haiti Operations has been separated from the Other Caribbean Operations and is now presented as an individual segment. The prior year segment report has been restated to reflect this change.

The business is considered primarily from a geographical perspective.

Finance income and Finance costs are not included in the measure of segment results and are not regularly reviewed by the President and Chief Executive Officer.