

Jamaica Broilers Group Ltd

Commentary on un-audited 1st quarter results

The Directors of Jamaica Broilers Group Ltd are pleased to release the un-audited financial results for the quarter ended July 22, 2006 which have been prepared in accordance with International Financial Reporting Standards.

The Group's turnover for this quarter, when compared to the corresponding period last year which was negatively impacted by hurricanes Dennis and Emily, showed an increase of 12 % to \$2.3 billion and gross profits showed an increase of 16%

The operating profit for the quarter also showed an increase of 12.5%, when compared to last year. This is after booking of a provision of \$10million in respect of costs incurred related to a fire at the Feed Mill in June, which are not recoverable under our insurance policies.

Profits after tax attributable to stockholders for the quarter amounted to \$53million compared to \$46million last year. This equates to a 16% increase in earnings per stock unit i.e:- 4.40 cents compared to 3.80 cents in the first quarter of 2005.

The segment results for the three periods reflect a significant improvement in the Poultry operations over the previous year's hurricane affected outturn. The Feed and Farm segment was negatively impacted by costs related to the fire in the quarter. The operations of the fish and 'other' segments are beginning to show significant improvements.

The staff, management and Board remain committed, under God's guidance, to improving shareholder value in the coming quarters



R. Danvers Williams
Chairman



Robert E. Levy
President & Chief Executive Officer

September 1, 2006

Ja Broilers Group Ltd

Interim Consolidated Profit and Loss account for quarter ended July 22, 2006

	Quarter ended July 22,2006 \$000	Quarter ended July 23,2005 \$000
Turnover	2,277,462	2,023,852
Cost of Sales	<u>(1,736,252)</u>	<u>(1,558,228)</u>
Gross Profit	541,210	465,624
Other operating income	2,761	7,060
Interest income	6,394	19,310
Distribution Costs	(71,337)	(66,034)
Administrative and other expenses	<u>(398,144)</u>	<u>(354,071)</u>
Operating Profit	80,884	71,889
Financing costs	<u>(9,444)</u>	<u>(13,303)</u>
Profit before taxation	71,440	58,586
Taxation	<u>(18,689)</u>	<u>(12,961)</u>
Net Profit attributable to stockholders of Holding Company	<u><u>52,751</u></u>	<u><u>45,625</u></u>
Earnings per Stock Unit	4.40 cents	3.80 cents

Segment Reporting Information Consolidated-Three periods ended July 22,2006

	Poultry Operations \$000	Feed & Farm Supplies \$000	Fish Operations \$000	Other \$000		Eliminations \$000	Group Total \$000
REVENUE							
External Sales	1,330,194	611,531	92,249	243,489		-	2,277,462
Inter-Segment Sales	8,320	75,292		146,447	-	(230,059)	-
Total revenue	1,338,514	686,823	92,249	389,936	-	(230,059)	2,277,462

RESULT							
Segment Result	124,160	73,524	(7,941)	18,248			207,992
Unallocated corporate expenses							(133,501)
Interest Income							6,394
Financing costs							(9,444)
Profit Before taxation							71,440
Taxation							(18,689)
Profit from ordinary activities after taxation							52,751

	Poultry Operations	Feed & Farm Supplies	Fish Operations	Other	Unallocated	Eliminations	Group Total
Balance sheet							
Segment Assets	2,064,749	831,033	514,706	3,946,499	2,423,972	(4,030,436)	5,750,523
Segment Liabilities	1,068,763	332,540	429,982	489,072	1,409,938	(2,332,240)	1,398,055

Segment Reporting Information Consolidated-Three periods ended July 23,2005

	Poultry Operations \$000	Feed & Farm Supplies \$000	Fish Operations \$000	Other \$000		Eliminations \$000	Group Total \$000
REVENUE							
External Sales	1,109,162	589,264	96,509	228,918		-	2,023,852
Inter-Segment Sales	4,678	54,192		133,296		192,166	-
Total revenue	1,113,840	643,456	96,509	362,214	-	192,166	2,023,852
RESULT							
Segment Result	86,250	81,843	(11,013)	6,161			163,241
Unallocated corporate expenses							(110,662)
Interest income							19,310
Financing costs							(13,303)
Profit before taxation							58,586
Taxation							(12,961)
Profit from ordinary activities after taxation							45,625

Balance sheet	Poultry Operations	Feed & Farm Supplies	Fish Operations	Other	Unallocated	Eliminations	Group Total
Segment assets	2,019,194	789,599	488,709	3,050,625	1,969,033	(2,943,960)	5,373,200
Segment liabilities	1,059,262	387,965	437,387	494,946	2,125,715	(2,747,774)	1,757,500

Consolidated Balance Sheet (condensed) as at July 22, 2006

	July 22 2006 \$000	April 29 2006 \$000	July 23 2005 \$000
NET ASSETS EMPLOYED			
Property, plant and equipment	2,094,401	2,092,535	1,833,573
Intangible assets	93,875	99,641	3,338
Investment Property	-	-	2,453
Held to Maturity Investments	198,395	201,052	185,045
Available-for-sale investments	128,996	126,796	538,823
Deferred income tax	3,965	3,965	10,524
Pension plan asset	223,200	298,200	218,900
Current Assets	3,011,676	2,942,339	2,873,115
Current Liabilities	(1,345,374)	(1,423,319)	(1,750,190)
	<u>4,409,134</u>	<u>4,341,209</u>	<u>3,915,581</u>
FINANCED BY			
Share Capital	765,137	765,137	765,137
Capital Reserve	718,077	720,077	672,673
Retained Earnings	2,371,584	2,318,833	1,857,041
Shareholder's equity	<u>3,854,798</u>	<u>3,804,047</u>	<u>3,294,851</u>
Minority Interest	-	-	5,145
Long Term Liabilities	140,555	140,202	223,727
Deferred income tax	406,281	389,460	384,758
Employee Benefit Obligations	7,500	7,500	7,100
	<u>4,409,134</u>	<u>4,341,209</u>	<u>3,915,581</u>

Consolidated Statement of Changes in Shareholders' Equity as at July 22,2006

	Number of Shares 000's	Share Capital \$000	Capital Reserves \$000	Retained Earnings \$000	Total \$000
Balance at May 01,2005	1,199,277	599,638	839,221	1,811,416	3,250,275
Unrealised losses on available-for-sale securities			(1,049)		(1,049)
Transfer of share premium to share capital		165,499	(165,499)		
Net profit for period				45,625	45,625
Balance at July 23,2005	<u>1,199,277</u>	<u>765,137</u>	<u>672,673</u>	<u>1,857,041</u>	<u>3,294,851</u>
Balance at April 30,2006	1,199,277	765,137	720,077	2,318,833	3,804,047
Unrealised losses on available-for-sale securities			(2,000)		(2,000)
Net profit for period				52,751	52,751
Balance at July 22,2006	<u>1,199,277</u>	<u>765,137</u>	<u>718,077</u>	<u>2,371,584</u>	<u>3,854,798</u>

Consolidated Statement of Cash Flow (condensed) for quarter ended July 22, 2006

	July 22 2006 \$000	July 23 2005 \$000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Net Profit	52,751	45,625
Items not affecting cash resources	<u>97,579</u>	<u>49,480</u>
	150,330	95,105
Changes in operating assets and liabilities	<u>(204,381)</u>	<u>128,680</u>
Cash provided by/(used in) operating activities	(54,051)	223,785
Cash (used in) provided from investing activities	41,090	(28,410)
Cash provided by/(used in) financing activities	<u>(104,720)</u>	<u>(116,600)</u>
Increase //(decrease in net cash and cash equivalents	(117,681)	78,775
Net cash and cash equivalents at beginning of year	<u>417,608</u>	<u>147,286</u>
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>299,927</u></u>	<u><u>226,061</u></u>

Notes to the Interim Consolidated Financial Statements

Accounting Periods

The company's financial year consists of 13 periods of 4 weeks each. The quarterly Profit & Loss account for each of the first three quarters consists of 12 weeks in each quarter. The fourth quarter consists of 16 weeks. The accounting year ends on the Saturday closest to April 30.

Basis of presentation

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

Segment reporting

The group is organised into three primary business segments

Poultry Operations - The rearing of poultry for fertile egg production and sale as well as processed broilers.

Feed and Farm Supplies- The manufacture and sale of animal feeds, and the retailing of agricultural items.

Fish Operations - The grow out , processing and sale of fish

Other operations of the Group include energy supply , the sale of feed ingredients , cattle rearing , processing and sale of beef products.

Agriculture

Current assets include biological assets with a carrying value of \$535.3 million at July 22,2006 (\$ 508.1 million at April 30,2006)

Biological assets include poultry breeder flocks, hatching eggs,baby chicks, chicken being grown out,grain fed cattle, fish and started pullets(layers)

These assets are carried at cost as no reliable measure for determining fair value has been identified