

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 21, 2007 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, showed an increase of 24% to \$2.8 billion and gross profits showed an increase of 9% to \$590 million

For this quarter the operating profit before financing costs and taxes, showed an increase of 64% to \$133million when compared to last year.

The year- to-date segment report reflects overall improvements in the segment results for the Poultry, Feed & Farm Supplies and Fish Operations over the corresponding period last year. These improvements were, however, partially offset in the newly created Fuel & Energy segment by start-up costs in the ethanol operations and costs being incurred in carrying out repairs to the co-generation plant.

The financing costs - including one-time commitment fees of \$17 million - amounted to \$63 million compared to \$9 million in the corresponding quarter last year. This is mainly attributable to loan funding to meet increased working capital needs and capital projects.

Against this background, profits after tax attributable to stockholders for the quarter amounted to \$52.3 million compared to \$52.75 million last year. This equates to approximately 4.4 cents for both quarters.

The construction of the ethanol production facility was completed in July and delivery of the first order of fuel grade ethanol completed in the second quarter - on August 7, 2007.

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



Hon. R. Danvers Williams
Chairman



Robert E. Levy
President & Chief Executive Officer

September 4, 2007

Interim Consolidated Profit and Loss account for quarter ended July 21, 2007

	Quarter ended July 21,2007 \$000	Quarter ended July 22,2006 \$000
Turnover	2,826,687	2,277,462
Cost of Sales	<u>(2,236,364)</u>	<u>(1,736,252)</u>
Gross Profit	590,323	541,210
Other operating income	1,887	2,761
Interest income	11,964	6,394
Distribution Costs	(94,779)	(79,299)
Administrative and other expenses	<u>(376,789)</u>	<u>(390,182)</u>
Operating Profit	132,606	80,884
Financing costs	<u>(62,918)</u>	<u>(9,444)</u>
Profit before taxation	69,688	71,440
Taxation	<u>(17,420)</u>	<u>(18,689)</u>
Net Profit attributable to stockholders of Holding Company	<u><u>52,268</u></u>	<u><u>52,751</u></u>
Earnings per Stock Unit	4.36 cents	4.40 cents

Segment Reporting Information-Consolidated Three periods ended July 21,2007

	Poultry Operations \$000	Feed & Farm Supplies \$000	Fish Operations \$000	Fuel & Energy \$000	Other \$000	Eliminations \$000	Group Total \$000
REVENUE							
External Sales	1,577,303	904,954	110,554	-	233,875	-	2,826,687
Inter-Segment Sales	8,667	69,218		52,313	122,877	-	(253,077)
Total revenue	1,585,970	974,172	110,554	52,313	356,752	-	2,826,687

RESULT							
Segment Result	187,661	111,713	(566)	(42,147)	18,602		275,264
Unallocated corporate expenses							(142,658)
Finance costs							(62,918)
Profit Before Taxation							69,688
Taxation							(17,420)
Profit from ordinary activities After Taxation							52,268

	Poultry Operations	Feed & Farm Supplies	Fish Operations	Fuel & Energy	Other	Unallocated	Eliminations	Group Total
Balance sheet								
Segment Assets	3,786,430	1,095,718	629,389	2,567,795	751,912	2,329,239	(3,002,769)	8,157,714
Segment Liabilities	953,058	473,163	553,069	859,277	403,870	3,072,408	(2,470,961)	3,843,883

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

	Poultry Operations \$000	Feed & Farm Supplies \$000	Fish Operations \$000	Fuel & Energy \$000	Other \$000	Eliminations \$000	Group Total \$000
REVENUE							
External Sales	1,330,194	611,531	92,249	22,850	220,639		2,277,462
Inter-Segment Sales	8,320	75,292		58,175	88,272	(230,059)	
Total revenue	1,338,514	686,823	92,249	81,025	308,911	(230,059)	2,277,462
RESULT							
Segment Result	124,160	73,524	(7,941)	(3,046)	27,688		214,386
Unallocated corporate expenses							(133,501)
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	Fuel & Energy	Other	Unallocated	Eliminations	Group Total
Balance sheet								
Segment Assets	3,326,315	831,033	514,706	338,284	684,930	2,304,509	(2,249,253)	5,750,523
Segment Liabilities	1,068,763	332,540	429,982	71,789	489,072	856,965	(1,851,057)	1,398,055

*Restated

Consolidated Balance Sheet (condensed) as at July 21, 2007

	July 21 2007 \$000	April 28 2007 \$000	July 22 2006 \$000
NET ASSETS EMPLOYED			
Property, plant and equipment	3,785,438	3,381,104	2,094,401
Intangible assets	93,824	101,781	93,875
Held to Maturity Investments	209,916	208,806	198,395
Available-for-sale investments	137,571	136,832	128,996
Deferred income tax	1,240	1,240	3,965
Pension plan asset	131,400	131,400	223,200
Current Assets	3,798,288	3,459,379	3,011,676
Current Liabilities	(3,313,532)	(2,618,595)	(1,345,374)
	<u>4,844,145</u>	<u>4,801,947</u>	<u>4,409,134</u>
FINANCED BY			
Share Capital	765,137	765,137	765,137
Capital Reserve	761,933	761,933	718,077
Retained Earnings	2,745,323	2,693,055	2,371,584
Shareholder's equity	<u>4,272,393</u>	<u>4,220,125</u>	<u>3,854,798</u>
Long Term Liabilities	221,875	231,845	140,555
Deferred income tax	342,277	342,277	406,281
Employee Benefit Obligations	7,600	7,700	7,500
	<u>4,844,145</u>	<u>4,801,947</u>	<u>4,409,134</u>

Consolidated Statement of Changes in Shareholders' Equity as at July 21,2007

	Number of Shares 000's	Share Capital \$000	Capital Reserves \$000	Retained Earnings \$000	Total \$000
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>
Balance at April 29,2007	1,199,277	765,137	761,933	2,693,055	4,220,125
Net profit for period				52,268	52,268
Balance at July 21,2007	<u>1,199,277</u>	<u>765,137</u>	<u>761,933</u>	<u>2,745,323</u>	<u>4,272,393</u>

Consolidated Statement of Cash Flow (condensed) for quarter ended July 21, 2007

	July 21 2007 \$000	July 22 2006 \$000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Net Profit	52,268	52,751
Items not affecting cash resources	<u>79,200</u>	<u>97,579</u>
	131,468	150,330
Changes in operating assets and liabilities	<u>(1,015,400)</u>	<u>(204,381)</u>
Cash provided by/(used in) operating activities	(883,932)	(54,051)
Cash (used in) provided from investing activities	(544,400)	41,090
Cash provided by/(used in) financing activities	<u>(92,400)</u>	<u>(104,720)</u>
Increase //(decrease in net cash and cash equivalents	(1,520,732)	(117,681)
Net cash and cash equivalents at beginning of year	<u>(231,473)</u>	<u>417,608</u>
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>(1,752,205)</u></u>	<u><u>299,927</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 four 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

Fuel & Energy - The processing and sale of fuel grade ethanol and energy

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

Agriculture

Current assets include biological assets with a carrying value of \$579.5 million at July 21,2007 (\$ 563.3 million at April 28,2007)

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