

Jamaica Broilers Group Limited

UNAUDITED CONSOLIDATED RESULTS FOR THE

SECOND QUARTER ENDED OCTOBER 12, 2003

Commentary on unaudited and quarter results

The Directors of Jamaica Broilers Group Ltd are pleased to release the unaudited financial results for the quarter ended October 18, 2003.

These statements have been prepared in compliance with International Financial Reporting Standards (IFRS). The effect of adopting IFRS is explained in the notes to the accounts and in the Statement of Changes in Shareholders' Equity. The most significant changes to the balance sheet relate to the inclusion of deferred tax liabilities and a net surplus in the pension fund.

The Group's turnover for this quarter, when compared to the corresponding period last year, showed an increase of 13% to \$1.75 billion, while gross profits increased by 20%.

The results were impacted positively by continued efficiency improvements in the production of poultry. We are now close to international standards in several areas and have surpassed them in a number of key performance measures such as hatchability, livability and feed conversion

Gross profits as a percentage of turnover, year to date, have remained at 25.7%.

Steps are being taken to overcome the challenges in the fish operations and it is

expected that we will begin to generate profits before the end of this financial year.

Profits before tax was 36% higher than the corresponding period last year; however the current tax charge for this quarter reflects a higher marginal rate, due to the removal of the tax credit on the issue of bonus shares.

As a result of the above, profits after tax attributable to stockholders for the quarter increased from \$86 million to \$106 million. This equates to earnings per stock unit of 8.84 cents (2002: 7.10cents)

In this quarter we experienced a fair measure of stability in foreign exchange rates and grain prices, although general inflation was ahead of expectations. Additionally we are already experiencing significant increases in grains imported from the United States, as well as depreciation of the Jamaican dollar which will again force us to examine pricing to our customers

Despite the challenges foreseen, the staff, management and Board look forward under God's guidance, to good results for the remainder of the year

Hon. R.Danvers Williams
Chairman

Robert E. Levy
President & Chief Executive Officer

Interim Consolidated Profit and Loss account

Unaudited	Quarter ended October 18, 2003 \$'000	Quarter ended October 12, 2002 \$'000	Six periods October 18, 2003 \$'000	Six periods to October 12, 2002 \$'000
Turnover	1,753,621	1,548,485	3,454,974	2,957,886
Cost of Sales	(1,274,235)	(1,149,286)	(2,563,823)	(2,198,647)
Gross Profit	479,386	399,199	891,151	759,239
Other operating income	6,046	8,634	13,802	11,587
Distribution Costs	(50,247)	(63,886)	(100,901)	(125,323)
Administrative and other expenses	(281,251)	(245,921)	(550,105)	(484,267)
Operating Profit	153,934	98,026	253,947	161,236
Finance costs (net)	(12,618)	(19,904)	(38,661)	(38,622)
Share of results of associated companies	-	25,750	-	38,015
Profit before taxation	141,316	103,872	215,286	160,629
Taxation	(35,347)	(18,399)	(52,718)	(35,033)
Net Profit after tax	105,969	85,473	162,568	125,596
Minority interest	-	(279)	-	(279)
Net Profit attributable to stockholders of Holding Company	105,969	85,194	162,568	125,317
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Earnings per Stock Unit-cents	8.84	7.10	13.56	10.45

*-Restated to comply with IFRS

Consolidated Balance Sheet

Unaudited

	October 18 2003	May 03* 2003	October 12* 2002
NET ASSETS EMPLOYED			
Fixed Assets	1,658,481	1,644,064	1,063,869
Goodwill	10,283	10,254	-
Deferred Expenditure	16,620	17,609	17,271
Investment Property	44,035	44,188	52,259
Held to Maturity Investments	471,791	122,009	-
Investment in Associated Company	-	-	225,684
Available-for-sale investments	4,449	3,728	4,587
Pension Fund Surplus	148,400	148,400	147,800
Current Assets	2,269,541	2,390,489	1,878,659
Current Liabilities	(1,382,442)	(1,320,687)	(965,487)
	<u>3,241,158</u>	<u>3,060,054</u>	<u>2,964,642</u>
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FINANCED BY			
Share Capital	599,639	513,976	428,313
Capital Reserve	856,122	839,915	787,583
Retained Earnings	985,571	908,666	823,295
Shareholder's equity	<u>2,441,332</u>	<u>2,262,557</u>	<u>2,039,191</u>
Minority Interest	5,145	5,145	4,760
Long Term Liabilities	504,810	501,563	538,973
Deferred Tax Liabilities	283,171	284,089	375,318
Employee Benefit Obligations	6,700	6,700	6,400
	<u>3,241,158</u>	<u>3,060,054</u>	<u>2,964,642</u>
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Consolidated Segment Reporting Information

	Poultry Operations \$'000	Food & Farm Supplies \$'000	Fish Operations \$'000	Other Elimination \$'000	Group Total \$'000
REVENUE					
External Sales	1,962,916	1,029,699	135,216	327,143	3,454,974
Inter-Segment Sales	11,269	55,034		303,733 (370,035)	-
Total revenue	1,974,185	1,084,733	135,216	630,876 (370,035)	3,454,974
RESULT					
Segment Result	303,963	121,363	(29,957)	49,305	-
Unallocated corporate expenses					444,674
Finance costs					(190,727)

Share of results of associated companies	(38,661)
	<u>-</u>
Profit Before Taxation	215,286
Taxation	<u>(52,718)</u>
Profit from ordinary activities after taxation	162,568
	<u>=====</u>

Balance sheet	Poultry Operations	Feed & Farm Supplies	Fish Operations	Other	Unallocated	Elimination	Group Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	1,432,073	629,640	319,067	1,213,072	3,472,275	(2,685,385)	4,380,741
Segment Liabilities	214,536	311,960	240,943	358,355	2,928,103	(2,242,000)	1,811,597

Segment Reporting Information
Consolidated
Six Periods ended October 12, 2002

	Poultry Operations	Feed & Farm Supplies	Fish Operations	Other	Elimination	Group Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE						
External Sales	1,656,409	822,702	168,019	310,756	-	2,957,886
Inter-Segment Sales	7,844	22,644	-	249,649	(280,136)	-
Total revenue	<u>1,654,253</u>	<u>845,346</u>	<u>163,019</u>	<u>560,405</u>	<u>(280,136)</u>	<u>2,957,886</u>
RESULT						
Segment Result	235,324	81,341	(30,508)	52,083		338,240
Unallocated corporate expenses						(177,034)
Finance costs						(38,622)
Share of results of associated companies						<u>38,015</u>

Profit Before Taxation	160,629
Taxation	<u>(35,033)</u>
Profit from ordinary activities after taxation	<u>125,596</u>

Balance sheet	Poultry Operations	Feed & Farm Supplies	Fish Operations	Other	Unallocated	Elimination	Group Total
Segment assets	1,785,509	700,100	449,666	979,325	2,601,892	(2,586,362)	3,930,129
Segment Liabilities	342,669	366,347	377,734	301,513	1,984,450	(1,984,208)	1,388,505

Consolidated Statement of Changes In Shareholders' Equity

Unaudited	Number of Shares	Share Capital	Capital Reserves	Retained Earnings	Total
Balance at April 27,2002 -as previously reported	856,626	428,313	910,166	770,677	2,109,156
Effect of adopting IFRS					

IAS 12-Income Taxes			(125,469)	(284,375)	(409,844)
IAS 19-Employee Benefits					
Pension fund surplus				247,800	247,800
Post retirement benefits				(6,400)	(6,400)
Vacation leave payable				(12,335)	(12,335)
IAS 39 Financial instruments			3,088	(17,389)	(14,301)
Balance at April 27,2002 as restated	856,626	428,313	787,785	697,978	1,914,076
Net profit for period					
-as previously reported				216,378	216,378
Effect of adopting IFRS					
IAS 12-income Taxes				12,526	12,526
IAS 19-Employee Benefits					
Refund from Pension Fund				(100,000)	(100,000)
Vacation leave payable				(2,678)	(2,678)
IAS 39 Financial instruments				(909)	(909)
Restated net profit for period				125,317	125,317
Reserve on revaluation of available for sale investments			(202)		(202)
Balance at October 12, 2002	856,626	428,313	787,583	823,295	2,039,191
Balance at May 03, 2003					
-as previously reported	1,027,952	513,976	961,574	952,426	2,427,976
Effect of adopting IFRS					
IAS 12-income Taxes			(125,469)	(158,620)	(284,089)
IAS 19-Employee Benefits					
Pension fund surplus				148,400	148,400
Post retirement benefits				(6,700)	(6,700)
Vacation leave payable				(13,682)	(13,682)
IAS 39 Financial instruments			3,810	(13,158)	(9,348)
Balance at May 03,2003 as restated	1,027,952	513,976	839,915	908,666	2,262,557
Bonus issue of shares	171,326	85,663		(85,663)	

Translation Gain			15,596		15,596
Reserve on revaluation of available for sale investments			611		611
Net profit for period				162,568	162,568
Balance at October 18, 2003	1,199,278	599,639	856,122	985,571	2,441,332
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Consolidated Statement of Cash Flow

	October 18 2003 \$'000	October 12 2002 \$'000
CASH RESOURCES WERE PROVIDED BY/(USED IN) :		
Operating Activities		
Net Profit	162,568	125,317
Items not affecting cash resources	72,695	269,279
	<u>235,263</u>	<u>394,596</u>
Changes in non-cash working capital components	377,345	(88,573)
Cash provided by/(used in) operations	612,608	306,023
Cash provided by/Used in) financing activities	(22,561)	(108,938)
Cash (used in) provided by investing activities	<u>(449,086)</u>	<u>(67,194)</u>
Increase /(decrease) in net cash and cash equivalents	140,961	129,891
Net cash and cash equivalents at beginning of year	<u>(40,912)</u>	<u>(71,869)</u>
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>100,049</u>	<u>58,022</u>
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Notes to the Interim Consolidated Financial Statements

Accounting Periods

The company's financial year consists of 13 four-week periods. The quarterly Profit & Loss account for each of the first three quarters consists of 3 four week periods, with the fourth quarter being 4 four week periods. 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 available- for- sale investments

As at May 04, 2003, the Group adopted International Financial Reporting Standards (IFRS). The financial effect of this adoption is reported in the consolidated Statement of Changes in Equity

As a result of the significant accounting policy changes detailed below, certain comparatives amounts have been restated to conform to current years presentation based on these standards

Employee benefits

Pension asset-The group participates in a defined benefit pension plan. The pension costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the profit and loss account, and the net of the present value of the pension obligation and the fair value of the plan assets, is reflected as an asset on the balance sheet

Other post-retirement obligations- The group provides post retirement healthcare and life insurance benefits to certain groups of retirees who retired prior to April 2002. The method of accounting used to recognise the liability is similar to that for the defined

benefit pension plan

Deferred taxation

Deferred income tax is provided in full , using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Property, plant and equipment

Property plant and equipment are stated at "deemed cost" less accumulated depreciation,

At adoption of IFRS; the carrying values comprised a combination of cost and market values. These values have been deemed to be cost as allowed under IFRS.

Investment Property

Investment property, comprising office and residential buildings no longer used in the operations, are now held for rental yield and capital appreciation Investment property is carried at "deemed cost" less depreciation

Investments

Investments are classified as held-to-maturity or available -for-sale and are initially recorded at cost. Management determines the classification at the time of purchase Held- to- maturity investments are carried at amortised cost. Available- for- sale investments , principally comprising marketable equity securities, are carried at fair value determined by reference to the Stock exchange quoted bid prices. Revaluation adjustments are effected against capital reserves

Provisions

A provision is made for the estimated liability for annual vacation leave as a result of services rendered by employees up to the balance sheet date

Receivables

Trade receivables are carried at original invoice amount less provision made for bad debts and impairment of these receivables. A provision for bad debts is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the expected recoverable amount. In instances where it is determined that there will be significant delays in settlement of the recoverable amounts and the effect is material an impairment general provision is also made, being the difference between the recoverable amounts and the present value of expected cash flows discounted at the Group's overdraft interest rate

Dividends

Dividends are recognised as a liability in the period that they are approved by the Board of Directors.

Segment reporting

The group is organised into three main business segments

Poultry Operations - Rearing of poultry for fertile egg production, broiler grow-out; broiler processing and sales
Grow out and sale of started pullets;

Feed and Farm Supplies- Manufacturing and sale of feeds and sale of farm supplies

Fish Operations- Grow out, processing and sale of fish

Agriculture

Current assets include biological assets With a carrying value of \$362.6 million at October 18, 2003, \$ 309.9 million at May 03,2003) 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