

## Jamaica Broilers Group Ltd

### Commentary on un-audited 2nd quarter results

The Directors of Jamaica Broilers Group Ltd are pleased to release the un-audited financial results for the quarter ended October 13, 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 75% to \$4.3 billion – due, primarily, to the revenues from the newly-commissioned ethanol plant. Gross profits showed a 17% decline to \$533 million, due to trading losses encountered in the start-up of the ethanol operations. This decline was offset by settlements related to ethanol contracts, booked as operating income, amounting to \$145 million.

For this quarter the operating profit, before financing costs and taxes, showed an increase of 21% to \$231 million when compared to last year.

Financing costs amounting to \$153 million – including approximately \$70 million of foreign exchange losses - compared to \$14 million in the corresponding quarter last year, were incurred due to higher levels of US\$ and J\$ borrowings to meet increased working capital needs.

Against this background, profits after tax attributable to stockholders for the quarter amounted to \$78 million, compared to \$132 million last year. This equates to approximately 6.49 cents, compared to 10.98 cents last year.

The year-to-date segment report reflects overall improvements in the segment results of the agro-processing businesses over the corresponding period last year, despite the passage of Hurricane Dean on August 19<sup>th</sup>. The start up ethanol operations showed a lower-than-anticipated segment result, due to unexpected start-up costs, as well as losses incurred in relation to a fixed-price contract on which a customer defaulted.

We continue to experience lower than anticipated US\$ selling prices for anhydrous ethanol exported to the USA. This is expected to negatively impact our third quarter consolidated results.

The staff, management and Board continue to seek God's guidance in working through the challenges now facing us.



Hon. R. Danvers Williams  
Chairman



Robert E. Levy  
President & Chief Executive Officer

November 27, 2007

## Ja Broilers Group Ltd

Interim Consolidated Profit and Loss account  
for quarter ended October 13, 2007

	Quarter ended October 13,2007 \$000	Quarter ended October 14,2006 \$000	Six periods ended October 13,2007 \$000	Six periods ended October 14,2006 \$000
Turnover	4,305,886	2,448,133	7,132,573	4,725,595
Cost of Sales	(3,772,446)	(1,808,825)	(6,008,810)	(3,545,077)
Gross Profit	533,440	639,308	1,123,763	1,180,518
Other operating income	157,012	1,453	158,899	4,214
Interest Income	16,090	15,509	28,054	21,903
Distribution Costs	(100,546)	(102,055)	(195,325)	(173,392)
Administrative and other expenses	(375,372)	(363,461)	(752,161)	(761,605)
Operating Profit	230,624	190,754	363,230	271,638
Finance costs	(152,836)	(14,126)	(215,754)	(23,570)
	-	-	-	-
Profit before taxation	77,788	176,628	147,476	248,068
Taxation	-	(44,901)	(17,420)	(63,590)
Net Profit after tax attributable to stockholders	77,788	131,727	130,056	184,478
Earnings per Stock Unit-cents	6.49	10.98	10.84	15.38

## Segment Reporting Information-Consolidated Six periods ended October 13,2007

	Poultry Operations \$000	Feed & Farm Supplies \$000	Fish Operations \$000	Ethanol Operations \$000	Other \$000	Eliminations \$000	Group Total \$000
<b>REVENUE</b>							
External Sales	3,337,323	1,778,236	223,007	1,299,109	494,897	-	7,132,573
Inter-Segment Sales	20,185	123,247	-	-	246,907	-	-
<b>Total Revenue</b>	<b>3,357,508</b>	<b>1,901,483</b>	<b>223,007</b>	<b>1,299,109</b>	<b>741,804</b>	<b>(390,340)</b>	<b>7,132,573</b>

**RESULT**

Segment Result	404,633	191,397	(10,143)	20,185	32,639		638,711
Unallocated corporate expenses							(275,482)
Finance costs							(215,754)
<b>Profit Before Taxation</b>							<b>147,476</b>
Taxation							(17,420)
<b>Profit from ordinary activities After Taxation</b>							<b>130,056</b>

	Poultry Operations	Feed & Farm Supplies	Fish Operations	Ethanol Operations	Other	Unallocated	Eliminations	Group Total
<b>Balance Sheet</b>								
Segment Assets	4,523,871	1,117,623	659,980	3,324,542	777,110	3,761,826	(4,343,352)	9,821,600
Segment Liabilities	1,254,452	335,230	593,429	1,905,994	442,182	4,861,165	(3,871,753)	5,520,700

Segment Reporting Information  
Consolidated  
Six Periods ended October 14, 2006\*

	Poultry Operations \$000	Feed & Farm Supplies \$000	Fish Operations \$000	Other \$000		Eliminations \$000	Group Total \$000
<b>REVENUE</b>							
External Sales	2,774,226	1,283,573	209,043	458,753		-	4,725,595
Inter-Segment Sales	137,702	112,002		194,263	-	(443,967)	-
<b>Total revenue</b>	<b>2,911,927</b>	<b>1,395,575</b>	<b>209,043</b>	<b>653,016</b>	<b>-</b>	<b>(443,967)</b>	<b>4,725,595</b>

<b>RESULT</b>							
Segment Result	361,677	166,877	(6,010)	56,284		0	578,828
Unallocated corporate expenses							(307,191)
Finance costs							(23,570)
<b>Profit Before Taxation</b>							<b>248,068</b>
Taxation							(63,590)
<b>Profit from ordinary activities After Taxation</b>							<b>184,478</b>

	Poultry Operations	Feed & Farm Supplies	Fish Operations	Other	Unallocated	Eliminations	Group Total
<b>Balance sheet</b>							
Segment Assets	4,534,999	1,030,189	558,270	859,976	3,312,094	(4,221,552)	6,073,976
Segment Liabilities	1,556,406	383,741	463,029	399,275	2,608,815	(3,836,374)	1,574,891

\*Restated

**Consolidated Balance Sheet**  
**( Condensed)**  
**as at October 13, 2007**

	<b>October 13</b>	<b>April 28</b>	<b>October 14</b>
	<b>2007</b>	<b>2007</b>	<b>2006</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>NET ASSETS EMPLOYED</b>			
Property , plant and equipment	4,019,978	3,381,104	2,334,135
Intangible assets	93,635	101,781	91,242
Held to Maturity Investments	75,512	208,806	198,909
Available-for-sale investments	116,916	136,832	126,020
Deferred income taxes	2,192	1,240	3,965
Pension plan asset	131,400	131,400	98,200
Current Assets	5,445,186	3,459,379	3,225,469
Current Liabilities	<u>(4,426,702)</u>	<u>(2,618,595)</u>	<u>(1,518,888)</u>
	<u>5,458,117</u>	<u>4,801,947</u>	<u>4,559,052</u>
<b>FINANCED BY</b>			
Share Capital	765,137	765,137	765,137
Capital Reserve	785,331	761,933	717,737
Retained Earnings	2,823,111	2,693,055	2,503,311
Shareholder's equity	<u>4,373,579</u>	<u>4,220,125</u>	<u>3,986,185</u>
Long Term Liabilities	743,637	231,845	154,482
Deferred income taxes	333,301	342,277	410,885
Employee Benefit Obligations	7,600	7,700	7,500
	<u>5,458,117</u>	<u>4,801,947</u>	<u>4,559,052</u>

**Consolidated Statement of Changes in Shareholders' Equity  
as at October 13,2007**

	<b>Number of Shares 000's</b>	<b>Share Capital \$000</b>	<b>Capital Reserves \$000</b>	<b>Retained Earnings \$000</b>	<b>Total \$000</b>
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			(2,340)		(2,340)
Net profit for period				184,478	184,478
Balance at October 14, 2006	<u>1,199,277</u>	<u>765,137</u>	<u>717,737</u>	<u>2,503,311</u>	<u>3,986,185</u>
Balance at April 29,2007	1,199,277	765,137	761,933	2,693,055	4,220,125
Translation gain			23,398		23,398
Net profit for period				130,056	130,056
Balance at October 13, 2007	<u>1,199,277</u>	<u>765,137</u>	<u>785,331</u>	<u>2,823,111</u>	<u>4,373,579</u>

**Consolidated Statement of Cash Flow  
(Condensed)  
Six periods ended October 13, 2007**

	<b>October 13 2007 \$000</b>	<b>October 14 2006 \$000</b>
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>		
Operating Activities		
Net Profit	130,056	184,478
Items not affecting cash resources	166,100	114,350
	<u>296,156</u>	<u>298,828</u>
Changes in non-cash working capital components	(2,114,100)	(267,620)
Cash provided by/(used in) operations	(1,817,944)	31,208
Cash provided by/(used in) financing activities	455,500	(322,912)
Cash (used in) provided by investing activities	(658,500)	133,740
Increase /(decrease) in net cash and cash equivalents	(2,020,944)	(157,964)
Net cash and cash equivalents at beginning of year	(231,473)	417,608
<b>NET CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>(2,252,417)</u></u>	<u><u>259,644</u></u>

## 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

### Segment reporting

The group is organised into four 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; and energy supply to poultry processing operations

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

Fish Operations - Grow out , processing and sale of fish

Ethanol operations-The processing and export sale of fuel grade ethanol

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 \$660.6 million at October 13, 2007 ( \$ 563.3 million at April 29,2007)

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