Jamaica Broilers Group Ltd

Commentary on un-audited 2nd quarter results

Attached are the un-audited financial statements, for the quarter ended November 1, 2008, which have been prepared in accordance with International Financial Reporting Standards.

The Group's turnover for this second quarter is $6.8billion compared to $4.3billion last year-a 58% increase. The year-to-date turnover is $13billion compared to $7billion last year – an 82% increase. These increases are primarily due to the ethanol operations.

Gross profits for the quarter amounted to $540million, as against $533million in the previous year. The year-to-date gross profit is $1.5billion as against $1.1billion.

Last year's second quarter report was impacted positively by out of court settlements on a shipment of ethanol in the amount of $145million, which was reflected in other income.

Distribution costs along with administrative expenses for the quarter increased by 22.5% in line with inflation.

Financing costs, including exchange losses, of $126million for this quarter compared to $153million last year shows a decrease of $27million-18%.

Against this background, losses after tax for the second quarter amounted to $121million. The after tax net profit for the year- to- date amounts to $60million.

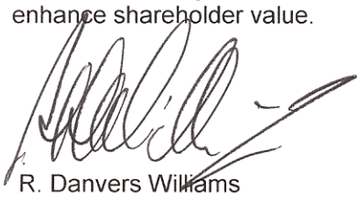
During this quarter the Group was negatively impacted by two unexpected events:-

1) Sale of a contracted shipment of anhydrous ethanol after a significant decline in market prices.
2) A hurricane in the US Gulf which delayed our regular shipment of grains. Alternative supplies had to be quickly sourced at a higher cost.

Based on contracted purchases and sales for November and December the ethanol operation is projected to generate good profits in the third quarter.

During the past six months the poultry operations experienced a 22% increase in the unit cost of production caused by significant increases in grain and energy inputs. However, due to a selling price decrease in August and subsequent market constraints, the selling price increases were restricted to approximately 13% over these six months. Increased costs were not fully recovered by selling price increases, which resulted in a $100million reduction in our year-to-date segment results in the poultry operations, when compared to last year. We are expecting a return to acceptable margins in poultry in the third quarter, subject to a relatively stable exchange rate.

The staff, management and Board will continue to trust in God's guidance as we seek to further enhance shareholder value.



R. Danvers Williams
Chairman

Robert E. Levy
President & Chief Executive Officer

November 28, 2008

***** At the start of this financial year the accounting periods were changed. The company's financial year now consists of 12 accounting months compared to 13 accounting periods last year. Accordingly, quarter 2 of this year comprises 13 weeks compared to 12 weeks in the previous year.**

Interim Consolidated Profit and Loss account

for quarter ended November 1, 2008

	Quarter ended November 1, 2008 $000	Quarter ended October 13,2007 $000	Six months ended November 1, 2008 $000	Six periods ended October 13,2007 $000
Turnover	6,800,622	4,305,886	13,018,683	7,132,573
Cost of Sales	(6,260,665)	(3,772,446)	(11,477,442)	(6,008,810)
Gross Profit	539,957	533,440	1,541,241	1,123,763
Other operating income	2,174	157,012	15,853	158,899
Interest Income	16,932	16,090	18,989	28,054
Distribution Costs	(125,256)	(100,546)	(256,656)	(195,325)
Administrative and other expenses	(456,934)	(375,372)	(1,009,772)	(752,161)
Operating (Loss) / Profit	(23,127)	230,624	309,655	363,230
Finance costs	(126,535)	(152,836)	(238,227)	(215,754)
(Loss) / Profit before taxation	(149,662)	77,788	71,428	147,476
Taxation	28,743	-	(11,429)	(17,420)
Net (Loss) Profit after tax attributable to stockhol	(120,919)	77,788	59,999	130,056
(Loss) / Earnings per Stock Unit-cents	(10.08)	6.49	5.00	10.84

Segment Reporting Information-Consolidated Six months ended November 1, 2008

	Poultry Operations	Feed & Farm Supplies	Ethanol Operations	Other	Eliminations	Group Total
	$000	$000	$000	$000	$000	$000
REVENUE						
External Sales	4,485,142	2,531,565	5,025,893	976,082	-	13,018,682
Inter-Segment Sales	66,760	237,521	-	245,892	(550,173)	-
Total revenue	**4,551,902**	**2,769,085**	**5,025,893**	**1,221,974**	**(550,173)**	**13,018,682**
RESULT						
Segment Result	231,900	192,706	(11,773)	98,183		511,016
Corporate expenses						(201,362)
Finance costs						(238,226)
Profit Before Taxation						**71,428**
Taxation						(11,429)
Profit from ordinary activities After Taxation						**59,999**

Balance sheet	Poultry Operations	Feed & Farm Supplies	Ethanol Operations	Other	Unallocated	Eliminations	Group Total
Segment Assets	4,626,478	1,497,841	3,985,866	3,532,105	6,499,561	(7,101,209)	13,040,642
Segment Liabilities	660,699	654,139	3,775,134	3,205,382	6,557,137	(6,633,491)	8,218,999

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

	Poultry Operations	Feed & Farm Supplies	Ethanol Operations	Other		Eliminations	Group Total
	$000	$000	$000	$000		$000	$000
REVENUE							
External Sales	3,337,323	1,778,236	1,299,109	717,904		-	7,132,573
Inter-Segment Sales	20,185	123,247	-	246,907	-	(390,340)	-
Total revenue	**3,357,508**	**1,901,483**	**1,299,109**	**964,811**	-	**(390,340)**	7,132,573
RESULT							
Segment Result	336,020	188,883	20,185	(25,381)			519,708
Corporate expenses							(156,479)
Finance costs							(215,754)
Profit Before Taxation							**147,476**
Taxation							(17,420)
Profit from ordinary activities After Taxation							**130,056**

Balance Sheet	Poultry Operations	Feed & Farm Supplies	Ethanol Operations	Other	Unallocated	Eliminations	Group Total
Segment Assets	4,523,871	1,117,623	3,324,542	1,437,090	3,825,045	(4,343,352)	9,884,819
Segment Liabilities	1,031,939	335,230	1,905,994	1,279,263	4,830,566	(3,871,753)	5,511,240

** Restated

Consolidated Balance Sheet
(Condensed)
as at November 1, 2008

	November 1 2008 $000	May 03 2008 $000 (Audited)	October 13 2007 $000
NET ASSETS EMPLOYED			
Property , plant and equipment	5,844,329	4,672,057	4,019,978
Intangible assets	80,818	90,943	93,635
Held to Maturity Investments	-	-	75,512
Available-for-sale investments	164,771	114,417	116,916
Deferred income taxes	1,492	6,174	2,192
Pension plan asset	119,000	119,000	131,400
Current Assets	6,830,232	5,283,242	5,445,186
Current Liabilities	(6,050,852)	(4,387,519)	(4,426,702)
	6,989,790	5,898,314	5,458,117
FINANCED BY			
Share Capital	765,137	765,137	765,137
Capital Reserve	719,042	698,693	785,331
Retained Earnings	3,337,464	3,277,465	2,823,111
Shareholder's equity	4,821,643	4,741,295	4,373,579
Long Term Liabilities	1,830,445	821,008	743,637
Deferred income taxes	329,802	328,011	333,301
Employee Benefit Obligations	7,900	8,000	7,600
	6,989,790	5,898,314	5,458,117

Consolidated Statement of Changes in Shareholders' Equity as at November 1, 2008

	Number of Shares 000's	Share Capital $000	Capital Reserves $000	Retained Earnings $000	Total $000
Balance at April 29,2007	1,199,277	765,137	761,933	2,693,055	4,220,125
Unrealised losses on available- for- sale securities					-
Translation gain			23,398		23,398
Net profit for period				130,056	130,056
Balance at October 13, 2007	1,199,277	765,137	785,331	2,823,111	4,373,579
Balance at May 04, 2008	1,199,277	765,137	698,693	3,277,465	4,741,295
Translation gain			20,349		20,349
Net profit for period				59,999	59,999
Balance at November 1, 2008	1,199,277	765,137	719,042	3,337,464	4,821,643

Consolidated Statement of Cash Flow
(Condensed)
Six periods ended November 1, 2008

	November 1 2008 $000	October 13 2007 $000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Net Profit	59,999	130,056
Items not affecting cash resources	219,600	166,100
	279,599	296,156
Changes in non-cash working capital components	(587,700)	(2,114,100)
Cash provided by/(used in) operations	(308,101)	(1,817,944)
Cash provided by/(used in) financing activities	775,800	455,500
Cash (used in) provided by investing activities	(1,417,100)	(658,500)
Increase /(decrease) in net cash and cash equivalents	(949,401)	(2,020,944)
Net cash and cash equivalents at beginning of year	(716,640)	(231,473)
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	(1,666,041)	(2,252,417)

Notes to the Interim Consolidated Financial Statements

Accounting Periods

At the start of this financial year the accounting periods were changed.
The company's financial year now consists of 12 accounting months ending on the Saturday closest to the calendar month end .
In the previous year(s), consisting of 13 accounting periods, the quarterly Profit & Loss account for each of the first three quarters consisted of 12 weeks and the fourth quarter consisted 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 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

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; grow out and sale of fish ; and co-generation energy supply.

Agriculture

Current assets include biological assets with a carrying value of $787.2million at November 1, 2008 ($ 663.4million at May 03,2008)
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