

Jamaica Broilers Group Ltd

Commentary on un-audited 3rd quarter results

The Directors of Jamaica Broilers Group Ltd are pleased to release the un-audited financial results for the quarter ended January 06, 2007 which have been prepared in accordance with International Financial Reporting Standards.

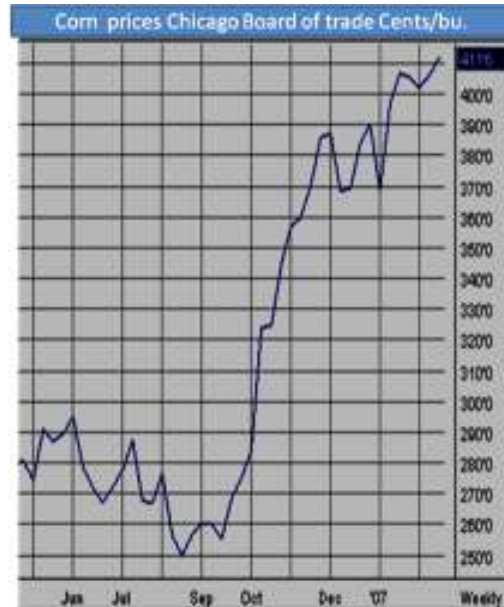
The Group's turnover for this quarter, when compared to the corresponding period last year reflect a 13 % increase to \$2.76 billion, however gross profit margins showed a decrease from 28% to 24.5%. This reduction in margins is mainly attributable to the significant increases in the US\$ cost of imported grain since September 2006. Over the past four (4) periods corn has increased in price on the Chicago Board of Trade by 50% from US\$2.60 per bushel to US\$3.90 per bushel...see graph below:-

The market's sensitivity to selling price increases has however prevented us from fully recovering these and other cost increases.

The negative impact of these cost increases were offset to some extent by the significant turnaround in the fish operations, the forward purchasing of portions of our grain requirements at lower levels than the spot market prices and control of administrative expenses.

Against this background, the operating profit for the quarter showed a decrease to \$225million compared to \$231million in the corresponding period last year.

The year- to- date segment report reflects an overall improvement in our results over the corresponding period last year. Significant improvements are still being seen in the fish operations as a result of our strategic focus on the export markets. The "other" segment reflects improvements in the beef operations and the energy supply unit. These improvements were however diminished by the expensing of non capital costs related to the implementation of the Ethanol project.



During this quarter we were able to complete the expansion of our Cold Room at the Best Dressed Chicken processing plant. This will allow us to eliminate the use of expensive outside storage space and also allows us to expand our product range.

Profits after tax attributable to stockholders for the quarter amounted to \$161million compared to \$176million last year. This equates to earnings per stock unit of 13.43 cents compared to 14.66 cents in the third quarter of last year.

Profits after tax attributable to stockholders for the year to date amounted to \$346million, up from \$341million at this time last year, which translates to 28.81 cents per stock unit versus 28.39 cents last year.

Corn prices continue to increase however the additional 10million acres projected to be planted in the USA later this year may have a favourable modifying impact on the price of corn during this calendar year.

Completion of construction at the Ethanol Production facility is expected to be in the first quarter of the 2007/2008 financial year. The capital work in progress expenditure on this project to date is reflected on the Balance Sheet as part of the increase in the carrying value of property, plant and equipment.

The staff, management and Board continue to seek God's guidance in our efforts to enhance shareholder value.


Hon. R. Danvers Williams
Chairman


Robert E. Levy
President & Chief Executive Officer

February 14, 2007

Interim Consolidated Profit and Loss account for quarter ended January 06,2007

	Quarter ended January 06,2007 \$000	Quarter ended January 07,2006 \$000	Nine periods to January 06,2007 \$000	Nine periods to January 07,2006 \$000
Turnover	2,762,498	2,440,155	7,488,093	6,695,113
Cost of Sales	(2,083,795)	(1,756,751)	(5,628,872)	(4,955,316)
Gross Profit	678,703	683,404	1,859,221	1,739,797
Other operating income	14,756	14,456	18,970	33,506
Interest Income	13,706	6,684	35,609	45,392
Distribution Costs	(89,909)	(84,570)	(263,301)	(229,068)
Administrative and other expenses	(392,542)	(388,666)	(1,154,147)	(1,115,307)
Operating Profit	224,714	231,308	496,352	474,320
Finance costs	(15,989)	(6,429)	(39,559)	(38,108)
Profit before taxation	208,725	224,879	456,793	436,212
Taxation	(47,662)	(49,106)	(111,252)	(95,681)
Net Profit attributable to stockholders	161,063	175,773	345,541	340,531
Earnings per Stock Unit-cents	13.43	14.66	28.81	28.39

Segment Reporting Information
Consolidated
Nine Periods ended January 06, 2007

	Poultry Operations	Feed & Farm Supplies	Fish Operations	Other	Eliminations	Group Total
	\$000	\$000	\$000	\$000	\$000	\$000
REVENUE						
External Sales	4,276,763	2,117,643	334,773	758,912	-	7,488,093
Inter-Segment Sales	28,350	168,078		496,411	- (692,839)	-
Total revenue	4,305,113	2,285,721	334,773	1,255,323	- (692,839)	7,488,093

RESULT						
Segment Result	542,994	265,140	(1,785)	58,823	0	865,172
Unallocated corporate expenses						(404,428)
Interest Income						35,609
Finance costs						(39,559)
Profit Before Taxation						456,793
Taxation						(111,251)
Profit from ordinary activities After Taxation						345,542

Balance sheet	Poultry Operations	Feed & Farm Supplies	Fish Operations	Other	Unallocated	Elimination:	Group Total
Segment Assets	4,563,012	1,054,662	562,367	990,568	3,775,915	(4,496,524)	6,450,000
Segment Liabilities	1,557,473	455,246	501,713	379,913	3,083,783	(4,124,735)	1,853,393

Segment Reporting Information
Consolidated
Nine Periods ended January 7,2006

	Poultry Operations	Feed & Farm Supplies	Fish Operations	Other	Eliminations	Group Total
	\$000	\$000	\$000	\$000	\$000	\$000
REVENUE						
External Sales	3,856,653	1,868,254	318,876	651,330	-	6,695,113
Inter-Segment Sales	17,932	160,786		266,187	- (444,905)	-
Total revenue	3,874,584	2,029,040	318,876	917,517	- (444,905)	6,695,113

RESULT						
Segment Result	618,702	247,348	(71,061)	8,741	-	803,730
Unallocated corporate expenses						(374,802)
Interest Income						45,392
Operating profit						<u>474,320</u>
Finance costs						(38,108)
Profit Before Taxation						<u>436,212</u>
Taxation						(95,681)
Profit from ordinary activities After Taxation						<u><u>340,531</u></u>

	Poultry Operations	Feed & Farm Supplies	Fish Operations	Other	Unallocated	Elimination	Group Total
Balance sheet							
Segment Assets*	4,024,285	768,996	535,914	1,716,053	3,311,654	(4,667,554)	5,689,347
Segment Liabilities*	1,294,617	340,293	459,518	467,998	2,622,958	(3,704,987)	1,480,398

*-Restated

Consolidated Balance Sheet (condensed) as at January 06, 2007

	January 06 2007 \$000	April 29 2006 \$000	January 07 2006 \$000
NET ASSETS EMPLOYED			
Fixed Assets	2,697,195	2,092,535	1,849,041
Intangible assets	88,608	99,641	3,186
Investment Property	-	-	2,453
Held to Maturity Investments	200,772	201,052	194,939
Available-for-sale investments	128,128	126,796	468,833
Deferred income tax	3,965	3,965	10,524
Pension plan asset	98,200	298,200	218,900
Current Assets	3,246,878	2,942,339	2,933,993
Current Liabilities	(1,794,453)	(1,423,319)	(1,479,023)
	<u>4,669,293</u>	<u>4,341,209</u>	<u>4,202,846</u>
FINANCED BY			
Share Capital	765,137	765,137	765,137
Capital Reserve	718,303	720,077	673,330
Retained Earnings	2,604,410	2,318,833	2,151,947
Shareholder's equity	<u>4,087,850</u>	<u>3,804,047</u>	<u>3,590,414</u>
Long Term Liabilities	155,057	140,202	222,275
Deferred Income taxes	418,886	389,460	383,057
Employee Benefit Obligations	7,500	7,500	7,100
	<u>4,669,293</u>	<u>4,341,209</u>	<u>4,202,846</u>

Consolidated Statement of Changes in Shareholders' Equity as at January 06, 2007

	Number of Shares 000's	Share Capital \$000	Capital Reserves * \$000	Retained Earnings * \$000	Total * \$000
Balance at April 30,2005	1,199,277	765,137	673,722	1,811,416	3,250,275
Unrealised losses on available for sale investments			(965)		(965)
Translation adjustment			573		573
Net profit for period				340,531	340,531
Balance at January 07, 2006	<u>1,199,277</u>	<u>765,137</u>	<u>673,330</u>	<u>2,151,947</u>	<u>3,590,414</u>
Balance at April 29,2006	1,199,277	765,137	720,077	2,318,833	3,804,047
Unrealised losses on available for sale investments			(1,774)		(1,774)
Dividend				(59,964)	(59,964)
Net profit for period				345,541	345,541
Balance at January 06, 2007	<u>1,199,277</u>	<u>765,137</u>	<u>718,303</u>	<u>2,604,410</u>	<u>4,087,850</u>

Consolidated Statement of Cash Flows (Condensed) for nine periods ended January 06, 2007

	January 06 2007 \$000	January 07 2006 \$000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Net Profit	345,541	340,531
Items not affecting cash resources	<u>311,110</u>	<u>147,520</u>
	656,651	488,051
Changes in non-cash working capital components	<u>(494,920)</u>	<u>123,746</u>
Cash provided by/(used in) operations	161,731	611,797
Cash provided by/(used in) financing activities	(62,600)	(206,317)
Cash (used in) provided by investing activities	<u>(505,750)</u>	<u>(75,140)</u>
Increase /(decrease) in net cash and cash equivalents	(406,619)	330,340
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>10,989</u></u>	<u><u>477,626</u></u>

Notes to the Interim Consolidated Financial Statements
Quarter ended January 06,2007

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 and held for trading investments

Segmental Financial Information

The group is organised into three primary business segments

- a) Poultry Operations - The rearing of poultry for fertile egg production and for sale, as well as processed broilers
- b) Feed and Farm Supplies- The manufacture and sale of animal feeds, and the retailing of agricultural items.
- c) Fish Operations - The grow out , processing and sale of fish

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

Agriculture

Current assets include biological assets with a carrying value of \$571.34 million at January 06, 2007 (\$ 508.1million at April 29,2006)
 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