

**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 29,2011, which have been prepared in accordance with International Financial Reporting Standards.

In this quarter we recorded quarterly profits attributable to shareholders amounting to \$362million, a \$35million or 11% increase when compared to the \$327million in the corresponding quarter last year.

The Group's turnover for this quarter was \$5.7billion, which when compared to the corresponding period last year showed a decrease of \$0.2billion or 4%.

Gross profits for the Group during this quarter amounted to \$1.3billion; an increase of 9% or \$100million when compared to the corresponding quarter last year.

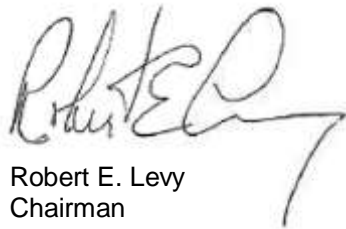
The ethanol operations segment has recorded-year to date- positive segment results of \$171million despite the high sugar prices which has reduced supply of cane alcohol in Brazil. Our tolling contracts continue to be in place and keep the ethanol segment in a positive position.

Distribution and administrative costs - quarter over quarter- reflect inflation increases along with due diligence and development costs related to the wider Caribbean markets including Haiti.

Financing costs were reduced quarter over quarter to \$101million – compared to \$110million in the corresponding quarter last year.

The profits attributed to stockholders of \$362million equate to earnings per share of 30.20cents for this third quarter, compared to \$327million or 27.27cents per share last year.

The staff, management and Board give thanks for the results achieved and continue to trust in God's guidance.



Robert E. Levy  
Chairman



Christopher Levy  
President & Chief Executive Officer

March 7, 2011

## Interim Group Statement of Comprehensive Income for quarter ended January 29,2011

	Quarter ended January 29,2011 \$000	Quarter ended January 30,2010 \$000	Nine months ended January 29,2011 \$000	Nine months ended January 30,2010 \$000
Turnover	5,722,922	5,960,348	15,516,507	17,258,683
Cost of Sales	(4,452,622)	(4,792,532)	(12,060,978)	(13,607,613)
Gross Profit	1,270,300	1,167,816	3,455,529	3,651,070
Other operating income	38,655	19,488	112,725	53,484
Distribution Costs	(146,908)	(135,181)	(447,181)	(403,135)
Administrative and other expenses	(635,669)	(564,287)	(1,878,656)	(1,680,624)
Operating Profit	526,378	487,836	1,242,417	1,620,795
Finance costs	(100,938)	(109,521)	(295,152)	(398,945)
Profit before taxation	425,440	378,315	947,265	1,221,850
Taxation	(63,244)	(51,227)	(192,292)	(152,869)
Net Profit after tax attributable to stockholders	362,196	327,088	754,973	1,068,981
Other comprehensive income / (loss)				
Currency translation differences on foreign subsidiaries	3,938	17,751	(83,545)	22,539
Fair value gains / (losses) on investments			1,489	(1,503)
Income tax on other comprehensive income				496
Total comprehensive income /(loss) for the period	366,134	344,839	672,917	1,090,513
Earnings per Stock Unit-cents	30.20	27.27	62.95	89.14

## Segment Reporting Information-Consolidated Nine Months ended January 29, 2011

	Best Dressed Foods Division \$000's	HIPRO-ACE Division \$000's	Ethanol Operations \$000's	Other \$000's		Eliminations \$000's	Group Total \$000's
<b>REVENUE</b>							
External Sales	8,602,081	5,066,585 <sup>▲</sup>	865,848 <sup>▲</sup>	981,992	-	-	15,516,507
Inter-Segment Sales	141,317	99,472 <sup>▲</sup>	-	1,639,460	-	(1,880,249)	-
<b>Total revenue</b>	<b>8,743,398</b>	<b>5,166,057</b>	<b>865,848</b>	<b>2,621,452</b>	<b>-</b>	<b>(1,880,249)</b>	<b>15,516,507</b>
<b>RESULT</b>							
Segment Result	882,772	603,413 <sup>▲</sup>	170,586 <sup>▲</sup>	282,266			1,939,037 <sup>▲</sup>
Corporate expenses							(696,621)
<b>Operating Profit</b>							<b>1,242,417</b>
Financing costs							(295,152)
<b>Profit before Taxation</b>							<b>947,264</b>
Taxation							(192,292)
<b>Net Profit</b>							<b>754,973</b>

## Balance Sheet

	Best Dressed Foods Division \$000's	HIPRO-ACE Division \$000's	Ethanol Operations \$000's	Other \$000's	Unallocated \$000's	Eliminations \$000's	Group Total \$000's
Segment assets	901,744	607,234 <sup>▲</sup>	3,968,696 <sup>▲</sup>	11,247,555	7,458,416	(9,647,977)	14,535,668
Segment liabilities			2,288,330	6,825,530	7,695,172	(9,757,956)	7,051,075

## Segment Reporting Information-Consolidated Nine Months ended January 30, 2010

	Best Dressed Foods Division \$000's	HIPRO-ACE Division \$000's	Ethanol Operations \$000's	Other \$000's		Eliminations Group Total \$000's	
<b>REVENUE</b>							
External Sales	7,942,252	5,043,505	3,281,817	991,110	-	-	17,258,683
Inter-Segment Sales	120,562	112,434	-	1,728,135	-	(1,961,131)	-
<b>Total revenue</b>	<b>8,062,814</b>	<b>5,155,939</b>	<b>3,281,817</b>	<b>2,719,245</b>	<b>-</b>	<b>(1,961,131)</b>	<b>17,258,683</b>
<b>RESULT</b>							
Segment Result	728,301	569,838	764,975	201,580			2,264,693
Corporate expenses							(643,898)
<b>Operating Profit</b>							<b>1,620,795</b>
Financing costs							(398,945)
<b>Profit before Taxation</b>							<b>1,221,850</b>
Taxation							(152,870)
<b>Net Profit</b>							<b>1,068,981</b>

**Balance Sheet**

	Best Dressed Foods Division \$000's	HIPRO-ACE Division \$000's	Ethanol Operations \$000's	Other \$000's	Unallocated \$000's	Eliminations \$000's	Group Total \$000's
Segment assets	674,295	499,072	4,135,027	8,918,034	6,376,730	(7,790,812)	12,812,346
Segment liabilities			2,795,407	5,724,684	5,379,895	(7,879,923)	6,020,062

**Group Statement of Financial Position as at January 29, 2011**

	<b>January 29 2011 \$'000</b>	<b>May 01 2010 \$'000 (Audited)</b>	<b>January 30 2010 \$'000</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	6,706,461	6,414,590	6,486,157
Intangible assets	59,168	70,729	71,586
Investments	133,725	123,607	104,944
Deferred income tax	30,180	30,180	12,983
Post-employment benefit assets	206,200	206,200	157,400
	<u>7,135,734</u>	<u>6,845,306</u>	<u>6,833,070</u>
<b>Current Assets</b>			
Inventories	2,573,094	2,617,645	2,312,291
Biological assets	850,671	885,999	885,268
Receivables & Prepayments	1,757,911	1,285,190	1,357,271
Taxation recoverable		5,494	
Financial assets at fair value through profit or loss	942,338	-	715
Cash and short term investments	1,275,920	1,282,938	1,424,919
	<u>7,399,934</u>	<u>6,077,266</u>	<u>5,980,464</u>
<b>Current Liabilities</b>			
Payables	2,076,144	1,480,602	1,672,815
Taxation payable	211,415	132,380	160,666
Bank overdraft	154,249	370,777	55,010
Borrowings	2,377,544	1,872,417	1,665,060
	<u>4,819,352</u>	<u>3,856,176</u>	<u>3,553,551</u>
<b>Net Current Assets</b>	<u>2,580,582</u>	<u>2,221,090</u>	<u>2,426,913</u>
	<u>9,716,316</u>	<u>9,066,396</u>	<u>9,259,983</u>
<b>Stockholders' Equity</b>			
Share Capital	765,137	765,137	765,137
Capital Reserve	989,885	1,071,941	934,696
Retained Earnings	5,729,570	5,046,553	5,092,355
	<u>7,484,592</u>	<u>6,883,631</u>	<u>6,792,188</u>
<b>Non-Current Liabilities</b>			
Borrowings	1,765,974	1,717,023	2,143,401
Deferred income taxes	456,550	456,542	316,294
Employee Benefit Obligations	9,200	9,200	8,100
	<u>9,716,316</u>	<u>9,066,396</u>	<u>9,259,983</u>

**Consolidated Statement of Changes in Stockholders' Equity as at January 29, 2011**

	Number of Shares 000's	Share Capital \$000	Capital Reserves \$000	Retained Earnings \$000	Total \$000
Balance at May 03, 2009	1,199,277	765,137	1,058,967	3,973,607	5,797,711
Total comprehensive income for period			21,532	1,068,981	1,090,513
Dividend				(95,942)	(95,942)
Balance at January 30, 2010	<u>1,199,277</u>	<u>765,137</u>	<u>1,080,499</u>	<u>4,946,646</u>	<u>6,792,282</u>
Balance at May 02, 2010	1,199,277	765,137	1,071,941	5,046,553	6,883,631
Total comprehensive income for period			(82,056)	754,973	672,917
Dividend				(71,956)	(71,956)
Balance at January 29, 2011	<u>1,199,277</u>	<u>765,137</u>	<u>989,885</u>	<u>5,729,570</u>	<u>7,484,592</u>

**Consolidated Statement of Cash Flows (Condensed) for nine months ended January 29, 2011**

	January 29 2011 \$000	January 30* 2010 \$000
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>		
Operating Activities		
Net Profit	754,973	1,068,981
Items not affecting cash resources	<u>355,800</u>	<u>396,400</u>
	1,110,773	1,465,381
Changes in non-cash working capital components	<u>291,100</u>	<u>1,167,200</u>
Cash provided by/(used in) operations	1,401,873	2,632,581
Cash provided by/(used in) financing activities	625,839	(605,877)
Cash (used in) provided by investing activities	<u>(1,750,800)</u>	<u>(162,200)</u>
Increase /(decrease) in net cash and cash equivalents	276,912	1,864,504
Effects of changes in exchange rates	4,500	11,000
Net cash and cash equivalents at beginning of year	<u>912,161</u>	<u>(505,595)</u>
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>1,193,573</u></u>	<u><u>1,369,909</u></u>

**\*-Restated**

## Notes to the Interim Consolidated Financial Statements

### Accounting Periods

The company's financial year consists of 12 accounting periods ending on the Saturday closest to the calendar month end.

The accounting year ends on the Saturday closest to April 30.

### Basis of preparation

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.

These financial statements are presented in Jamaican dollars unless otherwise indicated.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended May 1, 2010.

### Segment reporting

Management has determined the operating segments based on the reports reviewed by the President and Chief Executive Officer which are used to make strategic decisions.

The business is considered mainly from a product perspective. Geographically the poultry operations are located in Jamaica and the United States.

Prior to May 2, 2010 reportable segments were reported mainly on a product grouped basis. The Group was then organized 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 included the sale of feed ingredients; cattle rearing; processing and sale of beef products; grow out and sale of fish; and co-generation energy supply.

Effective May 2, 2010 segments are based on profit centers and the segment information is now provided for reportable segments as follows:

- **Best Dressed Foods Division** - Sale of processed poultry and other products.
- **HIPRO-ACE Division** - Sale of manufactured feeds, baby chicks, layer pullets and other farm & household supplies.
- **Ethanol Operations** - The processing and sale of fuel grade ethanol.

Other operations of the Group include the export sale of farm supplies, cattle rearing, processing of beef and other products, growing of poultry for broiler processing and fertile egg production, growing of layer pullets, grow out and sale of live fish and co-generation energy supply.

The accumulated segment results represent operating profits less corporate expenses.

The segment report for the previous year has been restated accordingly.



**Notes to the Interim Consolidated Financial Statements (cont'd)**

Effective May 2, 2010 the Group adopted the amendment to IFRS8, whereby segment assets and liabilities are measured based on information provided to the Chief Operating Decision Maker-the President and Chief Executive Officer as follows:-

- **Best Dressed Foods Division** – Assets: Inventories and receivables.
- **HIPRO-ACE Division** - Assets: Inventories and receivables.
- **Ethanol Operations** - Assets and Liabilities as shown on Balance Sheet of JB Ethanol Ltd subsidiary.
- **Unallocated** - Primarily assets and liabilities related to corporate and treasury functions.
- **Other** – Assets and liabilities not identified above.

The segment assets and liabilities for the previous year have been restated accordingly.

**Agriculture**

Current assets include biological assets with a carrying value of \$850.7million at January 29, 2011 (\$886.00 million at May 01, 2010).

Biological assets include poultry breeder flocks, hatching eggs, baby chicks, chicken being grown out, cattle, fish and started pullets (layers).

These assets are carried at cost as no reliable measure for determining fair value has been identified