

**Jamaica Broilers Group Ltd**  
**Report on 4<sup>th</sup> Quarter and Year ended April 29, 2006**

**Commentary on un-audited results**

The Directors of Jamaica Broilers Group Ltd are pleased to release the un-audited financial results for the quarter and year ended April 29, 2006 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 10 % to \$3.2 billion. Gross profits for the quarter were flat in nominal terms when compared to last year. The year's turnover increased by 8% to \$9.9 billion and gross profits increased by 10% to \$2.5 billion.

The operating profit for the quarter amounted to \$246 million compared to \$341 million last year, which included the final adjustment to the business interruption claim of \$87 million in respect of Hurricane Ivan which impacted the operations in quarters 2 and 3 of that year. The operating profits for the year amounted to \$720 million compared to \$874 for 2005, which included the business interruption claim of \$211 million.

Profits after tax attributable to stockholders for the quarter amounted to \$149 million compared to \$249 million, which included the co-generation lawsuit net settlement proceeds of \$86 million, last year. This equates to earnings per stock unit of 12.41 cents compared to 20.78 cents in 2005.

Against this background, the profit after tax attributable to the stockholders for the year of \$489 million reflects a reduction from the \$722 million of the previous year. Profits for 2005 were increased by the settlement re the co-generation lawsuit and gain on sale of investment property totaling approximately \$200 million.

The 4<sup>th</sup> quarter and full year results have been negatively impacted by market conditions and the 2 hurricanes that affected our operations in the first two quarters.

The segment results for the thirteen periods reflect a positive result for the Poultry operations. Feed and Farm Supplies show a decline of 12%, which was related to the effect of 2 hurricanes experienced in the early part of the year. The fish operations showed losses of \$126 million, consequently the decision has been taken by management to cease the production and sale of certain unprofitable products to fast food operators. We incurred a loss of \$13 million in the "Other" segment mainly due to the closure of the Freezone operated West Indies Nutritional Corporation Ltd and transfer of the assets and business operations to Best Dressed Feed Mill. However, the transfer of business operations has led to improved efficiencies in the Poultry and Feed Farm segments.

In March 2005 we advised that a settlement had been reached in the lawsuit brought by Jamaica Broilers Group Ltd against the majority partner of EAL/ERI Cogeneration Partners LP, and its parent company. In this quarter we booked the assets arising from the settlement at a value of approximately US\$15 million (J\$980 million equivalent). Shareholder's equity has increased by approximately \$760 million due to related fair value adjustments.

The staff, management and Board remain committed, under God's guidance, to maintaining and further improving shareholder value in the coming year.



Hon. R. Danvers Williams  
Chairman



Robert E. Levy  
President & Chief Executive Officer

June 14, 2006

## Interim Consolidated Profit and Loss account for quarter ended April 29,2006

	Quarter ended April 29, 2006	Quarter ended April 30, 2005*	Thirteen periods to April 29, 2006	Thirteen periods to April 30, 2005* (Audited)
	\$000	\$000	\$000	\$000
Turnover	3,218,283	2,915,674	9,913,396	9,146,538
Cost of Sales	(2,446,374)	(2,143,870)	(7,401,690)	(6,871,281)
Gross Profit	771,909	771,804	2,511,706	2,275,257
Business Interruption Claim Proceeds	-	86,821		210,925
Other operating income	(683)	(9,713)	32,823	25,244
Interest Income	22,805	39,634	68,197	86,737
Distribution Costs	(92,811)	(80,470)	(321,879)	(239,055)
Administrative and other expenses	(455,064)	(466,733)	(1,570,371)	(1,484,197)
Operating Profit	246,156	341,343	720,476	874,911
Finance costs	(13,709)	(29,143)	(51,817)	(88,489)
Settlement re Co-Generating Plant lawsuit-net	-	86,112		86,112
Gain on disposal of investment property	-	(3,845)		110,899
Profit before taxation	232,447	394,467	668,659	983,433
Taxation	(83,669)	(145,212)	(179,350)	(261,521)
Net Profit attributable to stockholders of Holding Company	148,778	249,255	489,309	721,912
Earnings per Stock Unit-cents	12.41	20.78	40.80	60.20

\* Restated to conform to audited statements

## Segment Reporting Information Consolidated-Thirteen periods ended April 29,2006

	Poultry Operations \$000	Feed & Farm Supplies \$000	Fish Operations \$000	Other \$000		Eliminations \$000	Group Total \$000
<b>REVENUE</b>							
External Sales	5,569,673	2,818,670	519,621	1,005,431		-	9,913,396
Inter-Segment Sales	28,468	296,526		372,797	-	(697,791)	-
<b>Total revenue</b>	<b>5,598,141</b>	<b>3,115,196</b>	<b>519,621</b>	<b>1,378,228</b>	<b>-</b>	<b>(697,791)</b>	<b>9,913,396</b>

<b>RESULT</b>							
Segment Result	868,964	399,357	(126,880)	(13,044)			1,128,397
Unallocated corporate expenses							(476,118)
Interest Income							68,197
Finance costs							(51,817)
<b>Profit Before Taxation</b>							<b>668,659</b>
Taxation							(179,350)
<b>Profit from ordinary activities After Taxation</b>							<b>489,309</b>

	Poultry Operations	Feed & Farm Supplies	Fish Operations	Other	Unallocated	Eliminations	Group Total
<b>Balance sheet</b>							
Segment Assets	3,351,921	829,929	458,201	2,423,758	1,794,443	(2,460,225)	6,398,027
Segment Liabilities	925,704	332,540	427,965	462,817	1,419,080	(2,092,369)	1,475,738

**Segment Reporting Information Consolidated - Thirteen periods ended April 30,2005\***  
**(Audited)**

	<b>Poultry Operations</b>	<b>Feed &amp; Farm Supplies</b>	<b>Fish Operations</b>	<b>Other</b>		<b>Eliminations</b>	<b>Group Total</b>
	\$000	\$000	\$000	\$000		\$000	\$000
<b>REVENUE</b>							
External Sales	5,155,253	2,696,313	347,117	947,855		-	9,146,538
Inter-Segment Sales	27,774	345,960		813,179	-	(1,186,913)	-
<b>Total revenue</b>	<b>5,183,027</b>	<b>3,042,273</b>	<b>347,117</b>	<b>1,761,034</b>	<b>-</b>	<b>(1,186,913)</b>	<b>9,146,538</b>

<b>RESULT</b>							
Segment Result	580,214	455,674	(58,961)	114,329			1,091,256
Business interruption insurance proceeds							210,925
Unallocated corporate expenses							(514,007)
Interest income							86,737
<b>Operating profit</b>							<b>874,911</b>
Finance costs (net)							(88,489)
Settlement re Co - Generating Plant lawsuit-net							86,112
Gain on disposal of investment property							110,899
<b>Profit Before Taxation</b>							<b>983,433</b>
Taxation							(261,521)
<b>Profit from ordinary activities After Taxation</b>							<b>721,912</b>

<b>Balance sheet</b>	<b>Poultry Operations</b>	<b>Feed &amp; Farm Supplies</b>	<b>Fish Operations</b>	<b>Other</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Group Total</b>
Segment assets	3,441,306	664,514	400,260	1,483,775	2,539,424	(2,590,148)	5,839,131
Segment Liabilities	1,764,589	373,551	421,485	655,571	2,010,917	(2,637,257)	1,986,797

\* Restated to conform to audited statements

**Consolidated Balance Sheet (condensed) as at April 29, 2006**

	<b>April 29 2006</b>	<b>30-Apr 2005 (Audited)</b>
<b>NET ASSETS EMPLOYED</b>		
Fixed Assets	2,682,806	1,744,883
Intangible assets-Computer Software	93,142	92,869
Investment Property		2,453
Held to Maturity Investments	197,282	412,960
Available-for-sale investments	155,889	340,746
Held -for-trading investments	67,885	
Deferred tax asset	10,524	10,524
Pension Fund Surplus	298,200	218,900
Current Assets	2,902,823	3,015,796
Current Liabilities	(1,465,955)	(1,963,076)
	<u>4,942,596</u>	<u>3,876,055</u>
<b>FINANCED BY</b>		
Share Capital	599,638	599,638
Capital Reserve	1,599,668	839,221
Retained Earnings	<u>2,162,808</u>	<u>1,811,416</u>
Shareholders' equity	4,362,114	3,250,275
Minority Interest		5,145
Long Term Liabilities	139,014	230,476
Deferred Tax Liabilities	433,968	383,059
Employee Benefit Obligations	7,500	7,100
	<u>4,942,596</u>	<u>3,876,055</u>

## Consolidated Statement of Changes in Shareholders' Equity as at April 29, 2006

	Attributable to equity holders of the parent						
	Number of Shares 000's	Share Capital \$000	Capital Reserves \$000	Retained Earnings \$000	Total \$000	Minority Interest \$000	Total Equity \$000
Balance at May 01,2004	1,199,277	599,638	858,631	1,189,932	2,648,201	5,145	2,653,346
Unrealised gains on available -for-sale securities			784		784		784
Translation Gain			17,295		17,295		17,295
Realised gains on disposal of investment property			(37,489)	37,489	-		-
Net profit for period				721,912	721,912		721,912
Dividends relating to 2005				(137,917)	(137,917)		(137,917)
Balance at April 30,2005	<u>1,199,277</u>	<u>599,638</u>	<u>839,221</u>	<u>1,811,416</u>	<u>3,250,275</u>	<u>5,145</u>	<u>3,255,420</u>
Balance at April 30,2005	1,199,277	599,638	839,221	1,811,416	3,250,275	5,145	3,255,420
Capital distribution to Minority Interest						(5,145)	(5,145)
Unrealised gain/(loss) on available -for-sale securities			760,447		760,447		760,447
Net profit for period				489,309	489,309		489,309
Dividends relating to 2006				(137,917)	(137,917)		(137,917)
Balance at April 29, 2006	<u>1,199,278</u>	<u>599,638</u>	<u>1,599,668</u>	<u>2,162,808</u>	<u>4,362,114</u>	<u>-</u>	<u>4,362,114</u>

**Consolidated Statement of Cash Flows (Condensed) for thirteen periods ended April 29, 2006**

	<b>April 29 2006 \$000</b>	<b>April 30 2005 \$000 (Audited)</b>
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>		
Operating Activities		
Net Profit	489,309	721,912
Items not affecting cash resources	207,930	97,405
	<u>697,239</u>	<u>819,317</u>
Changes in non-cash working capital components	(70,801)	(414,850)
Cash provided by/(used in) operations	<u>626,438</u>	<u>404,467</u>
Cash provided by/(Used in) financing activities	(321,796)	(174,660)
Cash (used in) provided by investing activities	<u>(31,270)</u>	<u>(252,140)</u>
Increase /(decrease) in net cash and cash equivalents	273,372	(22,333)
Net cash and cash equivalents at beginning of year	<u>147,826</u>	<u>170,159</u>
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>421,198</u></u>	<u><u>147,826</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 three main business segments

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

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 \$518.5 million at April 29, 2006 ( \$ 477.7 million at April 30,2005)

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