

Jamaica Producers Group Limited

Summary of Audited Financial Statements

for the year ended December 31, 2001

2001 was a very difficult year for your Group. We recorded a net loss (offer extraordinary items) of \$381.16 million on sales of \$12.85 billion. In April after years of uncertainty, the European Union announced a new banana regime to resolve the World Trade Organisation (WTO) dispute with the United States and Ecuador. We have taken the necessary action to position the Group for the future, implementing several difficult decisions that resulted in extraordinary costs of \$421.61 million.

As we face the challenges of globalization, we must strengthen our focus on businesses in which we have a competitive advantage. Our strategic plan requires the Group to: (a) broaden and deepen our investments in chilled juices, drinks and foods; (b) continue to build a major globally competitive procurer, distributor and processor of fresh produce in the United Kingdom; (c) increase our sales in Jamaica of ripe bananas, snack foods and other fresh produce; and (d) continue to create shareholder value through the management of our investment portfolio.

Financial highlights of 2001 include:

- . Profit before taxation and extraordinary items of \$277.61 million, up 89.2% from \$146.74 million the previous year.
- . Profit before extraordinary items of \$40.45 million, down 52.4% from the previous year, The decline was primarily due to under-performing businesses in Jamaica. The losses from these businesses cannot be used to offset the tax on profits made elsewhere. This has resulted in

a very high effective tax rate.

- . Extraordinary costs of \$421.61 million, resulting in the net loss of \$381.16 million. The extraordinary costs comprised non-recurring restructuring and closure costs in various business units and the write down of assets and other provisions in our banana growing business.
- . A strong balance sheet at year-end, with shareholders' equity of \$2.44 billion, long term debt of only \$151.61 million and net cash of \$652.58 million (including short term investments and securities purchased under resale agreements).

The difficult decisions made at the end of 2001 will result in a leaner Group focused on ensuring profitability and growth. The settlement of the banana regime is far from ideal but it allows us to plan with greater certainty.

The future prospects for your Group will relate to our ability to face globalization squarely. The strong performance of our UK operations in 2001 demonstrates that we are on the right path. The success of our Jamaican operations will hinge on the competitiveness and viability of our forms and a continued push for superior quality in all related businesses. I am confident that our restructuring will mean for the Group a successful 2002 and beyond.

GROUP PROFIT AND LOSS ACCOUNT

	<u>2001</u> \$'000	<u>2000</u> \$'000
Gross operating revenue	12,846,012 =====	11,091,475 =====

Profit before taxation and extraordinary items	277,606	146,741
Taxation	<u>(199,050)</u>	<u>(55,170)</u>
Profit after taxation and before extraordinary items	78,556	91,571
Minority interests	<u>(38,102)</u>	<u>(6,576)</u>
Profit attributable to the group before extraordinary items	40,454	84,995
Extraordinary items	<u>(421,610)</u>	<u>(4,888)</u>
(Loss)/Profit for the year attributable to the group	<u>(381,156)</u>	<u>80,107</u>
	=====	=====
Earnings per ordinary stock unit	-	
Before extraordinary items	21.63c	45.45c
	=====	=====
After extraordinary items	(203.80c)	42.83c
	=====	=====
Dividends	70,365	69,600
	=====	=====
Average exchange rates		
US\$1 to J\$	45.91	43.17
UK£1 to J\$	65.67	62.07

GROUP BALANCE SHEET

	<u>2001</u>	<u>2000</u>
	\$'000	\$'000
Fixed assets and investments	2,264,904	2,699,432
Working capital	643,969	921,318
Long term loans	(151,614)	(113,724)
Deferred income and taxation	(97,347)	(99,488)
Minority interests	<u>(219,400)</u>	<u>(537,356)</u>

Group shareholders' equity	2,440,512 =====	2,870,182 =====
Capital	18,702	18,702
Reserves	<u>2,421,610</u> 2,440,512 =====	<u>2,851,480</u> 2,870,182 =====
Stocks units eligible for dividends	187,024,006 =====	187,024,006 =====
Stockholders' funds per stock unit	\$13.05 =====	\$15.35 =====
Buying exchange rates at December 31:		
US\$1 to J\$	47.17	45.30
UK£1 to J\$	66.76	65.43
