

Jamaica Broilers Group Limited

Quarter ended 20 July 2002

Commentary on the Un-audited 1st Quarter Results

The Directors of Jamaica Broilers Group are pleased to release the un-audited financial statements for the quarter ended 20 July 2002. The Group's turnover increased by 3% to \$1.4 billion and gross profit increased by a similar 3%. Although gross profits increased, they were adversely impacted by the June flood rains and increased grain prices on the world market. Distribution costs for the quarter are above last year due to the restructuring of our cold storage management, which is now the responsibility of our marketing division. Administrative expenses have increased by 5%, in line with inflation. Other expenses/income declined by \$11 million over last year, due mainly to profits on sale of assets of \$3 million this quarter as against \$18 million the previous quarter. The exceptional item of \$100 million represents a refund from the company's Superannuation Scheme. As a result of the above, earning per stock unit has increased from 8.46 cents to 15.19 cent per share.

The quarter under review was a challenging one due mainly to the impact of the June floods and increased grain prices. The staff, management and Board continue to strive to achieve international competitiveness and increased shareholder value and look forward under God's guidance, to improved results for the remainder of the coming year.

Hon. R. Danvers Williams

Robert E. Levy

Chairman

Director

GROUP PROFIT AND LOSS ACCOUNT

	Note	Quarter ended 20 July 2002 \$'000	Quarter ended 21 July 2001 \$'000
Turnover		1,409,401	1,364,307
Cost of Sales	1	<u>(1,049,361)</u>	<u>(1,013,398)</u>
Gross Profit		360,040	350,909
Distribution costs	1	(61,437)	(50,323)
Administrative expenses		(220,443)	(209,342)
Other expenses/income		(19,466)	(8,163)
Exceptional items	2	<u>100,060</u>	<u>0</u>
Profit before taxation		158,294	83,081
Taxation		<u>(28,477)</u>	<u>(8,953)</u>
Net Profit After Tax		129,817	74,128
Minority Interest		<u>325</u>	<u>(1,696)</u>
Net Profit Attributable to Stockholders of Holding Company		<u>130,142</u>	<u>72,432</u>
Earnings Per Stock Unit		<u>15.19 Cents</u>	<u>8.46 Cents</u>

Notes

- (1) Cost of Sales and Distribution cost for the quarter ended 21 July 2001 has been restated for comparative purposes. As a part of our restructuring exercise last financial year, our marketing division is responsible for cold room operations (reported in distribution cost), which was previously reported in cost of sales.
- (2) Exceptional Item
The Exceptional item of \$100,000,000 represents a return of surplus from the company's Superannuation Scheme.
- (3) Accounting Periods
The Company's financial year consists of 13 four-week Periods. The quarterly Profit and 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.
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Group Balance Sheet 20 July 2002

	Note	20 July 2002 \$'000	27 April 2002 \$'000
NET ASSETS EMPLOYED			
Fixed Assets		1,639,800	1,686,219
Investments		216,979	204,714
Deferred Expenditure		17,500	17,852
Current Assets		1,925,100	1,908,199
Current Liabilities		<u>1,024,281</u>	<u>1,152,221</u>
		<u>2,775,098</u>	<u>2,664,763</u>
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FINANCED BY			

Share Capital	428,313	428,313
Capital Reserve	910,166	910,166
Retained Earnings	900,819	770,677
	<u>2,239,298</u>	<u>2,109,156</u>
Long Term Liabilities	535,800	555,607
	<u>2,775,098</u>	<u>2,664,763</u>
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Group Statement of Changes in Equity

Quarter ended 20 July 2002

	Note	Number of Shares \$'000	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 28 April 2001		642,470	321,235	875,453	599,709	1,796,397
Net profit					72,432	72,432
Balance at 21 July 2001		642,470	321,235	875,453	672,141	1,868,829
		=====	=====	=====	=====	=====
Balance at 27 April 2002		856,626	428,313	910,166	770,677	2,109,156
Net profit					130,142	130,142
Balance at 20 July 2002		856,626	428,313	910,166	900,819	2,239,298
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Group Statement of Cash Flows

Quarter ended 20 July 2002

	Note	20 July 2002 \$'000	21 July 2001 \$'000
CASH RESOURCES WERE PROVIDED BY/(USED IN):			
Operating Activities			
Net Profit		130,142	72,432
Items not affecting cash resources		<u>37,090</u>	<u>56,008</u>
		167,232	128,440
Changes in non-cash working capital components		<u>(167,750)</u>	<u>(139,550)</u>
Cash provided by/(used in) operations		<u>(518)</u>	<u>(11,110)</u>
Cash provided by/(used In) financing activities		(22,370)	147,250
Cash (used In) provided by Investing activities		<u>(27,890)</u>	<u>(117,790)</u>
Increase(decrease) in net cash and cash equivalents		50,778	18,350
Net cash and cash equivalents at beginning of year		<u>184,740</u>	<u>24,170</u>
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>133,962</u>	<u>42,520</u>
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