



JAMAICA PRODUCERS GROUP LIMITED

AND SUBSIDIARY AND ASSOCIATED COMPANIES

Page 1

UNAUDITED GROUP RESULTS 24 WEEKS ENDED JUNE 18, 2005

CHAIRMAN'S STATEMENT

Jamaica Producers Group recorded a net profit of \$82.5 million on revenue of \$12.01 billion for the 24 weeks ended June 18, 2005 ("First Half"). Revenue increased 20.2%, however net profit declined 56.6% from the comparable period last year. The profit decline is primarily due to Banana Division losses in the First Quarter, and the impact of the previously disclosed product-tampering incident at Sunjuice in the Second Quarter. Despite this, the Group returned to profitability in the Second Quarter following a First Quarter loss.

Fresh & Processed Foods Division

The Fresh & Processed Foods Division earned a pre-tax profit of \$144.8 million on revenue of \$7.38 billion in the First Half. Revenue increased 26.4% from the comparable period in 2004, however pre-tax profit declined 45.4% (\$120.3 million) due to the adverse impact of the Sunjuice product-tampering incident. The total cost of the incident is estimated at \$158.6 million - i.e., \$124.7 million of direct costs included in the financial statements, and \$33.9 million of lost margin due to a temporary reduction in sales volume. As part of our response to the incident, we increased the level of quality assurance to protect our reputation for operational excellence, health and safety. Sunjuice is firmly back on track. We retain the business of all our customers and our expansion continues.

Our UK fresh produce business (other than bananas) performed very well in the First Half, achieving a substantial year-over-year increase in profit. Our Jamaican snack food business had a loss in the First Half, due to the impact of Hurricane Ivan on raw material availability for several months.

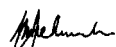
Banana Division

The Banana Division recorded a pre-tax loss of \$62.8 million in the First Half, compared with a pre-tax profit of \$22.4 million a year ago. Revenue increased 11.9% to \$4.57 billion. The division was profitable in the Second Quarter, following a substantial loss in the First Quarter. The turnaround was due to an improvement in market conditions in the United Kingdom and the resumption of banana exports from Jamaica after Hurricane Ivan. The European Commission recently launched an investigation into the possibility of anti-competitive trading practices in the banana and pineapple industries in the EU. EC investigators visited JP Fruit Distributors, which has provided the required information.

Subsequent to the First Half, our banana farms in Jamaica experienced crop losses due to Hurricanes Dennis and Emily. Export shipments will be reduced by approximately 35% for the remainder of the year. We will increase procurement from our other sources to replace these losses and meet customer requirements.

Corporate

The Corporate segment generated a pre-tax profit of \$23.0 million in the First Half, up from \$12.2 million a year ago. This segment comprises interest and investment income, net of the cost of corporate functions not directly charged to the business units.


C. B. Johnston — Chairman

GROUP BALANCE SHEET AS AT JUNE 18, 2005

	Unaudited as at June 18, 2005	Unaudited as at June 12, 2004	Audited as at December 31, 2004
	\$ 000	\$ 000	\$ 000
Current Assets			
Cash and short term investments	2,091,907	2,158,479	2,925,307
Accounts receivable	3,809,292	3,076,402	2,638,371
Taxation recoverable	115,752	93,303	103,244
Inventories	775,575	576,291	662,379
	<u>6,792,526</u>	<u>5,904,475</u>	<u>6,329,301</u>
Current Liabilities			
Bank overdrafts and demand loans	(51,701)	(181,285)	(73,666)
Taxation	(25,568)	(96,380)	(89,711)
Accounts payable and other liabilities	(3,819,744)	(3,368,535)	(3,249,262)
	<u>(3,897,013)</u>	<u>(3,646,200)</u>	<u>(3,412,639)</u>
Working Capital	2,895,513	2,258,275	2,916,662
Biological Assets – Banana Plants	15,049	27,432	24,456
Interests in Associated Companies	34,670	75,452	34,519
Investments	4,678,404	3,998,975	4,769,423
Goodwill	335,036	277,894	341,814
Employee Benefit Asset	-	119,255	-
Deferred Tax Assets	144,601	139,740	143,628
Property, Plant and Equipment	2,341,255	2,182,605	2,330,369
	<u>10,444,528</u>	<u>9,079,628</u>	<u>10,560,871</u>
Minority Interests	(529,106)	(465,724)	(544,583)
Long-term Loans	(402,035)	(241,002)	(207,338)
Employee Benefit Obligation	(362,712)	(299,994)	(352,834)
Deferred Tax Liabilities	(150,987)	(160,107)	(164,047)
Deferred Income	(64,044)	(39,773)	(130,186)
	<u>8,935,644</u>	<u>7,873,028</u>	<u>9,161,883</u>
STOCKHOLDERS' EQUITY			
Share Capital	18,702	18,702	18,702
Reserves	8,916,942	7,854,326	9,143,181
	<u>8,935,644</u>	<u>7,873,028</u>	<u>9,161,883</u>
Stockholders' funds per ordinary stock unit (see note 4)	\$47.78	\$42.10	\$48.99

• Restated to conform with current year presentation

NOTES:

1. Basis of Presentation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB), as well as interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and practice statements issued by the Institute of Chartered Accountants of Jamaica, and comply with the provisions of the Companies Act.

Where necessary, the previous year's comparative figures have been reclassified or restated to conform with those of the current quarter.

GROUP PROFIT AND LOSS ACCOUNT 24 WEEKS ENDED JUNE 18, 2005

	Notes	Unaudited 12 weeks ended June 18, 2005	Unaudited 12 weeks ended June 12, 2004	Unaudited 24 weeks ended June 18, 2005	Unaudited 24 weeks ended June 12, 2004
		\$ 000	\$ 000	\$ 000	\$ 000
Gross operating revenue	3	6,521,482	5,040,863	12,009,119	9,991,320
Cost of operating revenue		(5,584,698)	(4,076,152)	(10,436,101)	(8,285,293)
Gross profit		936,784	964,711	1,573,018	1,706,027
Selling and distribution costs		(420,260)	(369,912)	(849,143)	(703,947)
Administrative and other operating expenses		(446,296)	(354,077)	(875,432)	(742,231)
Profit/(Loss) from operations		70,228	240,722	(151,557)	259,849
Share of profit in associated companies		-	1,389	-	2,604
Finance cost		(4,204)	(6,182)	(9,050)	(11,432)
Net gain/(loss) from fluctuations in exchange rates		2,702	(84)	(3,481)	10,688
Gains on disposal of fixed assets and investments		771	176	41,696	24,529
Other income		105,515	6,724	227,384	13,416
Profit before taxation and minority interests		175,012	242,745	104,992	299,654
Taxation		(35,303)	(69,898)	(7,059)	(86,654)
Profit after taxation and before minority interests		139,709	172,847	97,933	213,000
Minority interests		(49,195)	(34,843)	(15,440)	(22,982)
Profit for the period attributable to the group		90,514	138,004	82,493	190,018
Earnings per ordinary stock unit, cents	4	48.40	73.79	44.11	101.60

NOTES (cont'd)

2. Group's Operations

Cost of operating revenue includes an abnormal amount of \$124.7 million that relates to a product-tampering incident during the second quarter. The amount excludes an estimate of \$33.9 million for lost margin due to lost sales but includes the cost of product recall and short-term increased cost of modified production systems. There were no other significant changes to the Group's operations for the period under review.

3. Gross Operating Revenue

Gross operating revenue comprises the Group's sales of goods and services, commissions earned on consignment sales net of returns, UK Value Added Tax, General Consumption Tax and investment income.

4. Earnings per stock unit and stockholders' funds per stock unit

Earnings per stock unit and stockholders' funds per stock unit are calculated by dividing profit attributable to the group and group stockholders' funds, respectively, by 187,024,006 stock units of 10 cents each.

5. Main Activities

The main activities of the Group during the period consisted of the cultivation, marketing and distribution of bananas and other fresh produce locally and overseas, juice manufacturing and distribution, shipping and the holding of investments.



JAMAICA PRODUCERS GROUP LIMITED

AND SUBSIDIARY AND ASSOCIATED COMPANIES

Page 2

UNAUDITED GROUP RESULTS 24 WEEKS ENDED JUNE 18, 2005

GROUP STATEMENT OF CHANGES IN EQUITY 24 WEEKS ENDED JUNE 18, 2005

	Share Capital \$ 000	Share Premium \$ 000	Capital Reserves \$ 000	Fair Value Reserve \$ 000	Retained Profits \$ 000	Total \$ 000
Balances at December 31, 2003	18,702	135,087	2,430,372	1,624,127	2,242,818	6,451,106
Exchange gains not recognised in the group profit and loss account	-	-	55,353	-	-	55,353 *
Profit for the period attributable to the group	-	-	-	-	190,018	190,018 *
Investment revaluation gains	-	-	-	1,363,575	-	1,363,575 *
Distribution to stockholders	-	-	-	-	(187,024)	(187,024) *
Balances at June 12, 2004	18,702	135,087	2,485,725	2,987,702	2,245,812	7,873,028
Balances at December 31, 2004	18,702	135,087	2,658,139	3,893,587	2,456,368	9,161,883
Exchange losses not recognised in the group profit and loss account	-	-	(113,484)	-	-	(113,484) *
Profit for the period attributable to the group	-	-	-	-	82,493	82,493 *
Investment revaluation losses	-	-	-	(111,124)	-	(111,124) *
Realised investment revaluation gains transferred to the group profit and loss account	-	-	-	(37,368)	-	(37,368) *
Distribution to stockholders	-	-	-	-	(46,756)	(46,756) *
Balances at June 18, 2005	18,702	135,087	2,544,655	3,745,095	2,492,105	8,935,644

* Total recognised losses attributable to parent company stockholders - \$179,483,000 (2004 gains - \$1,608,946,000)
* Restated to conform with current year presentation

NOTES (cont'd)

6. Accounting Policies

The following accounting policies have been reflected in these financial statements in compliance with IFRS:

a. Employee Benefits

The group participates in two defined benefit pension plans. Pension costs are assessed using the projected unit credit method. The cost of providing pensions is charged to the Group Profit and Loss Account. The net of the present value of the pension obligation and the fair value of the plan assets is reflected on the balance sheet.

Provision is made for the cost of vacation leave in respect of services rendered by employees up to the balance sheet date.

b. Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries after 1995. It comprises the excess of the cost of acquisition over the fair value of the net identifiable assets acquired less contingent liabilities, and deemed cost at March 31, 2004.

At each balance sheet date, goodwill is stated at cost less any accumulated impairment losses. IFRS 3 Business combinations, IAS 36 Impairment of assets and IAS 38 Intangible assets as revised, which are effective for accounting periods beginning on or after January 1, 2005 in respect of goodwill, have been adopted early. As of April 1, 2004, goodwill is allocated to cash-generating units and is no longer amortised but tested annually for impairment.

c. Investments

The Group's investments are initially recognized at cost and classified at the time of purchase in accordance with IFRS. Available-for-sale investments are subsequently re-measured at fair value. The excess of the fair value of these investments over the original carrying amount is credited to the Fair Value Reserve (see Group Statement of Changes in Equity). Where fair value cannot be reliably measured, available-for-sale investments are carried at cost. Loans and receivables that have no active market are subsequently re-measured at amortised cost. Securities having a maturity date of less than one year are included in Current Assets.

d. Deferred Taxation

Deferred income tax is provided in full, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts. A tax asset is reflected for unutilized tax losses only to the extent that reversal can reasonably be expected.

e. Segment Reporting

The Group is organized into three business segments:

- Banana Division – This comprises the growing, sourcing, ripening, marketing and distribution of bananas, and the operation of a shipping line that *inter alia* transports bananas to the United Kingdom.
- Fresh & Processed Foods Division – This comprises the sourcing, marketing and distribution of fresh produce (other than bananas), and the production and marketing of fresh juices, drinks and other freshly prepared foods and tropical snacks.
- Corporate segment – This comprises interest and investment income net of the cost of corporate functions not directly charged to business units.

GROUP STATEMENT OF CASH FLOWS 24 WEEKS ENDED JUNE 18, 2005

	Unaudited 24 weeks ended June 18, 2005 \$ 000	Unaudited 24 weeks ended June 12, 2004 \$ 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period attributable to the group	82,493	190,018
Items not affecting cash:		
Gains on disposal of fixed assets and investments	(41,696)	(24,529)
Other items	62,629	217,120
	103,426	382,609
Increase in current assets	(1,296,625)	(784,863)
Increase in current liabilities	400,470	313,835
CASH USED BY OPERATING ACTIVITIES	(792,729)	(88,419)
CASH USED BY INVESTMENT ACTIVITIES	(310,169)	(479,965)
CASH PROVIDED BY FINANCING ACTIVITIES	269,498	127,576
Net decrease in cash resources	(833,400)	(440,808)
Cash resources at beginning of the period	2,925,307	2,599,287
Cash resources at end of the period	2,091,907	2,158,479

NOTES (cont'd)

7. Segment Results

Segment results are as follows:

	Unaudited 24 weeks ended June 18, 2005 JS000	Unaudited 24 weeks ended June 12, 2004 JS000
Revenue		
Banana Division	4,568,697	4,084,133
Fresh & Processed Foods Division	7,378,444	5,837,953
Corporate	61,978	69,234
Total	12,009,119	9,991,320
Profit before tax and minority interest		
Banana Division	(62,833)	22,363
Fresh & Processed Foods Division	144,794	265,080
Corporate	23,031	12,211
Total	104,992	299,654

8. Foreign Currency Translation

Overseas revenues and expenses have been translated at effective exchange rates of JS\$113.37 (2004: JS\$108.02) to £1.00 and JS\$61.47 (2004: JS\$60.70) to US\$1.00.

Adjustments have been made for exchange gains and losses on foreign currency assets and liabilities at June 18, 2005 and June 12, 2004 based upon the following exchange rates:

	JS/£	JS/US\$
June 18, 2005	110.15	61.39
December 31, 2004	115.68	61.27
June 12, 2004	108.75	61.01
December 31, 2003	105.89	60.42

9. Seasonal Variations

There are significant seasonal variations in some of the Group's activities, and so the results for any period are not necessarily indicative of the final results for the whole year.

On behalf of the Board

Chairman

Managing Director

M. Hall
July 29, 2005