

Jamaica Broilers Group Ltd
Report on 4th Quarter and Year ended April 28, 2007

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 28, 2007 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 22 % to \$3.9 billion. The selling price of both chicken and feed were increased during this quarter, as a direct result of significant cost increases on imported corn and soya bean meal. The Gross Margin percentage was maintained at 23% and Gross Profits for the quarter showed a 20% increase in nominal terms to \$911million.

Last year, this quarter, the operating and after tax profits were positively affected by the negative goodwill on acquisition of the co-generation operations, amounting to \$120million. The analysis below seeks to compare the operational results excluding this negative goodwill.

- The operating profit for the quarter amounted to \$297million which compares favourably against the \$221million last year
- After tax profits attributable to stockholders for the quarter amounted to \$191million compared to \$184million last year. This equates to earnings per stock unit of 15.90cents compared to 15.38 cents in 2006.
- The year's turnover increased by 15% to \$11.45 billion. Gross profits increased in nominal terms by 10% to \$2.77billion and the operating profit after tax attributable to the stockholders for the year amounted to \$536million compared to \$525million last year

The segment reporting information for the thirteen periods reflects improvements in all segments. In particular, the Fish Operation was able to record a \$77million reduction in losses year over year as a direct result of strategic changes in marketing and production. We are happy to report that this operation is now no longer a drain on our cash resources as the loss incurred of \$23million is equivalent to depreciation charged in the year.

The Cold Room at the Best Dressed Chicken processing plant, which was expanded at a cost of \$262million, is now fully operational. This now eliminates all use of expensive outside storage.

Completion of construction at the Ethanol Production facility is still scheduled for the first quarter of the 2007/2008 financial year and at the time of writing the first shipment of 5.5 million gallons of hydrous alcohol has been received. The export of the first shipment of fuel grade ethanol is planned for early in the second quarter. Capital work in progress on this project amounting to approximately \$910million is reflected on the Balance Sheet in the carrying value of property, plant and equipment. .

The staff, management and Board continue to seek God's guidance in managing the affairs of the Group.



Hon. R. Danvers Williams
Chairman



Robert E. Levy
President & Chief Executive Officer

Interim Consolidated Profit and Loss account for quarter ended April 28,2007

	Quarter ended April 28, 2007	Quarter ended April 29, 2006*	Thirteen periods to April 28, 2007	Thirteen periods to April 29, 2006 (Audited)
	\$000	\$000	\$000	\$000
Turnover	3,965,492	3,243,104	11,453,585	9,938,217
Cost of Sales	(3,054,455)	(2,482,356)	(8,683,327)	(7,437,672)
Gross Profit	911,037	760,748	2,770,258	2,500,545
Other operating income	25,423	8,834	44,393	42,340
Negative Goodwill arising on acquisition	-	120,339		120,339
Interest Income	20,908	34,693	56,517	80,085
Distribution Costs	(120,706)	(97,066)	(384,007)	(326,134)
Administrative and other expenses	(539,629)	(486,148)	(1,693,776)	(1,601,455)
Operating Profit	297,033	341,400	793,385	815,720
Finance costs	(28,753)	(12,503)	(68,312)	(50,611)
Profit before taxation	268,280	328,897	725,073	765,109
Taxation	(77,650)	(24,094)	(188,902)	(119,775)
Net Profit attributable to stockholders of Holding Company	190,630	304,803	536,171	645,334
Earnings per Stock Unit-cents	15.90	25.42	44.71	53.81

* Restated to conform to audited statements

Segment Reporting Information
Consolidated
Thirteen Periods ended April 28 , 2007

	Poultry Operations	Feed & Farm Supplies	Fish Operations	Other		Eliminations	Group Total
	\$000	\$000	\$000	\$000		\$000	\$000
REVENUE							
External Sales	6,399,872	3,478,510	514,853	1,060,349		-	11,453,585
Inter-Segment Sales	39,027	278,466		706,148	-	(1,023,643)	-
Total revenue	6,438,899	3,756,976	514,853	1,766,497	-	(1,023,643)	11,453,585

RESULT							
Segment Result	858,400	462,802	(23,412)	80,078		-	1,377,868
Unallocated corporate expenses							(584,484)
Finance costs							(68,312)
Profit Before Taxation							725,072
Taxation							(188,902)
Profit from ordinary activities After Taxation							536,171

Balance sheet	Poultry Operations	Feed & Farm Supplies	Fish Operations	Other	Unallocated	Eliminations	Group Total
Segment Assets	3,593,890	1,054,018	587,558	2,795,443	1,296,570	(2,054,046)	7,273,433
Segment Liabilities	846,684	585,461	503,316	505,474	1,791,812	(1,677,002)	2,555,745

Segment Reporting Information Consolidated-Thirteen periods ended April 29,2006
(Audited)*

	Poultry Operations \$000	Feed & Farm Supplies \$000	Fish Operations \$000	Other \$000		Eliminations \$000	Group Total \$000
REVENUE							
External Sales	5,594,495	2,818,670	519,621	1,005,431		-	9,938,217
Inter-Segment Sales	28,468	296,526		372,797	-	(697,791)	-
Total revenue	5,622,963	3,115,196	519,621	1,378,228	-	(697,791)	9,938,217

RESULT							
Segment Result	804,130	399,357	(100,140)	68,092			1,171,439
Unallocated corporate expenses							(476,118)
Negative goodwill on acquisition							120,399
Finance costs							(50,611)
Profit Before Taxation							765,109
Taxation							(119,775)
Profit from ordinary activities After Taxation							645,334

	Poultry Operations	Feed & Farm Supplies	Fish Operations	Other	Unallocated	Eliminations	Group Total
Balance sheet							
Segment Assets	3,466,033	829,929	458,201	1,904,352	1,566,238	(2,460,225)	5,764,528
Segment Liabilities	1,413,021	332,540	427,965	462,817	1,416,507	(2,092,369)	1,960,481

*Restated

Consolidated Balance Sheet (condensed) as at April 28, 2007

	April 28 2007	April 29 2006 (Audited)
NET ASSETS EMPLOYED		
Fixed Assets	3,324,157	2,092,535
Intangible assets-Computer Software	96,717	99,641
Held to Maturity Investments	203,565	201,052
Available-for-sale investments	138,444	126,796
Deferred tax asset	3,842	3,965
Pension Fund Surplus	131,400	298,200
Current Assets	3,379,150	2,942,339
Current Liabilities	<u>(2,442,196)</u>	<u>(1,423,319)</u>
	<u>4,835,079</u>	<u>4,341,209</u>
FINANCED BY		
Share Capital	765,137	765,137
Capital Reserve	713,892	720,077
Retained Earnings	<u>2,717,087</u>	<u>2,318,833</u>
Shareholders' equity	4,196,116	3,804,047
Long Term Liabilities	220,321	140,202
Deferred Tax Liabilities	411,042	389,460
Employee Benefit Obligations	<u>7,600</u>	<u>7,500</u>
	<u>4,835,079</u>	<u>4,341,209</u>

Consolidated Statement of Changes in Shareholders' Equity as at April 28, 2007

	Number of Shares 000's	Share Capital \$000	Capital Reserves \$000	Retained Earnings \$000	Total \$000
Balance at April 30,2005	1,199,277	599,638	839,221	1,811,416	3,250,275
Unrealised gain/(loss) on available -for-sale securities			1,524		1,524
Translation gain			44,831		44,831
Net profit for period				645,334	645,334
Dividends				(137,917)	(137,917)
Transfer of share premium to share capital		165,499	(165,499)		
Balance at April 29, 2006	<u>1,199,278</u>	<u>765,137</u>	<u>720,077</u>	<u>2,318,833</u>	<u>3,804,047</u>
Unrealised gain/(loss) on available -for-sale securities			(2,814)		(2,814)
Translation loss			(3,371)		(3,371)
Net profit for period				536,171	536,171
Dividends				(137,917)	(137,917)
Balance at April 28,2007	<u><u>1,199,278</u></u>	<u><u>765,137</u></u>	<u><u>713,892</u></u>	<u><u>2,717,087</u></u>	<u><u>4,196,116</u></u>

Consolidated Statement of Cash Flows (Condensed) for thirteen periods ended April 28, 2007

	April 29 2007 \$000	April 29 2006 \$000 (Audited)
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Net Profit	536,171	645,334
Items not affecting cash resources	<u>262,200</u>	<u>78,158</u>
	798,371	723,492
Changes in non-cash working capital components	<u>(186,179)</u>	<u>(212,235)</u>
Cash provided by/(used in) operations	612,192	511,257
Cash provided by/(used in) financing activities	(52,300)	(376,799)
Cash (used in) provided by investing activities	<u>(1,224,900)</u>	<u>132,462</u>
Increase /(decrease) in net cash and cash equivalents	(665,008)	266,920
Net cash and cash equivalents at beginning of year	<u>417,608</u>	<u>150,688</u>
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>(247,400)</u></u>	<u><u>417,608</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

Other operations of the Group include the sale of feedingredients, cattle rearing and energy supply.

Agriculture

Current assets include biological assets with a carrying value of \$569.5 million at April 28, 2007 (\$ 508.08 million at April 29,2006) 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