

Jamaica Broilers Group Ltd

Commentary on un-audited 1st quarter results

The Directors of Jamaica Broilers Group Ltd are pleased to release the un-audited financial results for the quarter ended August 2, 2008, which have been prepared in accordance with International Financial Reporting Standards.

At the start of this financial year the accounting periods were changed. The company's financial year now consists of 12 accounting periods as compared to 13 accounting periods last year. Accordingly, quarter 1 of this year comprises 13 weeks compared to 12 weeks in the previous year.

This quarter's report includes the results of the ethanol operation with no comparative figures for the corresponding period last year, as the operations were started in the second quarter last year.

The Group's turnover for this quarter of \$6.2billion, when compared to the corresponding period last year, showed an increase of \$3.4billion or 121%— due, primarily, to the \$2.2 billion revenues from the new ethanol plant operations which were commissioned in July 2007. The increases in poultry and feed revenues resulted mainly from price increases due to significant cost increases on imported grains and other raw materials.

Gross profits for the quarter amounting to \$1billion showed an increase of \$410million or 70%.

Administrative costs as a percentage of turnover amounted to 8% compared to 13% in the corresponding quarter last year.

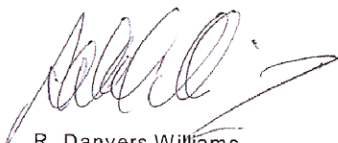
The operating profit, before financing costs and taxes, of \$333million showed an increase of \$200million or 150% over last year; due primarily to profits of \$167million from the ethanol operations.

Financing costs amounting to \$112million – compared to \$63 million in the corresponding quarter last year, were incurred due to higher levels of US\$ and J\$ borrowings to meet increased working capital needs including ethanol related inventories.

Against this background, profits after tax attributable to stockholders for the quarter amounted to \$181million, compared to \$52million last year. This equates to earnings per share of approximately 15.09cents for the first quarter, compared to 4.36cents last year -a 246% increase.

Early reduction in the selling prices of our poultry and feed products, in response to a decline in grain costs, along with the timing on ethanol sales could result in a softening in the second quarter's results.

The staff, management and Board continue to trust in God's guidance as we seek to further enhance shareholder value.



R. Danvers Williams
Chairman



Robert E. Levy
President & Chief Executive Officer

September 15, 2008

Interim Consolidated Profit and Loss account for quarter ended August 2, 2008

	Quarter ended August 2, 2008 \$000	Quarter ended July 21, 2007 \$000
Turnover	6,218,061	2,826,687
Cost of Sales	<u>(5,216,777)</u>	<u>(2,236,364)</u>
Gross Profit	1,001,284	590,323
Other operating income	13,679	1,887
Interest income	2,057	11,964
Distribution Costs	<u>(131,400)</u>	<u>(94,779)</u>
Administrative and other expenses	<u>(552,838)</u>	<u>(376,789)</u>
Operating Profit	332,782	132,606
Financing costs	<u>(111,692)</u>	<u>(62,918)</u>
Profit before taxation	221,090	69,688
Taxation	<u>(40,172)</u>	<u>(17,420)</u>
Net Profit attributable to stockholders of Holding Company	<u>180,918</u>	<u>52,268</u>
Earnings per Stock Unit	15.09 cents	4.36 cents

Segment Reporting Information-Consolidated Three periods ended August 02,2008

	Poultry Operations \$000	Feed & Farm Supplies \$000	Ethanol Operations \$000	Other \$000	Eliminations \$000	Group Total \$000
REVENUE						
External Sales	2,143,640	1,281,454	2,230,301	562,666	-	6,218,061
Inter-Segment Sales	28,774	130,923	-	116,021	-	-
Total revenue	<u>2,172,414</u>	<u>1,412,376</u>	<u>2,230,301</u>	<u>678,687</u>	<u>-</u>	<u>6,218,061</u>

RESULT						
Segment Result	208,329	140,186	166,816	36,371		551,702
Corporate expenses						(218,921)
Finance costs						(111,692)
Profit Before Taxation						<u>221,090</u>
Taxation						(40,172)
Profit from ordinary activities After Taxation						<u>180,918</u>

	Poultry Operations	Feed & Farm Supplies	Ethanol Operations	Other	Unallocated	Eliminations	Group Total
Balance sheet							
Segment Assets	3,974,265	1,315,412	3,856,860	3,440,138	6,148,088	(7,250,521)	11,484,242
Segment Liabilities	508,235	557,480	3,445,834	3,064,023	5,753,204	(6,766,747)	6,562,029

Segment Reporting Information-Consolidated Three Periods ended July 21,2007

	Poultry Operations \$000	Feed & Farm Supplies \$000	Other \$000		Eliminations \$000	Group Total \$000
REVENUE						
External Sales	1,577,303	904,954	344,429		-	2,826,687
Inter-Segment Sales	8,667	69,218	175,190	-	(253,077)	-
Total revenue	1,585,970	974,172	519,620	-	(253,077)	2,826,687

RESULT						
Segment Result	187,661	111,713	(24,111)			275,264
Corporate expenses						(142,658)
Finance costs						(62,918)
Profit Before Taxation						69,688
Taxation						(17,420)
Profit from ordinary activities After Taxation						52,268

	Poultry Operations	Feed & Farm Supplies	Other	Unallocated	Eliminations	Group Total
Balance sheet						
Segment Assets	3,786,430	1,095,718	3,949,095	2,329,239	(3,002,768)	8,157,714
Segment Liabilities	953,058	473,163	1,806,302	3,082,321	(2,470,961)	3,843,883

*-Restated

Consolidated Balance Sheet (condensed) as at August 2, 2008

	August 2 2008 \$000	May 03 2008 \$000 (Audited)	July 21 2007 \$000
NET ASSETS EMPLOYED			
Property, plant and equipment	5,190,490	4,672,057	3,785,438
Intangible assets	84,480	90,943	93,824
Held to Maturity Investments	-	-	209,916
Available-for-sale investments	128,870	114,417	137,571
Deferred income tax	1,496	6,174	1,240
Pension plan asset	119,000	119,000	131,400
Current Assets	5,959,906	5,283,242	3,798,288
Current Liabilities	(5,401,271)	(4,387,519)	(3,313,532)
	<u>6,082,971</u>	<u>5,898,314</u>	<u>4,844,145</u>
FINANCED BY			
Share Capital	765,137	765,137	765,137
Capital Reserve	698,693	698,693	761,933
Retained Earnings	3,458,383	3,277,465	2,745,323
Shareholder's equity	<u>4,922,213</u>	<u>4,741,295</u>	<u>4,272,393</u>
Long Term Liabilities	823,056	821,008	221,875
Deferred income tax	329,802	328,011	342,277
Employee Benefit Obligations	7,900	8,000	7,600
	<u>6,082,971</u>	<u>5,898,314</u>	<u>4,844,145</u>

Consolidated Statement of Changes in Shareholders' Equity as at August 2, 2008

	Number of Shares 000's	Share Capital \$000	Capital Reserves \$000	Retained Earnings \$000	Total \$000
Balance at April 29, 2007	1,199,277	765,137	761,933	2,693,055	4,220,125
Net profit for period				52,268	52,268
Balance at July 21, 2007	<u>1,199,277</u>	<u>765,137</u>	<u>761,933</u>	<u>2,745,323</u>	<u>4,272,393</u>
Balance at May 04, 2008	1,199,277	765,137	698,693	3,277,465	4,741,295
Net profit for period				180,918	180,918
Balance at August 2, 2008	<u>1,199,277</u>	<u>765,137</u>	<u>698,693</u>	<u>3,458,383</u>	<u>4,922,213</u>

Consolidated Statement of Cash Flow (condensed) for quarter ended August 02, 2008

	August 2 2008 \$000	July 21 2007 \$000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Net Profit	180,918	52,268
Items not affecting cash resources	121,900	79,200
	302,818	131,468
Changes in operating assets and liabilities	(1,651,600)	(1,015,400)
Cash provided by/(used in) operating activities	(1,348,782)	(883,932)
Cash (used in) provided from investing activities	(724,900)	(544,400)
Cash provided by/(used in) financing activities	(173,100)	(92,400)
Increase/(decrease in net cash and cash equivalents	(2,246,782)	(1,520,732)
Net cash and cash equivalents at beginning of year	(716,640)	(231,473)
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>(2,963,422)</u>	<u>(1,752,205)</u>

Notes to the Interim Consolidated Financial Statements

Accounting Periods

At the start of this financial year the accounting periods were changed.

The company's financial year now consists of 12 accounting periods ending on the Saturday closest to the calendar month end.

In the previous year(s), consisting of 13 accounting periods, the quarterly Profit & Loss account for each of the first three quarters consisted of 12 weeks and the fourth quarter consisted of 16 weeks.

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 financial assets.

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 grow out and sale of started pullets.

Feed and Farm Supplies- Manufacturing and sale of feeds and sale of farm supplies

Ethanol Operations- The processing and export sale of fuel grade ethanol

Other operations of the Group include the sale of feed ingredients; cattle rearing; processing and sale of beef products; grow out and sale of fish; and co-generation energy supply.

Agriculture

Current assets include biological assets with a carrying value of \$728.3million at Aug 2, 2008 (\$ 663.4million at May 03,2008)

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