

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 1, 2009, which have been prepared in accordance with International Financial Reporting Standards.

In this quarter we recorded the best ever quarterly profits attributable to shareholders-amounting to \$430million, compared to \$181million in the corresponding quarter last year. The ethanol operations contributed \$227million (53%) of this quarter's after tax profits.

The Group's turnover for this quarter was \$5.9billion, which when compared to the corresponding period last year showed a decrease of \$286million or 5%. The ethanol division realized reduced revenues of \$804 million based on higher levels of contract processing. However, revenue increases in the poultry and feed divisions, amounting to \$551million were recorded driven by higher volumes and price adjustments required due to increased production costs.

Gross profits for the quarter amounting to \$1.3billion showed an increase of \$325million or 32%. Ethanol operations contributed \$150million to this change.

Distribution and administrative costs were kept at the same level, quarter over quarter, as a result of cost control measures implemented.

The operating profit, before financing costs and taxes, of \$659million showed an increase of \$327million or 98% over last year.

Financing costs amounting to \$147million – compared to \$112million in the corresponding quarter last year, were incurred on higher levels of US\$ and J\$ borrowings to meet increased working capital needs and the expansion of the ethanol operations.

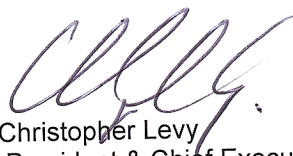
The profits attributed to stockholders of \$430million equate to earnings per share of approximately 35.86cents for this first quarter, compared to \$181million-15.09cents last year -a 138% increase.

As a result the doubling of output at the ethanol plant-to 120million, up from 60million gallons per annum; increasing profitability from the change in the business model and sale of anhydrous inventories, the ethanol operations was able to generate significant cash inflows in this quarter. These inflows contributed to a \$722million reduction in short term loans. We were also able to achieve a net increase of \$190million on long term loans with reductions in interest rates and lengthening of the maturity profile. This serves to further strengthen the financial position of the company.

The staff, management and Board give thanks for this quarter's results, and continue to trust in God's guidance as we seek to further enhance shareholder value in a challenging environment.



Robert E. Levy
Chairman



Christopher Levy
President & Chief Executive Officer

September 15, 2009

Interim Group Income Statement for quarter ended August 1, 2009

	Quarter ended August 1, 2009 \$000	Quarter ended August 2, 2008 \$000
Turnover	5,931,720	6,218,061
Cost of Sales	<u>(4,605,399)</u>	<u>(5,216,777)</u>
Gross Profit	1,326,321	1,001,284
Other operating income	9,580	13,679
Interest income	13,435	2,057
Distribution Costs	<u>(132,189)</u>	<u>(131,400)</u>
Administrative and other expenses	<u>(557,772)</u>	<u>(552,838)</u>
Operating Profit	659,375	332,782
Financing costs	<u>(146,730)</u>	<u>(111,692)</u>
Profit before taxation	512,645	221,090
Taxation	<u>(82,595)</u>	<u>(40,172)</u>
Net Profit attributable to stockholders of Holding Company	<u><u>430,050</u></u>	<u><u>180,918</u></u>
Earnings per Stock Unit	35.86 cents	15.09 cents

Consolidated Statement of Comprehensive Income

	Quarter ended August 1, 2009 \$000	Quarter ended August 2, 2008 \$000
Profit for period	430,050	180,918
Other comprehensive income / (loss)		
Currency translation differences on foreign subsidiaries	19,804	
Fair value gains / (losses) on investments	(1,503)	
Income tax on other comprehensive income	496	
Total comprehensive income /(loss) for the period	<u><u>448,847</u></u>	<u><u>180,918</u></u>

Segment Reporting Information-Consolidated Three Months ended August 01, 2009

	Poultry Operations \$000	Feed & Farm Supplies \$000	Ethanol Operations \$000	Other \$000	Eliminations \$000	Group Total \$000
REVENUE						
External Sales	2,381,435	1,594,563	1,425,665	530,056	-	5,931,719
Inter-Segment Sales	37,682	131,434	-	127,081	(296,198)	-
Total revenue	2,419,118	1,725,997	1,425,665	657,137	(296,198)	5,931,719

RESULT						
Segment Result	255,679	218,182	330,761	47,918		852,540
						(194,020)
Corporate expenses						(145,876)
Finance costs						512,645
Profit Before Taxation						(82,595)
Taxation						430,050
Profit from ordinary activities After Taxation						

	Poultry Operations	Feed & Farm Supplies	Ethanol Operations	Other	Unallocated	Eliminations	Group Total
Balance sheet							
Segment Assets	4,583,982	1,408,624	5,258,761	3,680,163	4,692,013	(6,430,546)	13,192,996
Segment Liabilities	331,059	348,601	4,250,633	3,679,085	6,008,135	(7,671,076)	6,946,438

Segment Reporting Information-Consolidated Three Months 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	-	(275,719)	-
Total revenue	2,172,414	1,412,376	2,230,301	678,687	-	(275,719)	6,218,061

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

	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

Group Statement of Financial Position (condensed) as at August 1, 2009

	August 1 2009 \$000	May 02 2009 \$000 (Audited)	August 2 2008 \$000
NET ASSETS EMPLOYED			
Property,plant and equipment	6,495,903	6,580,143	5,190,490
Intangible assets	77,784	77,843	84,480
Available-for-sale investments	308,937	193,481	128,870
Deferred income tax	1,492	12,983	1,496
Pension plan asset	157,400	157,400	119,000
Current Assets	6,151,480	6,389,816	5,959,906
Current Liabilities	(4,502,125)	(5,619,251)	(5,401,271)
	<u>8,690,871</u>	<u>7,792,415</u>	<u>6,082,971</u>
FINANCED BY			
Share Capital	765,137	765,137	765,137
Capital Reserve	1,077,764	1,058,967	698,693
Retained Earnings	<u>4,403,657</u>	<u>3,973,607</u>	<u>3,458,383</u>
Shareholder's equity	6,246,558	5,797,711	4,922,213
Long Term Liabilities	2,120,019	1,670,410	823,056
Deferred income tax	316,294	316,294	329,802
Employee Benefit Obligations	8,000	8,000	7,900
	<u>8,690,871</u>	<u>7,792,415</u>	<u>6,082,971</u>

Group Statement of Changes in Stockholders' Equity as at August 1, 2009

	Number of Shares 000's	Share Capital \$000	Capital Reserves \$000	Retained Earnings \$000	Total \$000
Balance at May 04, 2008	1,199,277	765,137	698,693	3,277,465	4,741,295
Total comprehensive income for period				180,918	180,918
Balance at August 2, 2008	1,199,277	765,137	698,693	3,458,383	4,922,213
Balance at May 03, 2009	1,199,277	765,137	1,058,967	3,973,607	5,797,711
Total comprehensive income for period			18,797	430,050	448,847
Balance at August 1, 2009	1,199,277	765,137	1,077,764	4,403,657	6,246,558

Group Statement of Cash Flows (condensed) for quarter ended August 01,2009

	August 1 2009 \$000	August 2 2008 \$000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Net Profit	430,050	180,918
Items not affecting cash resources	194,100	121,900
	<u>624,150</u>	<u>302,818</u>
Changes in operating assets and liabilities	(1,157,800)	(1,651,600)
Cash provided by/(used in) operating activities	<u>(533,650)</u>	<u>(1,348,782)</u>
Cash (used in) provided from investing activities	(179,700)	(724,900)
Cash provided by/(used in) financing activities	<u>57,500</u>	<u>(173,100)</u>
Increase /(decrease in net cash and cash equivalents	(655,850)	(2,246,782)
Effect of changes in exchange rates	(500)	
Net cash and cash equivalents at beginning of year	<u>(505,595)</u>	<u>(716,640)</u>
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>(1,161,445)</u></u>	<u><u>(2,963,422)</u></u>

Notes to the Interim Consolidated Financial Statements

Accounting Periods

The company's financial year consists of 12 accounting periods ending on the Saturday closest to the calendar month end .
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 \$872.0million at Aug 1, 2009 (\$ 810.9million at May 02,2009)
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