



Blue Power Soap Division
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Lumber Depot Division
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Chairman's Report
Financial Statements Quarter ended October 31, 2011

Profit for the second quarter ended October 31, 2011 of Blue Power Group Ltd. was \$10.23 million compared to \$8.44 million in the same quarter of 2010/11, an increase of 21.2%. For the half year, May to October 2011, net profit improved from \$16.6 million to \$19.56 million or 17.8% when compared to the same period in the previous year.

Combined sales for the three-month period August to October 2011 were \$195.09 million compared to \$180.44 million for the same period last year, an increase of \$14.65 million or 8.1%. For the half year, sales for the two divisions were \$403.55 million compared to \$366.11 million for the same period last year, an increase of \$37.44 million or 10.23%.

The second quarter saw improvements in sales of both divisions with hardware sales increasing from \$125.44 million to \$136.74 million and soap sales increasing from \$55 million to \$58.36 million when compared to the same period last year. At \$9.17 million, there has been a dramatic improvement in the profits of the Blue Power soap division which were \$5.64 million for the same period in the previous year, an improvement of 62.6%. At the same time, profits for the Lumber Depot division for the half year declined slightly when compared with the same period last year. The results of the Blue Power soap division reflect the introduction of new products and slightly better margins while the results of the Lumber Depot division reflect the extremely competitive environment in the building sector.

Raw material prices for the Manufacturing Division continue to be high but due to the very competitive nature of the market caused partly by low-priced imports, it has not been possible to pass on the full extent of the cost increases. Our administrative costs continue to be under pressure as the overall level of inflation in inputs such as electricity, security and transportation continues to be high.

We continue to enjoy a healthy balance sheet which is reflected in our strong cash position and are poised to take advantage of any special deals which may be available.

A handwritten signature in blue ink, appearing to read "Dhiru Tanna", with a horizontal line underneath.

Dhiru Tanna
Chairman
8 December 2011

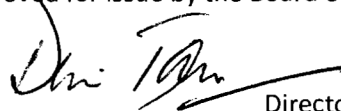
Blue Power Group Limited
Unaudited Consolidated Statement of Comprehensive Income
Six months ended October 31, 2011

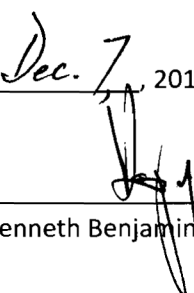
	<u>3 months to</u> <u>October 31, 2011</u>	<u>3 months to</u> <u>October 31, 2010</u>	<u>6 months to</u> <u>October 31, 2011</u>	<u>6 months to</u> <u>October 31, 2010</u>
	\$	\$	\$	\$
Revenue	195,093,646	180,443,465	403,550,690	366,111,561
Cost of sales	<u>(157,895,563)</u>	<u>(147,613,370)</u>	<u>(332,867,429)</u>	<u>(302,527,901)</u>
Gross profit	37,198,083	32,830,095	70,683,261	63,583,660
Administrative and other expenses	<u>(26,765,561)</u>	<u>(23,570,955)</u>	<u>(51,245,007)</u>	<u>(44,230,847)</u>
Profit from operations	<u>10,432,522</u>	<u>9,259,140</u>	<u>19,438,254</u>	<u>19,352,813</u>
Other income:				
Interest income	254,009	223,181	880,816	1,547,290
Rental income	322,585	727,885	917,437	920,380
Other income	<u>131,700</u>	<u>-</u>	<u>446,780</u>	<u>87,207</u>
	<u>708,294</u>	<u>951,066</u>	<u>2,245,033</u>	<u>2,554,877</u>
	<u>11,140,816</u>	<u>10,210,206</u>	<u>21,683,287</u>	<u>21,907,690</u>
Financial expenses	<u>(910,107)</u>	<u>(1,772,968)</u>	<u>(2,121,091)</u>	<u>(4,316,520)</u>
Profit before taxation	10,230,709	8,437,238	19,562,196	17,591,170
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>(990,031)</u>
Profit for the period	<u>10,230,709</u>	<u>8,437,238</u>	<u>19,562,196</u>	<u>16,601,139</u>
Earnings per stock unit	<u>0.18</u>	<u>0.15</u>	<u>0.35</u>	<u>0.29</u>

Blue Power Group Limited
Unaudited Consolidated Statement of financial Position
October 31, 2011

	<u>October 31, 2011</u>	<u>October 31, 2010</u>	<u>Audited</u> <u>April 30, 2011</u>
	\$	\$	\$
Non-current assets			
Property, plant and equipment	40,544,585	46,486,095	42,793,459
Deferred expense	-	164,145	-
	<u>40,544,585</u>	<u>46,650,240</u>	<u>42,793,459</u>
Current assets			
Inventories	123,893,743	121,015,001	133,277,590
Receivables	78,806,921	65,247,412	123,269,965
Taxation recoverable	781,585	-	469,647
Cash and cash equivalents	39,337,645	31,586,505	18,076,041
	<u>242,819,894</u>	<u>217,848,918</u>	<u>275,093,243</u>
Current liabilities			
Payables	59,021,252	57,055,979	63,567,853
Short-term loan - related party	-	-	8,699,686
Current portion of long term liability	-	3,333,333	5,864,335
Taxation	-	7,525,751	70,174
	<u>59,021,252</u>	<u>67,915,063</u>	<u>78,202,048</u>
Working Capital - surplus	<u>183,798,642</u>	<u>149,933,855</u>	<u>196,891,195</u>
Non-current liabilities			
Shareholders' advances	-	18,033	18,033
Related parties advances	-	99,686	-
Long-term liability	4,625,000	28,666,666	33,860,690
	<u>4,625,000</u>	<u>28,784,385</u>	<u>33,878,723</u>
	<u>219,718,227</u>	<u>167,799,710</u>	<u>205,805,931</u>
Equity			
Share capital	86,900,147	86,900,147	86,900,147
Retained earnings	132,818,080	80,899,562	118,905,784
	<u>219,718,227</u>	<u>167,799,709</u>	<u>205,805,931</u>

Approved for issue by the Board of Directors on Dec. 7, 2011 and signed on its behalf by:


 _____ Director
 Dr. Dhiru Tanna


 _____ Director
 Kenneth Benjamin

Blue Power Group Limited
Unaudited Consolidated Statement of Changes in Equity
Six months ended October 31, 2011

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	\$	\$	\$
Balances as at April 30, 2010	86,900,147	64,298,423	151,198,570
Total comprehensive income for the period	-	16,601,139	16,601,139
Balances as at October 31, 2010	<u>86,900,147</u>	<u>80,899,562</u>	<u>167,799,709</u>
Balances as at April 30, 2011	86,900,147	118,905,784	205,805,931
Dividends paid	-	(5,649,900)	(5,649,900)
Total comprehensive income for the period	-	19,562,196	19,562,196
Balances as at October 31, 2011	<u>86,900,147</u>	<u>132,818,080</u>	<u>219,718,227</u>

Blue Power Group Limited
Unaudited Consolidated Statement of Cash Flows
Six months ended October 31, 2011

	<u>October 31, 2011</u>	<u>October 31, 2010</u>
	\$	\$
Cash flows from operations		
Profit for the period	19,562,196	16,601,139
Deferred tax	-	1,354,953
Depreciation	2,774,364	2,101,148
	<u>22,336,560</u>	<u>20,057,240</u>
Decrease/(Increase) in inventories	9,383,847	(21,350,797)
Decrease in receivables	44,463,044	9,092,915
Decrease in payables	(4,546,601)	(13,444,022)
Decrease in taxation	(382,112)	(4,852,600)
Cash provided by operating activities	<u>71,254,738</u>	<u>(10,497,264)</u>
Financing activities		
Shareholders' advances repaid	(18,033)	-
Related party advances	(8,699,686)	-
Long-term liabilities repaid	(35,100,025)	(1,666,667)
Cash used in financing activities	<u>(43,817,744)</u>	<u>(1,666,667)</u>
Cash used in investing activities		
Purchase of property, plant and equipment	(525,490)	(3,658,191)
Dividends paid	(5,649,900)	-
Cash used by investing activities	<u>(6,175,390)</u>	<u>(3,658,191)</u>
Net increase in cash and cash equivalents	21,261,604	(15,822,122)
Cash and cash equivalents at beginning of the period	<u>18,076,041</u>	<u>47,408,627</u>
Cash and cash equivalents at end of period	<u>39,337,645</u>	<u>31,586,505</u>

Blue Power Group Limited
Segment Reporting
Six months ended October 31, 2011

	Lumber Division	Soap Division	Total
	\$	\$	\$
Turnover	281,727,200	121,823,490	403,550,690
Profit from operations	9,658,277	9,779,977	19,438,254
Other income	1,929,988	315,045	2,245,033
Financial expenses	(1,195,408)	(925,683)	(2,121,091)
Profit for the period	10,392,857	9,169,339	19,562,196
Segment assets			
Non-current	21,732,115	18,812,470	40,544,585
Current assets	136,685,574	106,134,320	242,819,894
	158,417,689	124,946,790	283,364,479
Segment liabilities			
Non-current liabilities	-	4,625,000	4,625,000
Current liabilities	44,742,601	14,278,651	59,021,252
	44,742,601	18,903,651	63,646,252
Other segment items:			
Capital expenditure	525,490	-	525,490
Depreciation	822,148	1,952,216	2,774,364

Blue Power Group Limited
Segment Reporting
Six months ended October 31, 2010

	Lumber Division	Soap Division	Total
	₹	₹	₹
Turnover	269,226,231	96,885,330	366,111,561
Profit from operations	12,763,707	6,589,106	19,352,813
Other income	2,008,831	546,046	2,554,877
Financial expenses	(3,287,184)	(1,029,336)	(4,316,520)
Profit before taxation	11,485,354	6,105,816	17,591,170
Taxation	(524,881)	(465,150)	(990,031)
Profit for the period	10,960,473	5,640,666	16,601,139
Segment assets			
Non-current	23,583,990	22,902,105	46,486,095
Unallocated assets	-	-	164,145
	23,583,990	22,902,105	46,650,240
Current assets	121,956,674	95,892,244	217,848,918
	145,540,664	118,794,349	264,499,158
Segment liabilities			
Non-current liabilities	23,117,720	5,666,665	28,784,385
Current liabilities	46,333,114	21,581,949	67,915,063
	69,450,834	27,248,614	96,699,448
Other segment items:			
Capital expenditure	1,446,374	2,211,817	3,658,191
Depreciation	954,584	1,146,564	2,101,148

Blue Power Group Limited
Notes to the Unaudited Financial Statements
October 31, 2011

1 Identification and principal activities

Blue Power Group Limited (formerly Lumber Depot Limited) is incorporated and domiciled in Jamaica. The registered office of the company is located at 4 Victoria Avenue, Kingston CSO. The company changed its name to Blue Power Group Limited on April 19, 2010 and became listed on the Junior Market of the Jamaica Stock Exchange on April 22, 2010.

Effective January 1, 2010 the company amalgamated the operations of its subsidiary, Blue Power Limited with its operations as a going concern assuming all its assets and liabilities at that date.

The main activities of the company are the manufacture and sale of soaps and the sale of lumber, hardware supplies and other related products.

2 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and comply with the relevant provisions of the Jamaican Companies Act. These financial statements are presented in Jamaica dollars.

3 Segment reporting

The activities of the company are organised into the following business segments:

- i. Manufacturing and sale of soaps
- ii. Sale of lumber, hardware supplies and related products

The manufacturing operations are conducted at 4 Victoria Avenue, Kingston and the lumber division operations are carried out mainly at Papine in St. Andrew, Jamaica.

Transactions between business segments have been eliminated.

4 Significant accounting policies

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended April 30, 2011.

BLUE POWER Group Limited

October 31, 2011

DIRECTORS AND CONNECTED PARTIES REPORT: DIRECTORS

NAME	POSITION	RELATIONSHIP	UNITS	%
Dhiru Tanna	Director			
	Antibes Holdings Ltd	Connected Party	28,300,800	50.0908
Kenneth Benjamin, C.D.	Director	Self	3,130,200	5.5403
Major Noel Dawes	Director	Self	2,100,000	3.7169
Peter Millingen	Director	Self	908,100	1.6073
Jeffrey Hall	Director	Self	257,070	0.4550
Bruce Hart	Director	Self	0	0.0000

DIRECTORS AND CONNECTED PARTIES REPORT: SENIOR MANAGERS

NAME	POSITION	RELATIONSHIP	UNITS	%
Major Noel Dawes	Senior Manager	Self	2,100,000	3.7169
Veronica Lowe	Senior Manager	Self	554,430	0.9813
Lisa Kong	Senior Manager	Self	500,000	0.8850

TOP 10 SHAREHOLDERS

Holder	Units	%
Antibes Holdings Ltd	28,300,800	50.09
Silver Investments Ltd	3,727,816	6.60
Kenneth Benjamin, C.D.	3,130,200	5.54
Jane Fray	3,095,400	5.48
Appleton Hall Limited	2,520,000	4.46
Noel Dawes	2,100,000	3.72
Mayberry West Indies Ltd	1,343,320	2.38
Mayberry Managed Clients Account	1,000,000	1.77
Peter Millingen	908,100	1.61