



Caribbean Producers (Jamaica) Limited Report to the Stockholders

Six months ended December 31, 2011

The Directors of the Board are pleased to present the unaudited results of the company for the six months ended December 31, 2011. The company has fully recovered from the fall off of our first quarter profits owing to the 8% decline in tourist arrivals reported in July during the traditional peak of the summer travel season.

The net profit attributable to shareholders compared to the corresponding six month period of 2010, improved by U\$321.6 thousand dollars moving from US\$510.3 thousand to US\$831.9 thousand an increase of 63%. Notably, second quarter net profits attributable to stockholders increased by U\$374.7 thousand or 88% for the three months ending December 31, 2011. This result was primarily achieved by increasing gross profit by 1.4% and reducing overall expenses by 2.2%. The improvements in profits were also derived from the company's entry into the Junior Stock Exchange and the associated benefits of tax incentives. The company's sales in the second quarter (2011: U\$16,800K; 2010: U\$16,670K) in both the hospitality and domestic markets were higher than last year's; a positive result considering the economic climate and the lower than expected first quarter revenues.

For the six months period, sales recorded were US\$30.6 million (2010: \$30.2 million), an increase of U\$405 thousand. The company expects to increase its growth rate of sales and profits as our state of the art processing plant is slated to start up operations in the beginning of the third quarter. CPJ's pool and chemical division is also planning for expansion as we will soon announce our strategic alliance with a major international chemical corporation. The CPJ Market facility at Lady Musgrave road in Kingston will come on stream by the end of our financial year in June and we are intensifying our strategy to grow through development and acquisition of retail brands.

In support of the processing plant and the overall expansion of the business we have started construction of another 10,000 sq feet of warehouse space. This facility will house materials and offices for our Chemical and System sales divisions, and most importantly our highly anticipated staff dining and wellness center. After successfully absorbing these new projects CPJ will seek to establish a distribution operation in St. Lucia.

While we expand at great speed, we are closely monitoring our operating costs. Selling and Administrative expenses reduced slightly compared to last year despite fuel and electricity increases of over 30% and 26% respectively during the period. Finance costs also reduced as debt was paid down after the company became public on the Junior Stock Exchange.



Lastly, Caribbean Producers Jamaica is committed to the support of the general community and responded to the requests during the quarter of over 40 charity events by donating products. CPJ's staff also conducted a raffle of their own, and donated the funds raised to the Blossom Garden Children's Home in Montego Bay, St. James.

A handwritten signature in black ink, appearing to read 'Mark Hart', is written over a horizontal line.


Mark Hart
Chairman of the Board

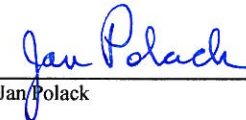
CARIBBEAN PRODUCERS (JAMAICA) LIMITED
Period ended December 31, 2011

Interim Balance Sheet

	Unaudited December 31, <u>2011</u>	Audited June 30, <u>2011*</u>	Unaudited December 31, <u>2010*</u>
CURRENT ASSETS			
Cash and cash equivalents	1,197,264	871,251	890,688
Accounts receivable	11,650,658	9,267,837	15,320,343
Inventories	<u>14,215,875</u>	<u>15,791,277</u>	<u>13,358,669</u>
	<u>27,063,797</u>	<u>25,930,365</u>	<u>29,569,700</u>
CURRENT LIABILITIES			
Bank overdraft	-	-	1,047,818
Short-term loan	3,930,000	6,205,000	6,205,000
Accounts payable	4,112,137	4,555,094	6,176,029
Due to related parties	3,646,667	3,646,667	3,646,667
Current portion long-term loan	368,526	790,723	263,627
Taxable payable	<u>817,955</u>	<u>818,071</u>	<u>638,543</u>
	<u>12,875,285</u>	<u>16,015,555</u>	<u>17,977,684</u>
NET CURRENT ASSETS	<u>14,188,512</u>	<u>9,914,810</u>	<u>11,592,016</u>
NON-CURRENT ASSETS			
Interest in joint venture	258,932	283,623	306,042
Investment	49,452	49,452	49,452
Deferred tax asset	2,940	2,940	182,286
Property, plant and equipment	<u>5,995,149</u>	<u>5,074,884</u>	<u>3,875,881</u>
	<u>6,306,473</u>	<u>5,410,899</u>	<u>4,413,661</u>
US\$	<u>20,494,985</u>	<u>15,325,709</u>	<u>16,005,677</u>
SHAREHOLDERS' EQUITY			
Share capital	4,851,327	5,874	30
Accumulated surplus	<u>3,876,467</u>	<u>3,044,500</u>	<u>2,464,511</u>
	<u>8,727,794</u>	<u>3,050,374</u>	<u>2,464,541</u>
NON-CURRENT LIABILITIES			
Related party loans	8,633,429	9,143,338	12,620,885
Long term loans	<u>3,133,762</u>	<u>3,131,997</u>	<u>920,251</u>
	<u>11,767,191</u>	<u>12,275,335</u>	<u>13,541,136</u>
US\$	<u>20,494,985</u>	<u>15,325,709</u>	<u>16,005,677</u>

These interim financial statements were approved by the Board of Directors on January 31, 2012, and signed on its behalf by:


 _____ Director
 Mark Hart


 _____ Director
 Jan Polack

* Restated (See note 5)

The accompanying notes form an integral part of the interim financial statements.

CARIBBEAN PRODUCERS (JAMAICA) LIMITED
Period ended December 31, 2011

Interim Statement of Comprehensive Income - Unaudited

	<u>Three months ended December 31, 2011</u>	<u>Three months ended December 31, 2010*</u>	<u>Six months ended December 31, 2011</u>	<u>Six months ended December 31, 2010 *</u>
Gross operating revenue	16,800,280	16,670,551	30,606,032	30,201,776
Cost of operating revenue	<u>(12,652,519)</u>	<u>(12,583,759)</u>	<u>(23,138,259)</u>	<u>(22,879,847)</u>
Gross profit	4,147,761	4,086,792	7,467,773	7,321,929
Selling and administrative expenses	(2,717,982)	(2,780,800)	(5,246,220)	(5,249,734)
Depreciation	(245,096)	(203,708)	(492,735)	(407,303)
Other operating income/(expenses), net	<u>156</u>	<u>26,381</u>	<u>(82,429)</u>	<u>(4,777)</u>
Profit before finance income, finance costs and taxation	1,184,839	1,128,665	1,646,389	1,660,115
Finance income	392	294	1,022	563
Finance costs	(381,717)	(464,577)	(802,364)	(850,046)
Share of loss of equity accounted investee	<u>(4,153)</u>	<u>(11,137)</u>	<u>(13,080)</u>	<u>(25,552)</u>
Profit before taxation	799,361	653,245	831,967	785,080
Taxation	<u>-</u>	<u>(228,635)</u>	<u>-</u>	<u>(274,778)</u>
Profit for the period, being total comprehensive income	US\$ <u>799,361</u>	<u>424,610</u>	<u>831,967</u>	<u>510,302</u>
Earnings per stock unit	<u>0.076¢</u>	<u>0.048¢</u>	<u>0.077¢</u>	<u>0.058¢</u>

* Restated (See note 5)

CARIBBEAN PRODUCERS (JAMAICA) LIMITED
Period ended December 31, 2011

Interim Statement of Changes in Equity - Unaudited

	<u>Share capital</u>	<u>Accumulated surplus*</u>	<u>Total</u>
Balances at June 30, 2010			
As previously reported	30	2,103,081	2,103,111
Prior year adjustment (note 5)	<u>-</u>	<u>(148,872)</u>	<u>(148,872)</u>
As restated	30	1,954,209	1,954,239 *
Profit for the period, being total comprehensive income	<u>-</u>	<u>510,302</u>	<u>510,302</u> *
Unaudited balances at December 31, 2010	US\$ <u>30</u>	<u>2,464,511</u>	<u>2,464,541</u>
Balances at June 30, 2011			
As previously reported	5,874	3,221,902	3,227,776
Prior year adjustment (note 5)	<u>-</u>	<u>(177,402)</u>	<u>(177,402)</u>
As restated	5,874	3,044,500	3,050,374 *
Profit for the period, being total comprehensive income	-	831,967	831,967
Transaction recorded directly in equity:			
Issue of shares (note 2)	<u>4,845,453</u>	<u>-</u>	<u>4,845,453</u>
Unaudited balances at December 31, 2011	US\$ <u>4,851,327</u>	<u>3,876,467</u>	<u>8,727,794</u>

* Restated (See note 5)

CARIBBEAN PRODUCERS (JAMAICA) LIMITED
Period Ended December 31, 2011

Interim Statement of Cash Flows - Unaudited

	Six months ended December 31, <u>2011</u>	Six months ended 'December 31, <u>2010*</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	831,967	510,302
Adjustments for:		
Interest expense	802,364	850,046
Interest income	(1,022)	(563)
Taxation	-	274,778
Depreciation	492,735	407,303
Gain on disposal of property, plant and equipment	<u>(1,664)</u>	<u>(12,577)</u>
	2,124,380	2,029,289
 (Increase)/decrease in current assets:		
Accounts receivable	(2,382,821)	(3,039,382)
Inventories	1,575,402	(799,644)
Decrease in current liability:		
Accounts payable	<u>(420,832)</u>	<u>(854,275)</u>
Cash used by operations	896,129	(2,664,012)
Interest paid	(824,489)	(573,122)
Tax paid	<u>(116)</u>	<u>(141)</u>
Net cash provided/(used) by operating activities	<u>71,524</u>	<u>(3,237,275)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,022	563
Investment	-	28,798
Interest in joint venture	24,691	127,184
Additions to property, plant and equipment	(1,450,211)	(242,347)
Proceeds from disposal of property, plant and equipment	<u>38,875</u>	<u>38,567</u>
Net cash used by investing activities	<u>(1,385,623)</u>	<u>(47,235)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	4,845,453	-
Loans received from third parties	-	2,405,000
Loans repaid to related parties	(509,909)	(43,000)
Loans repaid to third parties	<u>(2,695,432)</u>	<u>(38,474)</u>
Net cash provided by financing activities	<u>1,640,112</u>	<u>2,323,526</u>
Net increase/(decrease) in cash and cash equivalents for the period	326,013	(960,984)
Cash and cash equivalents at beginning of the period	<u>871,251</u>	<u>803,854</u>
 CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	 US\$ <u>1,197,264</u>	 <u>(157,130)</u>
Comprised of:		
Cash and cash equivalents	1,197,264	890,688
Bank overdraft	<u>-</u>	<u>(1,047,818)</u>
	 US\$ <u>1,197,264</u>	 <u>(157,130)</u>

* Restated (See note 5)

CARIBBEAN PRODUCERS (JAMAICA) LIMITED
Period ended December 31, 2011

Selected explanatory notes

1 Basis of preparation

Except for restatement mentioned in note 5 below, these condensed interim financial statements have been prepared in accordance with accounting policies set out in note 2 to the audited financial statements for the year ended June 30, 2011, and have been consistently applied from period to period.

2 Issue of shares

In July 2011, the company issued 220,000,000 new shares to the public. The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on July 20, 2011.

3 Operating segments

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

Based on the nature of the company's products, processes, customers and distribution systems, management has determined that disclosure of segment information is not applicable to the company.

4 Taxation

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on July 20, 2011. Consequently, the company is entitled to a remission of taxes for 10 years in the proportions set out below, provided the shares remain listed for at least 15 years:

Years 1 to 5 100%
 Years 6 to 10 50%

5 Restatement

Using the equity method of accounting, the company has restated its financial statements to recognise its interest in Caribbean Egg Processors Limited. The restatement had the following effect on the financial statements for the prior periods:

	As previously reported	Adjustment	As restated
Interest in joint venture as at June 30, 2010	582,098	(148,872)	433,226
Interest in joint venture as at December 31, 2010	480,466	(174,424)	306,042
Interest in joint venture as at June 30, 2011	461,025	(177,402)	283,623

The company's income statement for the period ended December 31, 2010 has also been restated to reflect its share of the results of Caribbean Egg Processors Limited.

6 Earnings per stock unit

Earnings per stock unit is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue for the period. The weighted average number of shares for the period was calculated as follows:

	Three months ended December 31, 2011	Three months ended December 31, 2010	Six months ended December 31, 2011	Six months ended December 31, 2010
Issued ordinary shares at beginning of period	880,000,000	880,000,000	880,000,000	880,000,000
Effect of shares issued during the period	174,565,217	-	197,282,609	-
Weighted average number of ordinary shares held during the period	<u>1,054,565,217</u>	<u>880,000,000</u>	<u>1,077,282,609</u>	<u>880,000,000</u>



TOP TEN (10) STOCKHOLDERS

As at 31 December 2011

<u>NAME</u>	<u>SHARES</u>
1. Wave Trading Limited	440,000,000
2. Sportswear Producers Limited	440,000,000
3. JCSD Trustee Services Ltd. A/C#76579-02	13,679,900
4. ATL Group Pension Fund Trustees Nom. Ltd.	12,982,044
5. SJIML A/C 3119	10,231,789
6. Huixiong, Liao	9,971,710
7. MF&G Trust & Finance Ltd. Sigma Venture	5,898,060
8. SJLIC for Scotiabank Retirement Scheme	5,898,933
9. SJIML A/C 831	5,675,229
10. Mayberry Managed Clients Account	5,476,294

DIRECTORS' AND SENIOR OFFICERS' INTERESTS

The interests of the Directors and Senior Officers, holding office at the end of the quarter, along with their connected persons*, in the ordinary stock units of the Company were as follows:

Mark Hart ^	
Antony Hart ^	
Ronald Schrager ^	
Theresa Chin	760,900
Jan Polack	2,790,185
Hugh Logan	575,743
Radcliffe Murray	1,006,098
Petra-Ann Williamson	285,467
Nigel Casserly	250,000
^ <i>Interests in Sportswear Producers Limited</i>	440,000,000
^ <i>Interests in Wave Trading Limited</i>	440,000,000
^ <i>Interests in Alpine Endeavors Limited</i>	1,881,100

*Persons deemed to be connected with a director/senior manager are:

- i. The director's/senior manager's husband or wife
- ii. The director's/senior manager's minor children (these include step-children) and dependants and their spouses.
- iii. The director's/senior manager's partners.
- iv. Bodies corporate of which the director/senior manager and or persons connected with him together