

**Jamaica Broilers Group Ltd****Commentary on un-audited 3rd quarter results**

The Directors of Jamaica Broilers Group Ltd now release the un-audited financial results for the quarter ended January 28, 2012, which have been prepared in accordance with International Financial Reporting Standards.

The Group's turnover for the nine months of \$17.7billion, compared to the \$15.5billion in the corresponding period last year, reflects a 14% increase. Year to date profits attributable to shareholders amounted to \$687million compared to \$755million in the corresponding period last year.

This year we have been negatively impacted by two major factors: firstly, significant increases in the cost of corn- one of our primary imported raw materials, with market prices reaching US\$7.40 per bushel compared to an average US\$4.50 per bushel last year; and secondly, the unreasonably high increase in the number of permits issued by the Ministry of Agriculture & Fisheries in 2011 for the importation of chicken necks and backs. The company however held prices to customers over the Christmas period.

In the ethanol operations, we have a number of contracts still in place although the CBI tariff incentives to ship to the USA came to an end on December 31, 2011. The lobbying effort is ongoing in the USA, for the reinstatement of some modified forms of the tariff.

Against this background, operating profits for this quarter amounted to \$516million-a 2% decline when compared to the \$526million reported in the previous year.

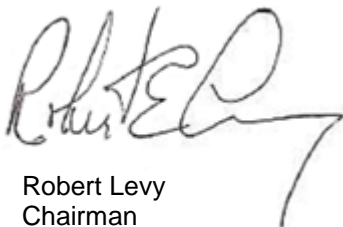
Financing costs were reduced quarter over quarter to \$93million compared to \$101million in the corresponding quarter last year. This was due primarily to negotiated reductions in interest rates.

The results for this quarter have also been positively impacted by a "one- off" reversal of corporation tax accruals in respect of years of assessment 2010 and 2011 - amounting to \$100million, due to the recent receipt of an extension to our approved farmer status, relating to the 2009/2010 expansion in the poultry breeder flock operations, in St Ann.

Profits attributable to shareholders for the quarter amounted to \$400million which equate to earnings per share of approximately 33.40cents, compared to \$362million or 30.20cents per share last year.

Production of feed, baby chicks and layer pullets in Haiti began last month. We are now in a position to start having an impact on a large Caribbean market and look forward to its growth and development.

The staff, management and Board give thanks for the results achieved and continue to trust in God's guidance.



Robert Levy  
Chairman



Christopher Levy  
President & Chief Executive Officer

March 9, 2012

## Interim Group Statement of Comprehensive Income for quarter ended January 28,2012

	Quarter ended January 28,2012 \$000	Quarter ended January 29,2011 \$000	Nine months ended January 28,2012 \$000	Nine months ended January 29,2011 \$000
Turnover	6,159,564	5,722,922	17,741,470	15,516,507
Cost of Sales	(4,821,512)	(4,452,622)	(14,173,189)	(12,060,978)
Gross Profit	1,338,052	1,270,300	3,568,281	3,455,529
Other operating income/ (expense)	23,539	38,655	(68)	112,725
Distribution Costs	(159,154)	(146,908)	(477,671)	(447,181)
Administrative and other expenses	(686,607)	(635,669)	(2,039,347)	(1,878,656)
Operating Profit	515,830	526,378	1,051,195	1,242,417
Finance costs	(93,071)	(100,938)	(243,725)	(295,152)
Profit before taxation	422,759	425,440	807,470	947,265
Taxation	(22,220)	(63,244)	(120,800)	(192,292)
Net Profit after tax attributable to stockholders	400,539	362,196	686,670	754,973
Other comprehensive income / (loss)				
Currency translation differences on foreign subsidiaries	(4,256)	3,938	29,322	(83,545)
Fair value gains / (losses) on investments				1,489
Total comprehensive income /(loss) for the period	396,283	366,134	715,992	672,917
Earnings per Stock Unit-cents	33.40	30.20	57.26	62.95

## Segment Reporting Information-Consolidated Nine Months ended January 28, 2012

	Best Dressed Foods Division \$000's	HIPRO-ACE Division \$000's	Ethanol Operations \$000's	Other \$000's	Eliminations \$000's	Group Total \$000's
<b>REVENUE</b>						
External Sales	9,173,752	6,303,294	1,076,173	1,188,252	-	17,741,470
Inter-Segment Sales	139,496	220,271	-	1,915,855	(2,275,622)	-
<b>Total revenue</b>	<b>9,313,248</b>	<b>6,523,565</b>	<b>1,076,173</b>	<b>3,104,107</b>	<b>(2,275,622)</b>	<b>17,741,470</b>
<b>RESULT</b>						
Segment Result	712,553	854,496	64,421	33,673		1,665,143
Corporate expenses						(613,949)
<b>Operating Profit</b>						<b>1,051,194</b>
Financing costs						(243,725)
<b>Profit before Taxation</b>						<b>807,469</b>
Taxation						(120,800)
<b>Net Profit</b>						<b>686,669</b>
<b>Balance Sheet</b>						
	Best Dressed Foods Division \$000's	HIPRO-ACE Division \$000's	Ethanol Operations \$000's	Other Current and Non Current Assets \$000's		Group Total \$000's
Segment assets	1,069,091	782,111	3,647,107	10,156,073		15,654,382
Segment liabilities			2,186,011	5,273,549		7,459,560

## Segment Reporting Information-Consolidated Nine Months ended January 29, 2011

	Best Dressed Foods Division \$000's	HIPRO-ACE Division \$000's	Ethanol Operations \$000's	Other \$000's	Eliminations \$000's	Group Total \$000's
<b>REVENUE</b>						
External Sales	8,602,081	5,066,585	865,848	981,992	-	15,516,507
Inter-Segment Sales	141,317	99,472	-	1,639,460	(1,880,249)	-
<b>Total revenue</b>	<b>8,743,398</b>	<b>5,166,057</b>	<b>865,848</b>	<b>2,621,452</b>	<b>(1,880,249)</b>	<b>15,516,507</b>
<b>RESULT</b>						
Segment Result	882,772	603,413	170,586	282,266		1,939,037
Corporate expenses						(696,621)
<b>Operating Profit</b>						<b>1,242,417</b>
Financing costs						(295,152)
<b>Profit before Taxation</b>						<b>947,264</b>
Taxation						(192,292)
<b>Net Profit</b>						<b>754,973</b>
<b>Balance Sheet</b>						
	Best Dressed Foods Division \$000's	HIPRO-ACE Division \$000's	Ethanol Operations \$000's	Other Current and Non Current Assets \$000's		Group Total \$000's
Segment assets	901,744	607,234	3,968,696	9,057,994		14,535,668
Segment liabilities			2,288,330	4,762,746		7,051,075

**Group Statement of Financial Position as at January 28,2012**

	<b>January 28 2012 \$'000</b>	<b>April 30 2011 \$'000 (Audited)</b>	<b>January 29 2011 \$'000</b>
<b>Non-Current Assets</b>			
Property,plant and equipment	7,132,586	6,596,076	6,706,461
Intangible assets	50,756	64,717	59,168
Investments	9,532	125,884	133,725
Deferred income tax	31,069	27,058	30,180
Post-employment benefit assets	242,024	241,900	206,200
	<u>7,465,967</u>	<u>7,055,635</u>	<u>7,135,734</u>
<b>Current Assets</b>			
Inventories	3,143,562	2,820,443	2,573,094
Biological assets	951,765	914,498	850,671
Receivables & Prepayments	1,834,113	1,504,308	1,757,911
Taxation recoverable		4,285	
Financial assets at fair value through profit or loss	799,012	983,754	942,338
Cash and short term investments	1,459,964	764,963	1,275,920
	<u>8,188,416</u>	<u>6,992,251</u>	<u>7,399,934</u>
<b>Current Liabilities</b>			
Payables	1,906,917	1,999,726	2,076,144
Taxation payable	330,157	387,155	211,415
Bank overdraft	39,640	316,954	154,249
Borrowings	1,631,740	1,135,644	2,377,544
	<u>3,908,454</u>	<u>3,839,479</u>	<u>4,819,352</u>
<b>Net Current Assets</b>	<u>4,279,962</u>	<u>3,152,772</u>	<u>2,580,582</u>
	<u><u>11,745,929</u></u>	<u><u>10,208,407</u></u>	<u><u>9,716,316</u></u>
<b>Stockholders'Equity</b>			
Share Capital	765,137	765,137	765,137
Capital Reserve	1,004,208	974,886	989,885
Retained Earnings	6,425,477	5,810,763	5,729,570
	<u>8,194,822</u>	<u>7,550,786</u>	<u>7,484,592</u>
<b>Non-Current Liabilities</b>			
Borrowings	3,067,663	2,174,461	1,765,974
Deferred income taxes	470,144	469,860	456,550
Employee Benefit Obligations	13,300	13,300	9,200
	<u>11,745,929</u>	<u>10,208,407</u>	<u>9,716,316</u>

**Consolidated Statement of Changes in Stockholders' Equity as at January 28, 2012**

	<b>Number of Shares 000's</b>	<b>Share Capital \$000</b>	<b>Capital Reserves \$000</b>	<b>Retained Earnings \$000</b>	<b>Total \$000</b>
Balance at May 02, 2010	1,199,277	765,137	1,071,941	5,046,553	6,883,631
Total comprehensive income for period			(82,056)	754,973	672,917
Dividend				(71,956)	(71,956)
Balance at January 29, 2011	<u>1,199,277</u>	<u>765,137</u>	<u>989,885</u>	<u>5,729,570</u>	<u>7,484,592</u>
Balance at May 01, 2011	1,199,277	765,137	974,886	5,810,763	7,550,786
Total comprehensive income for period			29,322	686,670	715,992
Dividend				(71,956)	(71,956)
Balance at January 28, 2012	<u>1,199,277</u>	<u>765,137</u>	<u>1,004,208</u>	<u>6,425,477</u>	<u>8,194,822</u>

**Consolidated Statement of Cash Flows (Condensed) for nine months ended January 28, 2012**

	<b>January 28 2012 \$000</b>	<b>January 29* 2011 \$000</b>
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>		
Operating Activities		
Net Profit	686,670	754,973
Items not affecting cash resources	<u>548,945</u>	<u>355,800</u>
	1,235,615	1,110,773
Changes in non-cash working capital components	<u>(952,600)</u>	<u>219,198</u>
Cash provided by/(used in) operations	283,015	1,329,971
Cash provided by/(used in) financing activities	1,317,300	625,839
Cash (used in) provided by investing activities	<u>(629,900)</u>	<u>(1,750,800)</u>
Increase /(decrease) in net cash and cash equivalents	970,415	205,010
Effects of changes in exchange rates	1,900	4,500
Net cash and cash equivalents at beginning of year	<u>448,009</u>	<u>912,161</u>
<b>NET CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u><u>1,420,324</u></u></b>	<b><u><u>1,121,671</u></u></b>

**\*-Restated**

## 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 preparation

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.

These financial statements are presented in Jamaican dollars unless otherwise indicated.

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.

### Segment reporting

Management has determined the operating segments based on the reports reviewed by the President and Chief Executive Officer which are used to make strategic decisions.

Segment information is provided for reportable segments as follows:

- **Best Dressed Foods Division** - Sale of processed poultry and other products.
- **HIPRO-ACE Division** - Sale of manufactured feeds, baby chicks, layer pullets and other farm & household supplies.
- **Ethanol Operations** - The processing and sale of fuel grade ethanol.

The business is considered from a product perspective

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.

The accumulated segment results represent operating profits before deduction of corporate expenses.

Segment assets and liabilities are measured based on information provided to the Chief Operating Decision Maker-the President and Chief Executive Officer as follows:-

- **Best Dressed Foods Division** – Assets: Inventories and receivables.
- **HIPRO-ACE Division** - Assets: Inventories and receivables.
- **Ethanol Operations** - Assets and Liabilities as shown on Balance Sheet of JB Ethanol Ltd subsidiary.
- **Other** – Assets and liabilities not identified above.

### Agriculture

Current assets include biological assets with a carrying value of \$951.8mln at January 28, 2012 (\$914.5million at April 30, 2011).

Biological assets include poultry breeder flocks, hatching eggs, baby chicks, chicken being grown out, cattle, fish and started pullets (layers).