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# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 54th Annual General Meeting of Jamaica Broilers Group Limited will be held at the Jamaica Conference Centre, Ocean Boulevard, Kingston Mall, Kingston on Saturday November 3, 2012 at 10:00am to transact the following Business:

1. **To receive the Audited Accounts for the year ended April 28, 2012, together with the reports of the Directors and Auditors thereon,** The Company is asked to consider, and if thought fit, pass the following resolution:

## Resolution No. 1

*"That the Audited Accounts for the year ended April 28, 2012, together with the reports of the Directors and Auditors thereon, be and are hereby adopted".*

2. **To elect Directors.**

- (i) The Directors retiring by rotation in accordance with Regulation 89 of the Company's Articles of Incorporation are Mr. Malcolm McDonald, Dr. Claudette Cooke, Dr. Trevor Dewdney and Mr Barrington Pryce who, being eligible for re-election, offer themselves for re-election.

The Company is being asked to consider, and if thought fit, pass the following resolution:

## Resolution No. 2

*"That the Directors, retiring by rotation, be re-elected by a Single Resolution."*

## Resolution No. 3

*"That Mr. Malcolm McDonald, Dr. Claudette Cooke, Dr. Trevor Dewdney and Mr. Barrington Pryce who are retiring by rotation in accordance with Regulation 89 of the Articles of Incorporation be and are hereby re-elected as Directors of the Company".*

3. **To ratify interim dividends.**

The Company is asked to consider and if thought fit to pass the following resolution:

## Resolution No. 4

*"That the two interim dividends of 6 cents and 8 cents paid on December 2, 2011 and April 27, 2012, respectively, be and are hereby ratified and declared final for the financial year ended April 28, 2012".*

4. **To Approve the Remuneration of the Directors.**

The Company is asked to consider, and if thought fit, to pass the following resolution:

**Resolution No. 5**

*“That the amount shown in the Audited Accounts of the Company for the year ended April 28, 2012 as fees of the Directors for their services as Directors, be and is hereby approved.”*

**5. To Appoint Auditors and to authorize the Directors to Fix the remuneration of the Auditors.**

The Company is asked to consider, and if thought fit, pass the following resolution:

**Resolution No. 6**

*“That the remuneration of the Auditors, PricewaterhouseCoopers, who have signified their willingness to continue in office, be such as may be agreed between the Directors of the Company and the Auditors.”*

**6. To Amend the Articles to Allow for the Company’s Annual Report to be sent to Members electronically.**

The Company is asked to consider and, if thought fit, to pass the following Special Resolution:

**Resolution No. 7**

**“BE IT RESOLVED THAT** the Articles of Incorporation of the Company be and are hereby amended as follows:

(1) By inserting the following definitions in Article 1 immediately following the definition of “Secretary”:

**“Electronic Format”** means any disc, tape, sound track or other device in which printed words, sounds or other data are embodied so as to be capable (with or without the aid of some other equipment) of being reproduced therefrom including but not limited to compact discs.

**“Electronic Means”** means any method of dispatch or communication of sounds, documents, maps, photography, graphs, plans or other data which involves the use of equipment or technology having electrical, digital, magnetic, wireless, optical, electromagnetic, photographic or similar capabilities including but not limited to facsimile machines, e-mail sent via computers and scanning devices.”

(2) That Article 131 under the heading “Notices” which presently reads as follows:

*“131. A notice may be given by the Company to any member either personally or by sending it by post to him or his registered address or (if he has no registered address within the Island) to the address if any, within the Island supplied by him to the company for the giving of notice to him. Where a Notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 48 hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.”*

*Be amended to read as follows:*

# Notice of Annual General Meeting cont.

*"131. Any notice to be given or document required to be sent by the Company to any member may be:*

- 1. (a) sent to him personally in writing or electronic format;*
- (b) sent by post to him or to his registered address or (if he has no registered address within Jamaica to the address if any, within Jamaica supplied by him to the Company for the giving of notice to him in writing or electronic format; or*
- (c) sent to him by electronic means.*

*PROVIDED HOWEVER that where such notice or document is specifically required by law or these Articles to be sent in Writing the company will obtain the member's written consent prior to sending it to him in electronic format or by electronic means."*

*2. Where a Notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 48 hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.*

*3. Where a notice or document is sent by electronic means, service of the notice or document shall be deemed to be effected by properly dispatching the notice or document to the email address, any other electronic address or facsimile number provided by the member, and is deemed to have been received by the intended recipient at the expiration of twenty-four (24) hours after the notice or document is so dispatched by the Company."*

Dated the 29th day of August, 2012

By Order of the Board



PETER A. DePASS  
Company Secretary  
Registered Office  
Content, McCook's Pen  
St. Catherine

## NOTE:

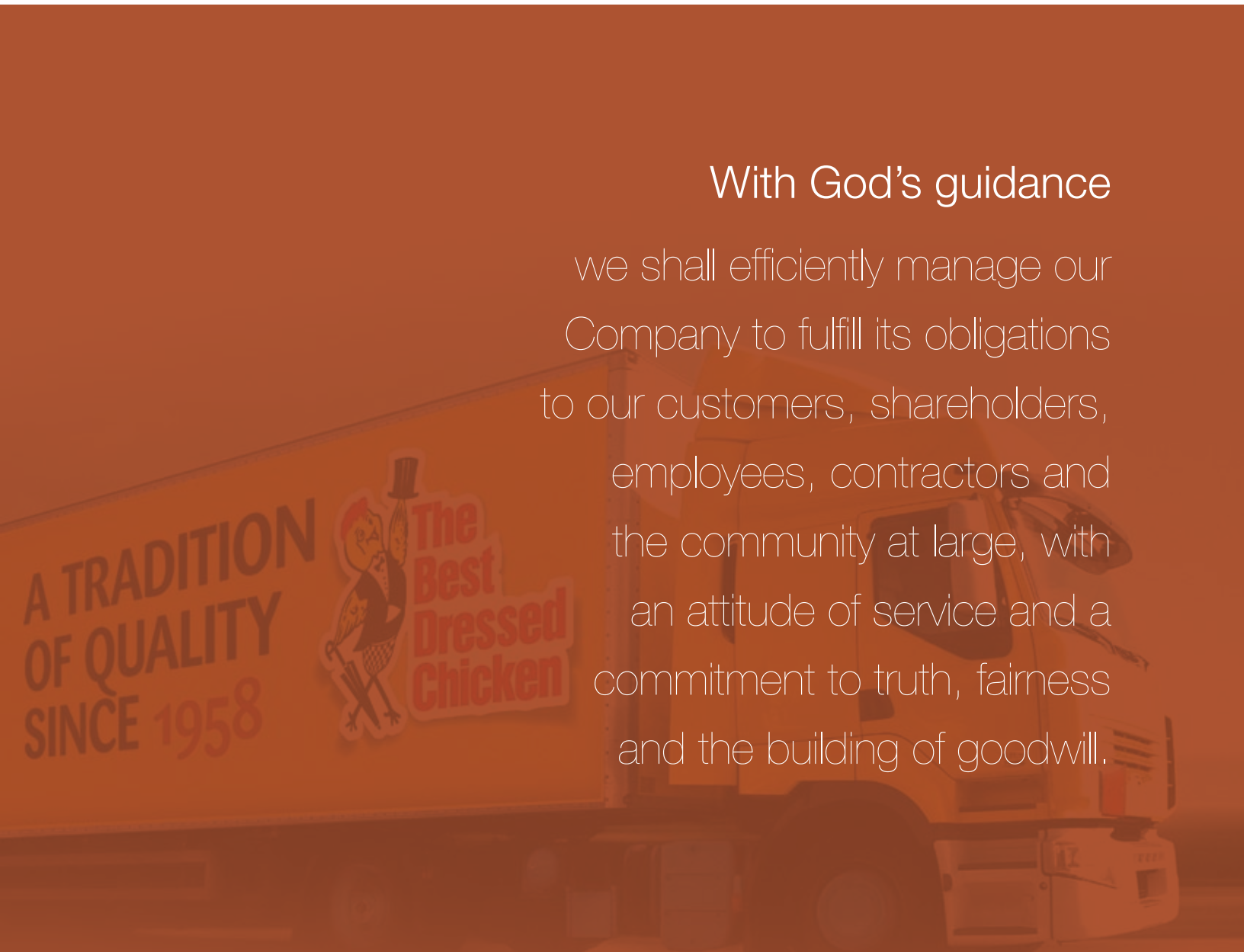
A member entitled to attend and vote at the meeting may appoint a proxy, who need also be a member, to attend and so on a poll, vote on his/her behalf. A suitable form of proxy is enclosed. Forms of proxy must be lodged at the registered office of the Company at Content, McCook's Pen, Saint Catherine or with the Registrar of the Company, Duke Corporation 13th Floor, Scotiabank Centre, Cnr. Duke & Port Royal Streets, Kingston not less than 48 hours before the time of the meeting.

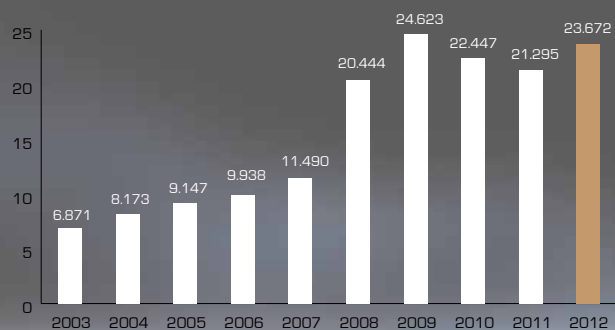
A Corporate shareholder may (instead of appointing a proxy) appoint a representative in accordance with Regulation 74 of the Company's Articles of Incorporation. A copy of Regulation 74 is set out on the enclosed detachable proxy form.

## With God's guidance

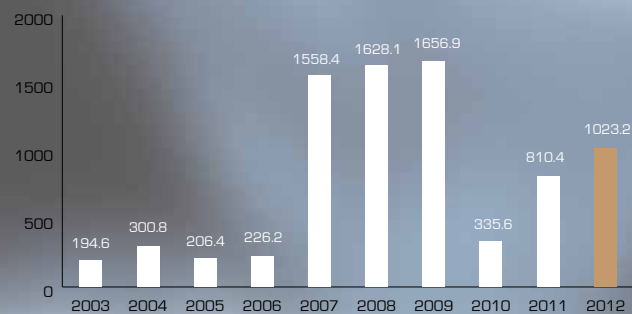
we shall efficiently manage our Company to fulfill its obligations to our customers, shareholders, employees, contractors and the community at large, with an attitude of service and a commitment to truth, fairness and the building of goodwill.

# Mission Statement

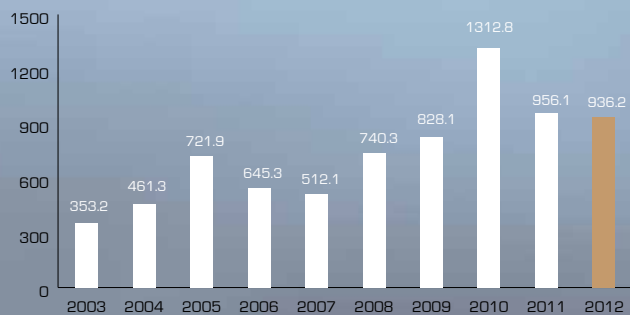




Net Sales – J\$ Billions



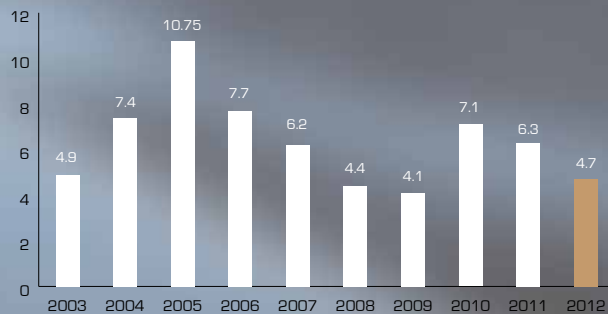
Investment in Property, Plant & Equipment  
J\$ Millions



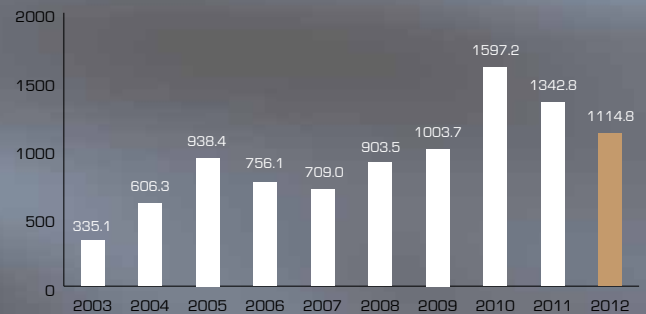
Net Profit Attributable to Stockholders  
J\$ Millions



# Financial Highlights 2012



Pre-Tax Profits as % of Net Sales



Pre-Tax Profits – J\$ Millions



# Chairman & President's Overview

## FINANCIAL HIGHLIGHTS

In a year of continued economic turmoil across the globe and significant challenges in our local market, we give the Lord thanks that we are numbered among the few companies that have ended the year on a positive note with the Group still being in a very strong financial position.

Revenue increased by 11% – moving up \$2.4 billion from the \$21.3 billion recorded in 2010/2011 to \$23.7 billion in 2011/2012. However, due to market constraints and direct cost increases gross profits only increased by 4% from \$4.6 billion in the previous year to \$4.8 billion during 2011/2012.

Net profits attributable to stockholders at \$936 million reflect a 2% decrease when compared to the \$956 million realised in 2010/2011.

The core business segments continue to be strong, despite continuously rising prices of grain on the world market, as well as unprecedented high levels of imported chicken neck and back which flooded the local market.

The production facilities in Haiti did not become operational as quickly as anticipated in this year and therefore sales of animal feeds and baby chicks in that market were mainly supplied by imports with attendant high costs.

The Haiti Broilers S.A. feed mill, hatchery and poultry farm are now fully operational from the start of 2012/13 with lower cost of sales and significantly improved gross margins.

## ECONOMIC CLIMATE

The volatile economic climate brought about by local general elections in December 2011 and mounting debt issues experienced by some of the world's leading nations led us to forge even stronger relationships with our internal and external stakeholders. We stayed connected with our customers, suppliers and employees who, themselves, were impacted and we were also able to work effectively with our financial partners.



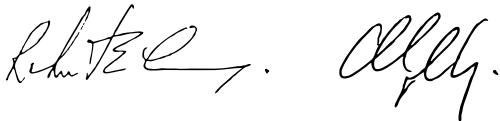
The December 31, 2011 expiration of the tariff structure on imported ethanol from CBI countries into the USA caused cancellation of a number of ethanol processing orders during 2011/12. We are heartened however by new orders being received in 2012/13 due to benefits now being derived on ethanol processed by us being classified as an advanced bio fuel.

#### THE TEAM

We wish to thank members of the management team and staff for their overwhelming support during what could be described as a challenging year. Their commitment to the tenets of the Jamaica Broilers Group and the values for which we stand has been outstanding. We recognise their willingness to go beyond the call of duty to get the job done, as well as the amicable working relationship which they have fostered at the workplace and their respect for the culture of our organisation. They are second to none!

We also say a very special “thank you” to members of the Board of Directors for their advice and guidance during the period under review and for having provided their individual expertise in the decision-making process as we sought solutions to the many challenges which presented themselves on a daily basis.

We thank our shareholders, partners and customers for the confidence they continue to show in our organisation and God for his continued blessings on our organisation. With His guidance we shall grow from strength to strength and continue to make our contribution to the building of our nation.



Robert Levy  
Chairman

Christopher Levy  
President and CEO



# Directors' Report

The Directors present their annual report with the Financial Statements for the year ended 28 April, 2012.

## RESULTS OF OPERATIONS

### REVENUE

The Group's revenue for the year amounted to \$23,672,341,000 as compared with \$21,294,517,000 for the previous year.

### PROFIT, DIVIDENDS AND APPROPRIATIONS

Group Profit after taxation	936,206,000
Profits brought forward from previous years were	<u>5,810,763,000</u>
To give an amount of	6,746,969,000
Interim Dividends	<u>168,203,000</u>
Thereby leaving profits to be carried forward as Retained Earnings of	<u>6,578,766,000</u>

The Directors are recommending that the two interim dividends of 6 cents and 8 cents paid on the 2nd December, 2011 and the 27th April, 2012, respectively, be ratified and declared final for the financial year ended April 28, 2012 by the shareholders in general meeting as the Directors do not propose to declare any further dividend(s) from the audited profits realised during the financial year ended April 28, 2012.

The Directors retiring in accordance with Regulation 89 of the Articles of Incorporation are Mr. Malcolm McDonald, Dr. Claudette Cooke, Dr. Trevor Dewdney, and Mr. Barrington Pryce all of whom are eligible for re-election.

### AUDITORS

PricewaterhouseCoopers will continue in office as Auditors in accordance with the provisions of Section 154(2) of the Companies Act.

Dated the 29th day of August, 2012



PETER A. DePASS  
Company Secretary  
Registered Office  
Content, McCook's Pen  
St. Catherine

# Corporate Governance

The Board of Directors of Jamaica Broilers Group Of Companies is responsible for the effective governance of the Group. They oversee the Group's Corporate Affairs on behalf of our shareholders and act as advisors to our management team in setting vision and strategy to enhance shareholder value. As the demands on and the oversight responsibilities of board members continue to increase and become ever more challenging, we are pleased that our board members are qualified, objective, committed and inquisitive. This includes having members with the right mix of qualifications and background to effectively serve on the various committees of the board.

## Board Composition

As at April 28, 2012, the Board comprised eight non-executive directors and three executive directors. The names of the directors and their qualifications are set out in the Directors Profile section of this report.

## Attendance at Board Meetings

The following table highlights the attendance of Directors at meetings of the Board of Directors:

Directors	Board Meetings Attended (out of 10 total meetings)
Dr. Claudette Cooke	9
Dr. Trevor Dewdney	10
Aubyn Hill	9
Robert Levy	10
Christopher Levy	10
Andrew Mahfood	7
Malcolm McDonald	7
Ian Parsard	10
Barrington Pryce	9
Gregory Shirley	10
The Hon. R.D Williams	8

## Board Committees

### 1. THE CORPORATE GOVERNANCE COMMITTEE

**Chairman: Gregory B. Shirley, MBA**

Gregory Shirley joined the Jamaica Broilers Group Board in 2006, having retired just prior to that from the position of Partner in Charge of Advisory Services at KPMG in Jamaica, Board Member of KPMG CARICOM and Head of Advisory Services for KPMG member firms across CARICOM.

Among the major achievements of the Corporate Governance Committee, is the production of a comprehensive Corporate Governance Document.

#### Committee Members:

- Mr. Gregory Shirley
- Mr. Malcolm McDonald
- Mr. Andrew Mahfood
- Mr. Aubyn Hill

This committee met once during the year 2011/2012.

### 2. THE COMPENSATION COMMITTEE

**Chairman: Gregory B. Shirley, MBA**

Over Gregory B. Shirley's professional career, which has spanned more than 30 years, he has distinguished himself as a sought-after Consultant in the areas of Compensation and Benefits Administration, Performance Management, Corporate and Strategic Planning and Process Improvement.

#### Committee Members:

- Mr. Gregory Shirley
- Mr. Andrew Mahfood
- Dr. Trevor Dewdney
- Mr. Aubyn Hill
- Mr. Malcolm McDonald

The Committee is scheduled to meet once per year: One meeting was held during 2011/2012.

### 3. THE AUDIT COMMITTEE

**Chairman: Mr. Andrew Mahfood, CA**

Andrew Mahfood has been a member of the Jamaica Broilers Group Board since 2003. A Chartered Accountant, he has been Finance Director of Wisynco Group Limited since 1997, having served first as Financial Controller of Wisynco Trading Limited.

The work of the Audit Committee, and the Internal Auditors – KPMG, provides credible informational support for the External Audit function, which is carried out by PricewaterhouseCoopers.

#### Committee Members:

- Mr. Andrew Mahfood
- Dr. Trevor Dewdney
- Mr. Aubyn Hill
- Mr. Malcolm McDonald
- Mr. Gregory Shirley

The Committee is scheduled to meet quarterly, however, it may hold additional meetings if the Board requests that members convene to authorize financial results and any other matter which may require that Committee's specific attention.

During the year under review, four meetings were held.

## Board of Directors



Mr. Robert Levy,  
C.D., Hon. LL.D., M.A.  
CHAIRMAN

Mr. Levy is a Poultry Expert with over 50 years' experience acquired at all levels of the Poultry industry, in general, and at Jamaica Broilers Group, in particular. Especially highly-regarded for his knowledge of the industry, his philanthropic endeavours and his strong sense of nationalism, he is Chairman of the Group.



Mr. Christopher Levy, MBA  
PRESIDENT & CEO

Christopher Levy has worked with Jamaica Broilers Group since 1985 and has substantial experience and in-depth working knowledge of the Company's business. He played a pivotal role in the Group's successful diversification into the area of Ethanol production.



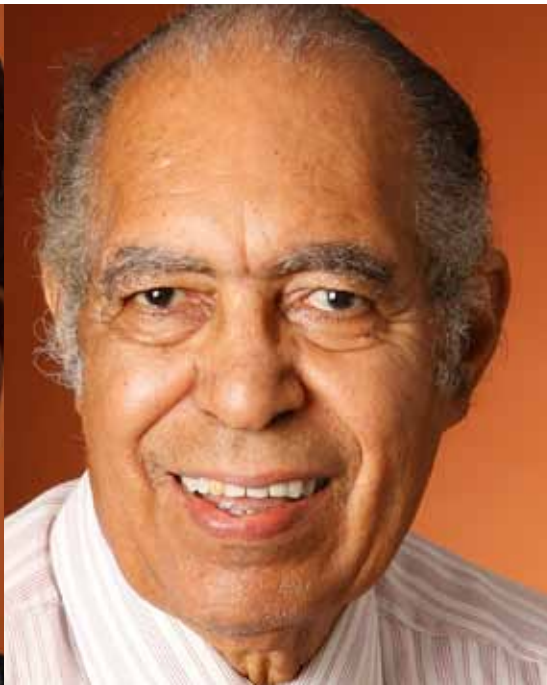
The Hon. R. Danvers Williams O.J.,  
C.D., Hon. LL.D., J.P., C.L.U.  
DIRECTOR EMERITUS

Mr. Williams is one of Jamaica's most respected business-men - having enjoyed a distinguished career in excess of 56 years in the life insurance industry, inclusive of founding and serving as President and Chief Executive Officer of Life of Jamaica (now Sagicor Life). He is the immediate Past Chairman of the Jamaica Broilers Group.



Dr. Claudette Cooke, CMT, Ed.D.  
EXECUTIVE DIRECTOR

The Group's Vice President of Human Resource Development and Public Relations and a Certified Master Trainer in the area of Human Performance Improvement (HPI).



Dr. Trevor Dewdney D.V.M.  
DIRECTOR

A well-regarded Veterinary Consultant, he is also a devoted farming practitioner.



Mr. Aubyn Hill, MBA  
DIRECTOR

A Corporate Strategist and CEO of Corporate Strategies Limited, with over 25 years' experience in Banking and Finance. He has conducted business in over 84 countries.



## Board of Directors



Mr. Andrew Mahfood, CA  
DIRECTOR

A Chartered Accountant, he is the Financial Director of Wisynco Group Limited.



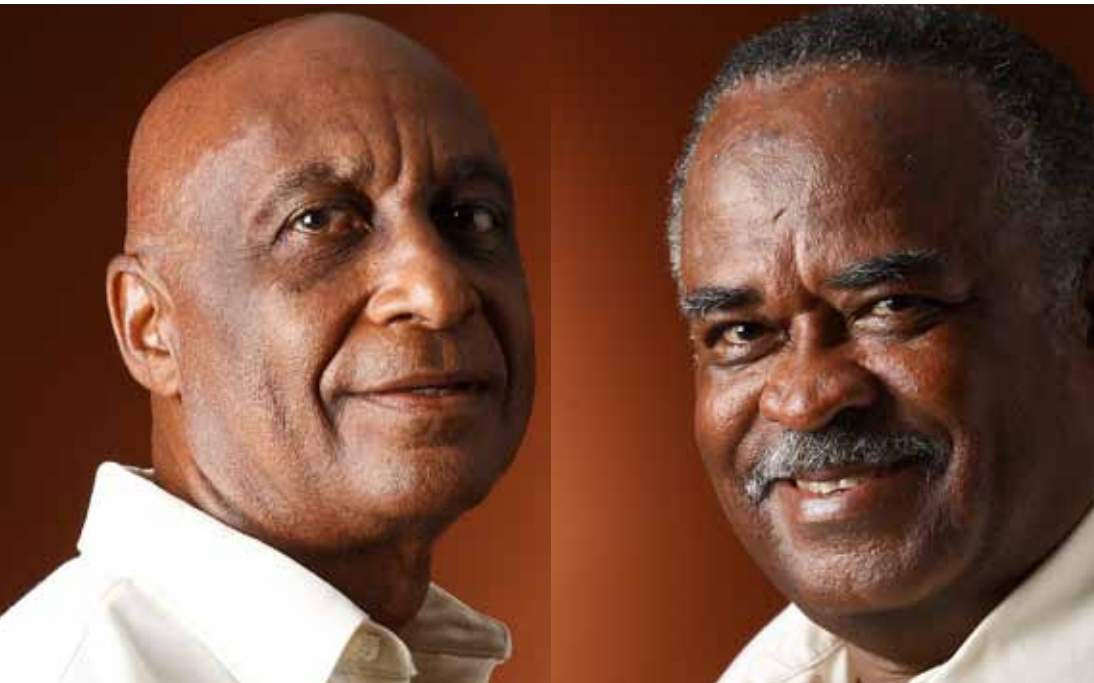
Mr. Malcolm D. L. McDonald,  
Attorney-at-Law  
DIRECTOR

An Attorney-at-Law and a partner in McDonald Millingen - a firm specializing in Banking, Taxation, Commercial Law and Conveyancing - he has extensive experience, inter alia, in commercial transactions.



Mr. Ian Parsard, MBA (Hons.),  
A.C.C.A.  
EXECUTIVE DIRECTOR

The Group's Vice President for Finance & Energy, he is a Chartered Accountant who distinguished himself by graduating with highest honours from the University of Pennsylvania's Wharton School of Business.



Peter DePass, Attorney-at-Law  
COMPANY SECRETARY

Mr. Barrington Pryce  
DIRECTOR

The General Manager of Jamaica Poultry Breeders Limited, a JBGL subsidiary.

Mr. Gregory B. Shirley, MBA  
DIRECTOR

A Consultant with a wide range of skills - including Corporate and Strategic Planning, Process Improvement and Performance Measurement.

# Executive Team

Conley N. Salmon  
Vice President, Marketing - Feeds &  
Agricultural Supplies

Christopher E. Levy, MBA  
President &  
Chief Executive Officer

Claudette D. Cooke,  
CMT, Ed.D.  
Vice President, Human  
Resource Development &  
Public Relations





Ian S. Parsard, MBA, A.C.C.A.  
Vice President, Finance & Energy

Leon O. A. Headley  
Vice President,  
Procurement & Trading

David Mair, MBA  
Vice President,  
Best Dressed Chicken  
Operations

Donald A. Patterson  
MBA, FCA  
Vice President,  
Accounting &  
Information Systems



# Management Discussion & Analysis

...our Group continued to play our part in community advancement and nation-building

In a year of local and international changes in policies and governance, the Jamaica Broilers Group was able to sustain its dominance in the market place because of the ability of our management team and employees to respond to the needs of our customers and our flexibility to take advantage of opportunities that arose from interest rate changes in the local environment.

Each Division reported some success, with the HIPRO-ACE Division outperforming all others with a 20% increase in sales over the previous year.

Best Dressed Chicken introduced several new products which stimulated interest in the brand. However the selling price of all our products was impacted by rising operational input costs.

Our greatest disappointment was in the “mark to market” adjustment recorded on our investments in our insurance captive, which reversed the gains of the previous year.

However, amid the economic challenges, our Group continued to play our part in community advancement and nation-building by supporting various social intervention projects. One such was the hosting of Best Dressed Fun in the Sun in Haiti, which greatly contributed to the stimulation of that country’s economy, while realizing the vision of the Group to assist with the spiritual upliftment and transformation of lives.

## OPERATIONAL HIGHLIGHTS

### BEST DRESSED FOODS DIVISION

The Best Dressed Chicken brand maintained high public visibility during the year with the roll out of a major media campaign: **“Quality is who we are”** - which reinforced the proven tradition of quality of our Best Dressed Chicken products, our internationally certified operations and outstanding service to our customers.

We were also pleased to introduce **The Best Dressed Chicken – Free Range** which has been gaining traction locally and internationally. In fact, our Free Range farmers achieved a Step 3 rating certification from the Global Animal Partnership (GAP) - a first for any poultry grower outside of the USA.

The Division also introduced the Reggae Jammin Superhero characters - which represented two new Reggae Jammin frankfurter variants, Jumbo and Jerk Franks, and launched two other products, Reggae Jammin Jerk Fish, Honey Chicken Ham.





...the most innovative entrepreneurial programme which we introduced to the market... Reggae Jammin Hot Dog Carts...

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In the Year 2011/2012, we participated in more than 850 national and community events and received the Observer Food Awards' Lifetime Achievement for our contribution to the food industry. The Best Dressed Chicken brand was also visible on the international netball court as the title sponsor of the Sunshine Girls in Singapore as part of a four-year commitment to the internationally ranked netballers. Locally, we also gave support and participated in such healthy lifestyle programmes as the Best Dressed 5K Run and the National Health Fund Weight Loss campaign, where our team members won the competition for the second consecutive year.

These and other activities were highlighted on our Twitter account and Facebook page, which are being used to reach our young consumers.

However, the most innovative entrepreneurial programme which we introduced to the market during the year was the Reggae Jammin Hot Dog Carts, which allow entrepreneurs to operate a business, with operational and training support from the Division.

#### HIPRO-ACE DIVISION

The HIPRO-ACE Division had another successful year with segment results up by 26% and a 20% growth in sales over the previous year.

By exercising prudence in grain purchasing and working closely with our customers to ensure the profitability of their businesses, we were able to close the year with improved tonnages and profits.

Feed sales volumes grew by 3.5%, although imported poultry products curtailed the growth of the small farmer sector.

Baby Chick sales also grew by 5% and we hope to see further growth in the coming financial year.

In a year when there was an oversupply of table eggs, which negatively impacted wholesale prices, Jamaica Egg Services( JES) – supplier of layer pullets to egg farmers-was able to exceed the revenue expectations for the first time in its 50-year history.

This achievement was facilitated by the availability of such HIPRO-ACE Division support services as sales, customer service and accounting which were made available to JES as a fully integrated member of the Division.



As a major stakeholder in the egg industry, JES played a significant role in the negotiations for the inclusion of liquid pasteurized eggs in nutri-buns produced for the Government's School Feeding Programme, which should come into effect by September, 2012.

It is expected that this new market for eggs will increase overall egg production and present an opportunity for sustainability of the liquid egg plant.

The **ACE Super Centre** retail store continued its growth pattern in all areas, with sales up by 16%, reflecting a good profit performance. Several new products were added to the inventory of the store, with Merial Animal Care products being the most significant line and one which is poised to grow our agricultural product offerings. Generic sugar cane herbicides were also added to the stock.

Our customer service is what defines us and during the period under review we added new signage in the retail store to define the discrete areas.

## ETHANOL OPERATIONS

Looking beyond the hurdles which presented themselves in 2011/2012 due to the volatility in the global ethanol market, JB Ethanol was able to significantly improve its output by processing over 35.5 million gallons of anhydrous ethanol, or twice the total amount of the previous year. The safety record of the Plant was the most outstanding in the industry, having closed the year with over 1,700 days, with no lost time due to accidents.

The operational efficiencies also advanced to record levels, averaging a 12.5% improvement over the previous best annual performance. However, with a significant shift in the legislative environment experienced at the start of 2012, operations for the last third of the year were severely impacted.

Nevertheless, the plant continues to attract significant interest from potential customers.

Overall, JB Ethanol has demonstrated its resilience while operating in an unfavourable environment and we look with hope to the new year as we prepare ourselves to adapt to an ever changing landscape.

## PRODUCTION FACILITIES

### International Poultry Breeders

Amid the high volatility in the local and international economy, International Poultry Breeders was able to maintain its production levels of fertile eggs in keeping with our tradition of quality. However this could only have been achieved through the resilience and creativity of our team members.

### Jamaica Poultry Breeders

The highlight of our financial year was the granting of an extension to our Approved Farmer status by the Government of Jamaica.



## ...the Best Dressed Feed Mill attained Bureau Veritas-approved ISO 9001:2008 certification for feed manufacturing...

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With this extension we will benefit from incentives offered for our fertile eggs and cattle operations over five years, which will assist in our effort to expand production and improve efficiencies beyond the 1.84 million dozen eggs produced this year, which was up from 1.52 million dozen eggs the previous financial year. In fact, we aim to increase fertile egg production by 30% in the year ahead.

### **Best Dressed Chicken** **Field & Feed Operations**

The year under review represented a significant period of achievement as, once again, all sections surpassed their targets for performance efficiencies, cost containment and customer satisfaction. This was achieved because of on-going, long-term strategic managerial programmes which were put in place, together with the dedication of our hard-working employees and outstanding support from key suppliers.

However, we were challenged – as most local producers – by increasingly high cost of electricity which threatened to restrict our cost containment efforts. So we introduced the use of solar energy within our grow-out operations which will in due course drastically reduce our dependence on electricity from the national grid.

In October 2011, Field Operations spearheaded the project to produce Free Range Chickens – a first in Jamaica – which has proven successful.

We are also pleased that the Best Dressed Feed Mill attained Bureau Veritas-approved ISO 9001:2008 certification for feed manufacturing in the Year 2011-2012. It will serve as a valuable instrument of competitiveness and trade, to keep doors opened and open new doors of opportunities.

The inter-personal relationships which developed and the successful cross-training among personnel who worked on the certification process have served as an inspiration for wider adaptation of the methodologies in other areas of the organization. In addition, the modernization of all the production areas will continue in earnest.

### **Processing Plant**

The Best Dressed Chicken Processing Plant continued to see improvements in all operational areas. Saleable Yield production reached an all-time high for the year under review and the Plant's Preventative Maintenance Programme attained maximum plant efficiency, with focus on cost savings and input planning.



...the Best Dressed Chicken Plant will seek to obtain ISO9001 certification by January 2013.

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We also realized significant improvements in many AGRISTATS results throughout the plant, with some categories of the Plant being rated in the Top 20 worldwide. AGRISTATS is a US-based agribusiness statistical research and analysis firm.

Having met the environmental management objectives, experienced improvement in the Quality Assurance Systems and GMP practices, as well as received SO14001 recertification, the Best Dressed Chicken Plant will seek to obtain ISO9001 certification by January 2013.

This, while we focus on upgrading the infrastructure and support services of the Plant.

#### **Content Agricultural Products Division – Further Processing**

In preparation for the expansion of the Group's Further Processing Facilities, construction of a new, modern plant on the compound of the Best Dressed Chicken Processing Plant is expected to be completed by the 3rd quarter of the upcoming financial year. This will enable the Best Dressed Chicken brand to better respond to the expected increase in competition and to create quality products that are more affordable to consumers whose disposable income is expected to further decline in the face of a prolonged global recession.

During the year progress was made in to expanding and streamlining our beef cattle herds and improvement work was carried out on our pasture lands in an effort to gain additional production efficiencies and improved profitability. At the same time, we are pleased to report that in the first year of the revamping of our Cattle Breeding Operation to a "Cow Calf" model-whereby weaners are sold to external farmers, the Farm has shown a profit.

#### **Aquaculture Jamaica Limited**

By diversifying and maximizing existing resources at this operation, Aquaculture Jamaica has become the major supplier of seasoning for the Group's Reggae Jammin' Rotisserie line products.

This became necessary with the reduction in the level of fish production, due primarily to a flood on the local market of lower priced imported products, primarily from Asia and Central America.

## OTHER OPERATIONS

### Atlantic United Insurance Company Limited

During this year our insurance captive experienced mark to market adjustments / write downs on investments as a consequence of volatility in the financial markets.

### Wincorp International - Miami, USA

Wincorp International maintained a strong presence in the market place, in spite of the fact that a number of its established customers delayed their growth plans as the demand for their products remained sluggish and input prices for grain and equipment continued to rise.

As a strategy for sustainability, there are plans in the new financial year for Wincorp International to work in an integrated way with International Poultry Breeders, to consolidate the strengths of each entity towards expansion of the market presence both locally and internationally.

### Haiti Operations

During this year the focus was on building the HIPRO brand in Haiti. Work in this regard has progressed well with HIPRO animal feeds and baby chicks now available to approximately 1,000 farmers through 95 distributor across the country.

By the end of the year the local production facilities comprising a Feed Mill, Hatchery and Poultry farm were completed and commissioned. The deliveries to the Haitian market in 2012/13 and beyond will be from local production with lower cost of sales and improved gross margins.

### Co-generation Operations

During the year, the Co-generation operations delivered a consistent and stable supply of electricity to the Best Dressed Chicken Processing Plant and the National Grid, with the newly refurbished Wartsila engines operating at 90 per cent of its capacity.

As we continue to improve on all aspects of the Co-generation Plant, we anticipate significant benefit to the Group when power wheeling is implemented by the Office of Utilities Regulation.

## HUMAN RESOURCE DEVELOPMENT

As a department responsive to the changing needs of the business and its workforce, the Group's Human Resources Department pursued strategies aimed at realigning its human performance with its business goals. We sought to create developmental path for members of the workforce, undertaking a review and mapping of employee competencies and critical skill sets required to produce and deliver the company's products and services.





...we conducted a number of wellness, counselling, and financial workshops during the year to assist our workforce. . .

This information formed the basis of the strategic focus for training and development of our personnel.

Nonetheless, the Group continued to remain close to its workforce, putting the necessary measures in place to ensure that staff morale and motivation was maintained.

#### Training & Development

We invested in various training and development initiatives designed to improve our human capital, both in its capacity as well as productivity. To this end, members of our workforce participated in both operational support and area specific training as they sought to equip themselves for options that may present themselves given the strategic positioning of the Group and its thrust for new business opportunities. Following on the previous year which saw the upgrade of our Axapta Enterprise system, the Group implemented training programmes to optimize and leverage the use of the improved platform to assist the management team in its decision making process.

#### Employee Welfare

We are thankful for a highly motivated workforce and the Group takes seriously its responsibility of providing an environment that promotes and supports a healthy work/life balance. As such, we conducted a number of wellness, counselling, and financial workshops during the year to assist our workforce with coping under challenging situations as well as to provide useful tips in preparing for and securing a better future for themselves and their families.

Even as we continue with our Groupwide fitness programmes, we are tremendously proud of our winning team from Content Agricultural Product Division, as they successfully copped the 2011 National Health Fund All-Island Competition for the second consecutive year.

Retirement is everybody's dream and during the period under review, the Group also facilitated a defined individual contribution pension plan for its contracted workers. This programme has been welcomed by participants who sought to reduce their future financial worries by augmenting their retirement plans.

#### Sports

Our sports men and women continue to perform with great pride and purpose representing the company in the respective league competitions for





football, cricket and netball. This year, the Group placed Third in the Business House Netball Association Open League and performed creditably well in the football and cricket competitions. One of our cricketers, Mr Robert Turner was awarded the Sportsman of the Year for 2011 from the Business House Cricket.

The Group once again participated in two major fundraisers: the annual Sigma Corporate Run and the Jakes Off-Road Triathlon. Our employees continue to give tremendous support for each of these events and displays great camaraderie and fun even whilst improving upon their team building skills and performance.

## RISK ASSESSMENT

### Ethanol Operations

Our ethanol operation benefited from tariff free access to the United States under the Caribbean Basin Initiative (CBI) during much of this year, however the US\$0.54 per gallon tariff applicable to non-CBI ethanol expired on December, 31 2011. While this removes the advantage available to our ethanol operations relative to producers such as Brazil, there still are opportunities available for JB Ethanol to be a part of the value chain by providing dehydration services. As an additional note, significant lobby efforts are underway through the Jamaican Ministry of Foreign Trade, other Caribbean government agencies and the Caribbean Ethanol Producers Association to restore the advantage of CBI ethanol operations.

Market volatility continues to pose a risk to the viability of our ethanol operations. We continue to mitigate this risk by engaging in Contract Processing ( "tolling" ) agreements. It is noteworthy that while the risk is reduced, adverse market conditions can limit the number of tolling contracts we are able to book.

## DEBT MANAGEMENT

With the increased funding requirements from the build-out of our operations in Haiti and increases in working capital requirements due to escalation in grain costs, we were not able to return to a net cash position by April 2012 and had a modest increase in our overall borrowings.

## THE WAY FORWARD

The Jamaica Broilers Group is in a healthy and strong financial position and the path ahead is bright. To facilitate continued growth and development, our emphasis will be on operational efficiencies, cost containment, debt management and the introduction of innovative financial strategies and investments.

Our operation in Haiti is beginning to show positive signs and we expect the year ahead to be an encouraging one for the new operation. The Group also plans to reap the benefits of our investment in the Further Processing facilities attached to the Chicken processing plant, while we grow our US poultry and procurement operations which have already been restructured for better efficiency.

But while we introduce new operations and manage our growth, we shall pay keen attention to our core poultry and feed operations and stay relevant to our customers and partners, including our farmers whose support for the Hi-Pro Division has made that operation a success. In this regard plans are being made for the use –in agriculture– of the 1,700 acres land acquired during 2012/13 in the purchase of SG Developments Limited.

Looking to the future, there seems to be no end in sight for the high cost of imported grains, raw materials, energy and security, caused mainly by the economic challenges being experienced by the world's leading nations, such as Europe and the United States. Therefore, we will have to be prepared to act as a 'shock absorber' for the cost impact to our customers, while ensuring that we protect the interests of our shareholders and partners in the short and long terms.

**Christopher E. Levy - President & CEO**

# Corporate Social Responsibility



## PUBLIC RELATIONS

The management and staff of the Jamaica Broilers Group have worked hard over the years in building the company's positive image and inculcating our brands into the hearts and minds of our consumers. This has been achieved through the strategic positioning of our company and our ability to respond to a dynamic and changing marketplace.

In May 2011, the company was recognized with the Jamaica Observer Food Awards 2011 – Lifetime Achievement Award – in acknowledgement of the Group's significant contribution to the local food industry.

We continue to engage the various sectors and stakeholders of our industry and indeed our nation, as we are aware that it is through mutual dialogue and consensus as to the way forward that our country will be enabled and equipped to climb to the next level of growth and development despite the current conditions.



## "FAIR PLAY" AWARDS

The Jamaica Broilers Group "Fair Play" Awards programme, which entered its 11th year in 2011, continues to celebrate quality journalism and impactful media production in Jamaica, while exciting members of the journalism fraternity to submit entries.

"This year was an exceptionally competitive one, with many award-worthy entries appearing in all the main categories. In fact, the entrants gave us a very difficult task of determining the winners. In the end, the top entries were separated only by a very few points", said Dr. Hopeton Dunn, Chief Judge in presenting the Judges' Report.

Dr. Dunn, who is also a trained journalist, noted that in recent years it has become evident that media houses and practitioners were being much more selective about the quality of the entries submitted and, seemingly, are trading number of submissions for higher standards of the entries. The result is a much more competitive and even range of entries, reflecting the very best of the productions in the year under review.

The first set of the "Fair Play Awards" was presented in September, 2001 for the judging period August 1, 2000 to July 31, 2001.

The vision of the programme is to offer public recognition and financial incentives to journalists who demonstrate excellent, fair/balanced investigative and reporting skills as they fulfill their role as the "watchdogs" of the society.





### BEST DRESSED FUN IN THE SON GOES TO HAITI

Best Dressed Fun in the Son Gospel Festival is undoubtedly the Caribbean's largest gospel festival. On Saturday March 31st 2012, the Jamaica Broilers Group, through our subsidiary Haiti Broilers S.A., staged the inaugural Fun in the Son Gospel Concert in Haiti. It was truly a memorable and spiritually uplifting time as we were able to reach out to our brothers and sisters of Haiti. The event was filled with several life-changing moments as the audience listened to the power of the Word as it was ministered to them through songs, sports and the Word. For the over 50,000 persons who attended, many were experiencing this type of an atmosphere/festival for the first time and it left us, members of the Jamaica Broilers Group family, with a humbling sense of pride and gratitude for not only what the Lord has enabled us to do but also for the foundation that we were able to lay.

We are grateful for the support of the Luis Palau Association (USA) in the staging of this event.



### COMMUNITY RELATIONS

The Group is cognizant of its role as a good corporate citizen and remains resolute in its efforts to make a lasting impact on the residents and communities with which it interacts. Such is our resolve that we continue to look for ways to empower our communities whether through education, social outreach programmes, sports and it is through these efforts, that we are already beginning to see breakthrough results from our respective communities. Last year, over three hundred and fifty (350) students, at different levels of their education, benefitted from educational grants and bursaries to help offset some of the back to school expenses.

Over the last year, we worked actively with the various community based entities in streamlining the various mechanisms and structures to enable greater effectiveness and accountability. Our emphasis remains on community building through residents' partnership with a drive towards self sufficiency. In keeping with this, the Group continued its support for the Spring Village Training Institute, which is





an HEART Trust approved training facility offering vocational skills training to residents from its immediate and neighbouring communities whilst acting as a resource center for the different community entities.

## ENVIRONMENT MANAGEMENT

Jamaica Broilers Group continues to place emphasis on strengthening and broadening its environmental management programmes, resulting in the Best Dressed Chicken Processing Plant remaining one of only a handful of food manufacturing facilities in Jamaica to be ISO 14001 certified.

Additionally, the implementation of the Environmental Management System (EMS) at six of our operations is already yielding good results. In fact, the Group has upgraded its infrastructure to reduce the impact of our activities on the environment by focusing on waste minimization, resource conservation and pollution prevention.

The work done in that regard, as been recognized by the Inter-American Investment Corporation (IIC), as outstanding and we are poised to benefit from another grant to support future environmental programmes.

Indeed, Jamaica Broilers Group is making steady progress on its path towards a greener operation.



# Shareholdings of Directors & Connected Parties

For purposes of compliance with Rule 408 (ii) of the Jamaica Stock Exchange Rules, details of stockholdings of Directors and Senior Management and their connected persons as at 28 APRIL 2012 are set out hereunder:

DIRECTORS	SHAREHOLDING	CONNECTED PERSONS	SHAREHOLDING
R. Danny Williams	NIL	R. Danny Williams/Shirley Williams	500,000
		Ravers Limited	8,373,332
Robert E. Levy - Chairman	616,000	Robert E. Levy/Judy Levy	6,907,893
		Portland Corporation Ltd	8,805,363
		The Robert Levy Family Foundation	110,649,788
		Phillip E. Levy	670,000
		The Phillip Levy Family Foundation	42,898,932
Christopher Levy - President & Chief Executive Officer	2,731,316	Christopher Levy /Sarah Levy	7,209,163
Claudette Cooke - Vice President Human Resource Development & Public Relations	NIL	Claudette Cooke/Richard Cooke	4,625,846
		Richard Cooke	9,318
		Richard Cooke/Claudette Cooke	7,454
		Richard Cooke/Claudette Cooke/ Ryan Cooke	20
Trevor Dewdney	53,333	Trevor Dewdney Jr.	9,318
		Trevor Dewdney/Gloria Dewdney	9,318
		Don-Pierre Dewdney	19,078
Aubyn Hill	6,103,934	-	-
Malcolm McDonald	NIL	-	-
Andrew Mahfood	NIL	Forms R Us Limited	500,000
		Lauren Mahfood/Joshua Mahfood/ Jake Mahfood	23,333
Gregory B. Shirley	1,164	Gregory B. Shirley/Susan Shirley	3,793,214
Ian Parsard	NIL	Ian Parsard/Karen Parsard	971,141
Barrington Pryce	NIL	Barrington Pryce/Nadine Pryce	74,548

# Shareholdings of Senior Management & Connected Parties

SENIOR MANAGEMENT	SHAREHOLDING	CONNECTED PERSONS	SHAREHOLDING
David Mair	5,600	David Mair/Kim Mair	778,475
		Kim Mair	9,318
Leon Headley	162,820	Leon Headley/June Headley	2,536,014
		June Headley/Leon Headley	50,000
		June Headley/Leon Headley/Jo-Anne Headley	10,000
		June Headley/Leon Headley/ Lauren Headley	4,500
Peter DePass	NIL	-	-
Donald Patterson	677,332	Donald Patterson/Irenia Patterson	1,873,281
		Dayne Patterson	931
Conley Salmon	NIL	Conley Salmon/Juliet Salmon	3,249,981
		Christopher McClure/	20,000
		Angela McClure/Juliet Salmon	

N.B - The Senior Management of the Company includes Messrs. Christopher Levy and Ian Parsard, and Dr Claudette Cooke whose shareholdings are set out in the table on the previous page.

## 10 Largest Ordinary Stockholders

The Holdings of those persons owning the ten (10) largest blocks of stock units as at 28 APRIL 2012 are set out hereunder:

SHAREHOLDER	SHAREHOLDING
Jamaica Broilers Trust	179,063,769
The Robert Levy Family Foundation	110,649,788
Halcyon Limited	60,314,945
National Insurance Fund	56,745,762
SJIML A/C 3119	48,545,488
The Arrol Trust	44,411,830
The Phillip Levy Family Foundation	42,898,932
MF&G Trust & Finance Ltd A/C #528	25,123,025
Sagicor PIF Equity Fund	24,658,126
NCB Insurance Co. Ltd A/C WT089	18,636,796



PETER A. DePASS  
Company Secretary  
April 28, 2012

# Directors & Senior Management

## DIRECTORS:

Hon. Robert E. Levy, C.D., Hon. LL.D., M.A.  
**Chairman**

Christopher E. Levy, MBA  
**President & Chief Executive Officer**

Hon. Raby Danvers Williams, O.J., C.D.,  
Hon. LL.D., J.P.  
**Director Emeritus**

Claudette D. Cooke, CMT, Ed.D.  
Vice President, Human Resource Development  
& Public Relations  
**Executive Director**

Trevor D. Dewdney, D.V.M.  
**Director**

Aubyn Hill, MBA  
**Director**

Andrew J. Mahfood, B.Sc., CA  
**Director**

Malcolm D.L. McDonald, Attorney-at-Law  
**Director**

Ian S. Parsard, MBA  
Vice President, Finance & Energy  
**Executive Director**

Barrington A. Pryce  
**Director**

Gregory Shirley, MBA (Hons)  
**Director**

## SENIOR MANAGEMENT:

Christopher E. Levy, MBA  
**President & Chief Executive Officer**

Claudette D. Cooke, CMT, Ed.D.  
Vice President, Human Resource Development  
& Public Relations

Leon O.A. Headley  
Vice President, Procurement & Trading

Stephen D.E. Levy  
Assistant Vice President - WINCORP

David Mair, MBA  
Vice President, BDC Operations

Ian S. Parsard, MBA  
Vice President, Finance & Energy

Donald A. Patterson, MBA, FCA  
Vice President, Accounting &  
Information Systems

Conley N. Salmon  
Vice President, Marketing – Feeds &  
Agricultural Supplies

Judy Baugh, MSc  
Asst. Vice President-Procurement, Content &  
Aquaculture Operations

## COMPANY SECRETARY:

Peter A. DePass  
Attorney-at-Law

# Operating Divisions & Subsidiaries

## JAMAICA BROILERS GROUP LIMITED

Group Head Office  
Content, McCook's Pen  
St. Catherine  
Jamaica, West Indies  
Tel: 943-4376  
Fax: 943-4322  
Website: [www.jamaicabroilersgroup.com](http://www.jamaicabroilersgroup.com)

## DIVISIONS

### BEST DRESSED CHICKEN

Spring Village, St. Catherine  
Tel: 983-8001-4; Fax: 983-8818

### BEST DRESSED FOODS

Spring Village  
St. Catherine  
Tel: 708-5670-5  
Fax: 708-5410  
Toll Free: 1 888 BUY BDF1

### CONTENT AGRICULTURAL PRODUCTS

Bog Walk, St. Catherine  
Mailing Address:  
Content, McCook's Pen, St. Catherine  
Tel: 985-1190; Fax: 708-2876

### HI-PRO/ACE FARM & GARDEN SUPERCENTRE

P.O. Box 886  
White Marl, St. Catherine  
Tel: 984-7919-20; Fax: 984-5914

## SUBSIDIARIES - LOCAL

### AQUACULTURE JAMAICA LIMITED

Maggoty, P.O., Box 17  
St. Elizabeth  
Tel: 999-1960; Fax: 607-4613

### EAL/ERI CO-GENERATION PARTNERS, LP

Content, McCook's Pen  
St. Catherine  
Tel: 943-4370; Fax: 943-4322

### JB ETHANOL LIMITED

Port Esquivel, Old Harbour  
St. Catherine  
943-4428; Fax: 525-2113

### JAMAICA POULTRY BREEDERS LIMITED

Caentabert, P.O., Box 27  
Claremont, St. Ann  
Tel: 972-3609; Fax 972-3775

## SUBSIDIARIES - OVERSEAS

### ATLANTIC UNITED INSURANCE CO. LTD.

One Regis Place  
94th Street  
P.O., Box 472  
Georgetown, Grand Cayman

### ERI SERVICES (ST. LUCIA) LIMITED

20 Micoud Street  
Castries, St. Lucia

### HAITI BROILERS S.A.

Building 47, Parc Industriel Sonapi  
Port-au-Prince, Haiti  
HT6123

### INTERNATIONAL POULTRY BREEDERS, L.L.C.

1235 Perry Batts Road  
Norman Park  
Georgia 31771  
Tel: (229) 769-3410; Fax (229) 769-3425

### WINCORP INTERNATIONAL INC.

10025 NW 116 Way, Suite 14  
Medley, FL 33178  
Tel: (305) 887-4000; Fax: (305) 887-4400