



Blue Power Soap Division
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Lumber Depot Division
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Chairman's Report for the Quarter ended October 31, 2012

Combined sales for the quarter ended October 31, 2012 were \$208 million compared to \$195 million for the same period last year, an increase of \$13 million or 6.4%. On a year-to-date basis, sales increased from \$404 million to \$440 million or by 9.09%. For the six-month period, May to October, the increase in sales for the Lumber Depot division was 2.44% while the increase for the Blue Power soap division was 24.46%. For the second quarter, sales for the Lumber Depot division actually declined by 1.44%, reflecting the malaise in the construction sector.

Profits for the second quarter were \$18.83 million compared to \$10.23 million in the same period last year, an increase of 84.07%. For the six-month period, May to October 2012, profits were \$43.62 million compared to \$19.56 million on a year-to-date basis last year, an increase of 111.27%.

Both divisions contributed to the improvement in profits with the Lumber Depot division being 89.80% ahead of the six-month period last year while the Blue Power soap division showed an improvement of 160.63%.

The major contributor to the improvement in profits for the Lumber Depot division, despite flat sales, was its margin achieved through a focus on obtaining better prices from our suppliers. In the Blue Power soap division, both increased sales and better margins provided the basis for the significant increase in profits.

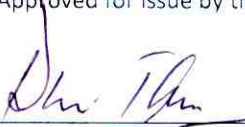
We wish to take this opportunity to thank our customers and distributors for their support and to wish them a Merry Christmas and a Prosperous 2013.

Dhiru Tanna
Chairman
November 26, 2012

Blue Power Group Limited
Consolidated Statement of Financial Position
October 31, 2012

	<u>Unaudited</u> <u>October 31, 2012</u>	<u>Unaudited</u> <u>October 31, 2011</u>	<u>Audited</u> <u>April 30, 2012</u>
NON-CURRENT ASSET			
Property, plant and equipment	46,004,543	40,544,585	39,152,257
CURRENT ASSETS			
Cash and cash equivalents	44,465,139	39,337,645	58,434,760
Accounts receivable and prepayments	78,143,738	78,806,921	94,550,969
Inventories	184,714,298	123,893,743	114,691,318
Due from related party	461,713	-	1,277,612
Taxation recoverable	1,156,664	781,585	866,814
	<u>308,941,552</u>	<u>242,819,894</u>	<u>269,821,473</u>
CURRENT LIABILITIES			
Bank overdraft	-	-	119,818
Accounts payable	68,191,853	59,021,252	57,504,015
Due to related party	-	-	1,035,782
Current portion of long-term liabilities	1,250,000	-	2,500,000
	<u>69,441,853</u>	<u>59,021,252</u>	<u>61,159,615</u>
NET CURRENT ASSETS	<u>239,499,699</u>	<u>183,798,642</u>	<u>208,661,858</u>
TOTAL ASSETS LESS CURRENT LIABILITY	<u>\$ 285,504,242</u>	<u>224,343,227</u>	<u>247,814,115</u>
EQUITY			
Share capital	86,900,147	86,900,147	86,900,147
Retained earnings	198,051,570	132,818,080	160,361,443
	<u>284,951,717</u>	<u>219,718,227</u>	<u>247,261,590</u>
NON-CURRENT LIABILITY			
Long-term liabilities	552,525	4,625,000	552,525
TOTAL EQUITY AND NON-CURRENT LIABILITY	<u>\$ 285,504,242</u>	<u>\$ 224,343,227</u>	<u>\$ 247,814,115</u>

Approved for issue by the Board of Directors on 26th NOV, 2012 and signed on its behalf by:


 Director
 Dr. Dhiru Tanna


 Director
 Peter Miltingen

Blue Power Group Limited
Consolidated Statement of Comprehensive Income
Six months ended October 31, 2012

	<u>3 months to October 31, 2012</u>	<u>3 months to October 31, 2011</u>	<u>6 months to October 31, 2012</u>	<u>6 months to October 31, 2011</u>	<u>Audited April 30, 2012</u>
Revenue	207,581,504	195,093,646	440,227,782	403,550,690	863,003,193
Cost of revenue	<u>(159,245,108)</u>	<u>(157,895,563)</u>	<u>(335,510,524)</u>	<u>(332,867,429)</u>	<u>(698,585,331)</u>
Gross profit	48,336,396	37,198,083	104,717,258	70,683,261	164,417,862
Administrative and other expenses	<u>(30,585,450)</u>	<u>(26,765,561)</u>	<u>(63,650,887)</u>	<u>(51,245,007)</u>	<u>(117,947,495)</u>
Profit from operations	17,750,946	10,432,522	41,066,371	19,438,254	46,470,367
Other income	<u>1,772,720</u>	<u>708,294</u>	<u>3,999,355</u>	<u>2,245,033</u>	<u>2,378,374</u>
Profit before net finance costs	19,523,666	11,140,816	45,065,726	21,683,287	48,848,741
Net financial costs	<u>(694,087)</u>	<u>(910,107)</u>	<u>(1,443,204)</u>	<u>(2,121,091)</u>	<u>(1,743,182)</u>
total comprehensive income for the period	<u>18,829,579</u>	<u>10,230,709</u>	<u>43,622,522</u>	<u>19,562,196</u>	<u>47,105,559</u>
Earnings per stock unit	<u>\$ 0.33</u>	<u>\$ 0.18</u>	<u>\$ 0.77</u>	<u>\$ 0.35</u>	<u>\$ 0.83</u>

Blue Power Group Limited
Consolidated Statement of Changes in Equity
Six months ended October 31, 2012

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</u>
	\$	\$	\$
Balances as at April 30, 2011 (audited)	86,900,147	118,905,784	205,805,931
Dividends paid	-	(5,649,900)	(5,649,900)
Total comprehensive income for the period	<u>-</u>	<u>19,562,196</u>	<u>19,562,196</u>
Balances as at October 31, 2011 (unaudited)	<u>86,900,147</u>	<u>132,818,080</u>	<u>219,718,227</u>
Balances as at April 30, 2012 (audited)	86,900,147	160,361,443	247,261,590
Dividends paid	-	(5,932,395)	(5,932,395)
Total comprehensive income for the period	<u>-</u>	<u>43,622,522</u>	<u>43,622,522</u>
Balance as at October 31, 2012 (unaudited)	<u>86,900,147</u>	<u>198,051,570</u>	<u>284,951,717</u>

Blue Power Group Limited
Consolidated Statement of Cash Flows
Six months ended October 31, 2012

	Unaudited <u>October 31, 2012</u>	Unaudited <u>October 31, 2011</u>	Audited <u>April 30, 2012</u>
Cash Flows From Operating Activities			
Profit for the period	43,622,522	19,562,196	47,105,559
Items not affecting cash	<u>2,648,316</u>	<u>2,774,364</u>	<u>5,630,809</u>
	46,270,838	22,336,560	52,736,368
Decrease in non-cash working capital	<u>(42,401,862)</u>	<u>48,918,178</u>	<u>49,440,720</u>
Cash provided by operating activities	3,868,976	71,254,738	102,177,088
Cash used by investing activities	(9,500,602)	(525,490)	(1,989,607)
Cash used by financing activities	<u>(8,218,177)</u>	<u>(49,467,644)</u>	<u>(52,614,285)</u>
Net (decrease)/increase in cash and cash equivalents	(13,849,803)	21,261,604	47,573,196
Cash and cash equivalents at beginning of the period	<u>58,314,942</u>	<u>18,076,041</u>	<u>10,741,746</u>
Cash and cash equivalents at end of period	\$ <u>44,465,139</u>	<u>39,337,645</u>	<u>58,314,942</u>
Comprised of:			
Cash and bank balances	44,465,139	39,337,645	58,434,760
Bank overdraft	-	-	(119,818)
	<u>\$ 44,465,139</u>	<u>39,337,645</u>	<u>58,314,942</u>

Blue Power Group Limited
Segment Reporting
Six months ended October 31, 2012

	Lumber Division	Soap Division	Total
	\$	\$	\$
Turnover	288,604,352	151,623,430	440,227,782
Profit from operations	18,833,831	22,232,540	41,066,371
Other income:	2,058,576	1,940,779	3,999,355
Net finance costs	(1,169,884)	(273,320)	(1,443,204)
Profit for the period	19,722,523	23,899,999	43,622,522
Segment assets			
Non-current	21,906,870	24,097,673	46,004,543
Unallocated assets	-	-	-
	21,906,870	24,097,673	46,004,543
Current assets	146,166,538	162,775,014	308,941,552
	168,073,408	186,872,687	354,946,095
Segment liabilities			
Non-current liabilities	-	552,525	552,525
Current liabilities	46,814,336	22,627,517	69,441,853
	46,814,336	23,180,042	69,994,378
Other segment items:			
Capital expenditure	258,634	9,241,968	9,500,602
Depreciation	718,010	1,930,306	2,648,316

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

	Lumber Division	Soap Division	Total
	₹	₹	₹
Revenue	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
Net finance costs	<u>(1,195,408)</u>	<u>(925,683)</u>	<u>(2,121,091)</u>
Profit for the period	<u>10,392,857</u>	<u>9,169,339</u>	<u>19,562,196</u>
Segment assets			
Non-current	21,732,115	18,812,470	40,544,585
Current assets	136,685,574	106,134,320	242,819,894
	<u>158,417,689</u>	<u>124,946,790</u>	<u>283,364,479</u>
Segment liabilities			
Non-current liabilities	-	4,625,000	4,625,000
Current liabilities	44,742,601	14,278,651	59,021,252
	<u>44,742,601</u>	<u>18,903,651</u>	<u>63,646,252</u>
Other segment items:			
Capital expenditure	525,490	-	525,490
Depreciation	822,148	1,952,216	2,774,364
	<u>822,148</u>	<u>1,952,216</u>	<u>2,774,364</u>

1 Identification and principal activities

Blue Power Group Limited (the company) 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 from Lumber Depot Limited to Blue Power Group Limited on April 19, 2010 and was listed on the Junior Market of the Jamaica Stock Exchange on April 22, 2010.

The main activities of the group comprise 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 and their interpretations 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

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

The group has two reportable segments, as described below, which are the group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The primary reportable segments are:

- (i) Soap division - Manufacture and sale of soaps
- (ii) Lumber division - 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, 2012.

BLUE POWER GROUP LIMITED

OCTOBER 31, 2012

TOTAL SHARES OUTSTANDING: 56,499,000

DIRECTORS AND CONNECTED PARTIES REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
ANTIBES HOLDINGS LTD	CONNECTED PARTY	28,300,800	50.0908
KENNETH BENJAMIN	SELF	3,130,200	5.5403
NOEL DAWES	SELF	2,100,000	3.7169
JEFFREY HALL (SWEE TEEN CHUA)	SELF	257,070	0.4550
ALAN BRUCE HART	SELF	2,440,000	4.3187
PETER MILLINGEN	SELF	908,100	1.6073

SENIOR MANAGERS REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
VERONICA LOWE	SELF	104,393	0.1848
LISA KONG	SELF	330,000	0.5841

TOP 10 SHARHOLDERS

PRIMARY HOLDER (JOINT HOLDER)	UNITS	PERCENTAGE
ANTIBES HOLDINGS LIMITED	28,300,800	50.09
SILVER INVESTMENTS LIMITED	3,427,816	6.07
KENNETH BENJAMIN	3,130,200	5.54
JANE FRAY	3,095,400	5.48
ALAN BRUCE HART	2,440,000	4.32
NOEL DAWES	2,100,000	3.72
MAYBERRY WEST INDIES LIMITED	1,343,320	2.38
MAYBERRY MANAGED CLIENT ACCOUNT	995,813	1.76
JPS EMPLOYEE SUPERANNUATION FUND	921,451	1.63
PETER MILLINGEN	908,100	1.61