



Blue Power Soap Division
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Lumber Depot Division
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Chairman's Report for the Quarter ended January 31, 2013

Combined sales for the quarter ended January 31, 2013 were \$266 million compared to \$236 million for the same period last year, an increase of \$30 million or 12.6%. On a year-to-date basis, sales increased from \$639 million to \$706 million or by 10.4%. For the nine-month period, May 2012 to January 2013, the increase in sales for the Lumber Depot division was less than 1% while the increase for the Blue Power soap division was 36.68%. For the third quarter, sales for the Lumber Depot division actually declined by 2.58%, reflecting the continuing malaise in the construction sector.

Profits for the third quarter were \$23.23 million compared to \$15.52 million in the same period last year, an increase of 49.68%. For the nine-month period, May 2012 to January 2013, profits were \$66.85 million compared to \$35.08 million on a year-to-date basis last year, an increase of 90.56%.

Both divisions contributed to the improvement in profits with the Lumber Depot division being 25.13% ahead of the nine-month period last year while the Blue Power soap division showed an improvement of 243.95%.

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. In order to realize improved margins and higher sales we have had to pre-purchase products for resale and maintain adequate levels of raw material stocks, resulting in a substantial increase in inventory levels when compared to the previous year.


We wish to take this opportunity to thank our customers, distributors, suppliers and staff for their support during this difficult period.

Dhiru Tanna
Chairman
March 11, 2013

Blue Power Group Limited
Consolidated Statement of Financial Position
January 31, 2013

	<u>Unaudited</u> <u>January 31, 2013</u>	<u>Unaudited</u> <u>January 31, 2012</u>	<u>Audited</u> <u>April 30, 2012</u>
NON-CURRENT ASSET			
Property, plant and equipment	<u>44,607,684</u>	<u>39,385,544</u>	<u>39,152,257</u>
CURRENT ASSETS			
Cash and cash equivalents	60,907,033	40,714,979	58,434,760
Accounts receivable and prepayments	75,651,172	118,530,083	94,550,969
Inventories	215,711,539	114,524,839	114,691,318
Due from related party	21,042	-	1,277,612
Taxation recoverable	<u>1,209,029</u>	<u>819,949</u>	<u>866,814</u>
	<u>353,499,815</u>	<u>274,589,850</u>	<u>269,821,473</u>
CURRENT LIABILITIES			
Bank overdraft	-	-	119,818
Accounts payable	88,744,356	74,788,184	57,504,015
Due to related party	-	-	1,035,782
Current portion of long-term liabilities	<u>625,000</u>	<u>-</u>	<u>2,500,000</u>
	<u>89,369,356</u>	<u>74,788,184</u>	<u>61,159,615</u>
NET CURRENT ASSETS	<u>264,130,459</u>	<u>199,801,666</u>	<u>208,661,858</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>\$ 308,738,143</u>	<u>239,187,210</u>	<u>247,814,115</u>
EQUITY			
Share capital	86,900,147	86,900,147	86,900,147
Retained earnings	<u>221,285,471</u>	<u>148,334,537</u>	<u>160,361,443</u>
	<u>308,185,618</u>	<u>235,234,684</u>	<u>247,261,590</u>
NON-CURRENT LIABILITY			
Long-term liabilities	<u>552,525</u>	<u>3,952,526</u>	<u>552,525</u>
TOTAL EQUITY AND NON-CURRENT LIABILITY	<u>\$ 308,738,143</u>	<u>\$ 239,187,210</u>	<u>\$ 247,814,115</u>

Approved for issue by the Board of Directors on March 11, 2013, 2013 and signed on its behalf by:


 Director
 Dr. Dhuru Tanna


 Director
 Peter Millingen

Blue Power Group Limited
Consolidated Statement of Comprehensive Income
Nine months ended January 31, 2013

	3 months to January 31, 2013	3 months to January 31, 2012	9 months to January 31, 2013	9 months to January 31, 2012	Audited April 30, 2012
Revenue	265,557,777	235,771,532	705,785,559	639,322,222	863,003,193
Cost of revenue	(207,294,008)	(190,552,427)	(542,804,532)	(523,419,856)	(698,585,331)
Gross profit	58,263,769	45,219,105	162,981,027	115,902,366	164,417,862
Administrative and other expenses	(35,742,449)	(30,095,189)	(99,393,336)	(81,340,196)	(117,947,495)
Profit from operations	22,521,320	15,123,916	63,587,691	34,562,170	46,470,367
Other income	1,728,734	733,878	5,728,089	2,978,911	2,378,374
Profit before net finance costs	24,250,054	15,857,794	69,315,780	37,541,081	48,848,741
Net finance costs	(1,016,153)	(341,376)	(2,459,357)	(2,462,428)	(1,743,182)
Profit attributable to members, being total comprehensive income for the period	23,233,901	15,516,418	66,856,423	35,078,653	47,105,559
Earnings per stock unit	\$ 0.41	\$ 0.27	\$ 1.18	\$ 0.62	\$ 0.83

Blue Power Group Limited
Consolidated Statement of Changes in Equity
Nine months ended January 31, 2013

	Share Capital	Retained earnings	Total
	\$	\$	\$
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>35,078,653</u>	<u>35,078,653</u>
Balances as at January 31, 2012 (unaudited)	<u>86,900,147</u>	<u>148,334,537</u>	<u>235,234,684</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>66,856,423</u>	<u>66,856,423</u>
Balance as at January 31, 2013 (unaudited)	<u>86,900,147</u>	<u>221,285,471</u>	<u>308,185,618</u>

Blue Power Group Limited
Consolidated Statement of Cash Flows
Nine months ended January 31, 2013

	Unaudited January 31, 2013	Unaudited January 31, 2012	Audited April 30, 2012
Cash Flows From Operating Activities			
Profit for the period	66,856,423	35,078,653	47,105,559
Items not affecting cash	<u>4,402,674</u>	<u>4,217,408</u>	<u>5,630,809</u>
	71,259,097	39,296,061	52,736,368
Decrease /(increase) in non-cash working capital	<u>(49,965,728)</u>	<u>34,292,488</u>	<u>49,440,720</u>
Cash provided by operating activities	21,293,369	73,588,549	102,177,088
Cash used by investing activities	(9,858,101)	(6,459,393)	(1,989,607)
Cash used by financing activities	<u>(8,843,177)</u>	<u>(44,490,218)</u>	<u>(52,614,285)</u>
Net increase in cash and cash equivalents	2,592,091	22,638,938	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><u>60,907,033</u></u>	<u><u>40,714,979</u></u>	<u><u>58,314,942</u></u>
Comprised of:			
Cash and bank balances	60,907,033	40,714,979	58,434,760
Bank overdraft	-	-	(119,818)
	<u><u>60,907,033</u></u>	<u><u>40,714,979</u></u>	<u><u>58,314,942</u></u>

Blue Power Group Limited
Segment Reporting
Nine months ended January 31, 2013

	Lumber Division	Soap Division	Total
	₤	₤	₤
Revenue	466,145,180	239,640,379	705,785,559
Profit from operations	29,511,923	34,075,768	63,587,691
Other income	3,078,234	2,649,855	5,728,089
Net finance costs	(1,816,200)	(643,157)	(2,459,357)
Profit for the period	30,773,957	36,082,466	66,856,423
Segment assets			
Non-current	21,450,487	23,157,197	44,607,684
Current assets	197,784,284	155,715,531	353,499,815
	219,234,771	178,872,728	398,107,499
Segment liabilities			
Non-current liabilities	-	552,525	552,525
Current liabilities	68,460,035	20,909,321	89,369,356
	68,460,035	21,461,846	89,921,881
Other segment items:			
Capital expenditure	576,133	9,281,968	9,858,101
Depreciation	1,077,015	3,325,659	4,402,674

Blue Power Group Limited
Segment Reporting
Nine months ended January 31, 2012

	Lumber Division	Soap Division	Total
	\$	\$	\$
Revenue	463,993,050	175,329,172	639,322,222
Profit from operations	23,267,539	11,294,631	34,562,170
Other income	2,663,866	315,045	2,978,911
Net finance costs	(1,342,496)	(1,119,932)	(2,462,428)
Profit for the period	24,588,909	10,489,744	35,078,653
Segment assets			
Non-current	21,549,200	17,836,344	39,385,544
Current assets	162,242,868	112,346,982	274,589,850
	183,792,068	130,183,326	313,975,394
Segment liabilities			
Non-current liabilities	-	3,952,526	3,952,526
Current liabilities	61,380,630	13,407,554	74,788,184
	61,380,630	17,360,080	78,740,710
Other segment items:			
Capital expenditure	809,493	-	809,493
Depreciation	1,289,066	2,928,342	4,217,408

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.



JANUARY 31, 2013

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	2,307,427	4.0840
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	224,995	0.3982

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
MAYBERRY WEST INDIES LIMITED	2,831,022	5.01
ALAN BRUCE HART	2,307,427	4.32
NOEL DAWES	2,100,000	3.72
JPS EMPLOYEE SUPERANNUATION FUND	921,451	1.63
MAYBERRY MANAGED CLIENT ACCOUNT	995,813	1.76
PETER MILLINGEN	908,100	1.61