



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

13 WEEKS ENDED APRIL 1, 2017

### Chairman's Statement

For the **13-week** period ended April 1, 2017 Jamaica Producers Group Limited ("JP" or the "Group") earned \$3.4 billion of revenues and \$93 million of net profit attributable to shareholders. Revenues for the comparable 13-week period in 2016 were \$2.1 billion and net profit attributable to shareholders was \$150 million.

#### JP Logistics & Infrastructure

STRONG REVENUE AND EARNINGS GROWTH IN LOGISTICS AND INFRASTRUCTURE DIVISION.

Our JP Logistics & Infrastructure Division includes our businesses engaged in terminal operations, logistics and freight forwarding located in the Caribbean and in Europe.

For the first quarter of 2017, the division's profit before finance cost and taxation was \$458 million, up 154% relative to the comparable period last year. Revenues increased from \$243 million in 2016 to \$1.6 billion in the first quarter of 2017. The increase in revenues and profit before finance costs and taxation are, in large part, related to the inclusion of Kingston Wharves in the consolidated financial statements of the Group with effect from June 23, 2016. However, the increased earnings also reflect strong operating results from Kingston Wharves and JP Shipping Services. Kingston Wharves continues to improve its logistics and terminal operations infrastructure to enhance efficiency and to strengthen our cargo handling capabilities. This has led to increased activity at the terminal across a wide range of cargo types and delivered a 16% increase in revenues and a 24% increase in net profits for that business. The division's earnings include after tax profits attributable to non-controlling interests of \$198 million.

#### JP Food & Drink

POSITIVE OUTLOOK FOR EUROPEAN JUICE BUSINESSES. SEASONAL CHALLENGES IN AGRICULTURE.

Our JP Food & Drink Division comprises our vertically integrated portfolio of subsidiaries that are engaged in farming, food processing, distribution and retail of food and drink. The JP Food & Drink business has production facilities in Europe and the Caribbean and operates a distribution center in the United States. Our range of specialty food and drink products includes fresh juices, tropical snacks, fresh fruit and Caribbean rum-based baked goods and confectionary.

JP Food & Drink earned first quarter revenues of \$1.8 billion, compared to revenue of \$1.9 billion in the prior year. The division earned profits before finance cost and taxation of \$12 million, compared to earnings of \$39 million in the prior year.

The division is affected by seasonal changes in the demand and supply conditions for our products. For example, the strong Easter sales promotions that positively impacted our European fresh juice business -- A. L. Hoogesteger Fresh Specialist B.V. -- in the first quarter of 2016, did not re-occur until the second quarter of this year. Apart from seasonal differences in sales programmes, however, our juice business shows strong underlying growth, improved profitability and clear market leadership through innovation.

At the same time, our supply of bananas and pineapples was significantly affected by poor crop yields and adverse growing conditions at our farms in Jamaica. We have reacted to this challenge by overhauling our agricultural management practices and modifying our quality management systems. The process of improving crop yields and farm quality systems will take time before it bears fruit. We are, however, confident that barring a catastrophic weather event we will have more and better bananas and pineapples with effect from the third quarter of this year.



# Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS

13 WEEKS ENDED APRIL 1, 2017

## Chairman's Statement (cont'd)

We continue to strengthen the JP Food & Drink Division by harvesting the business development opportunities that arise from our international sales platform, diverse product range and modern production capabilities. We also continue to execute our plan to consolidate more of our operations at our JP Commercial Centre in Kingston. This commercial center now houses our state-of-the-art Tortuga bakery which exports product to several Caribbean and North American retailers. Before the end of the year, we will also commission our purpose-built natural ripening, cold storage, warehousing and distribution facilities for our fresh produce and snack businesses within the JP Commercial Centre. These are expected to improve the overall efficiency and profitability of the business.

### Corporate Services

The Corporate Services segment includes the net cost of group financing, investment and corporate management activities. The Group has taken measures to reduce the net cost of its Corporate Services. As a result, the segment's net costs were reduced by over \$30m. The segment generated a loss before interest and taxation of \$31m, compared to a loss of \$6 million in the first quarter of 2016 when the segment recognized \$56 million of non-recurring gains.

### General

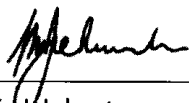
Our Logistics & Infrastructure Division is expected to remain an important engine of growth for the business.

Our core focus will be on developing the capabilities of our shipping services and marine terminal operations. We will, however, be open to investment in other logistics and infrastructure services where we are satisfied that we can deploy globally competitive expertise, deliver world-class services and generate strong returns for shareholders.

During the year, we will also seek to optimize the potential for greater synergy among our food businesses and we expect that this will support both revenue growth and continuation of our cost control measures. We will also continue to strongly support initiatives involving new product development and innovation.

In order to drive productivity and business growth, we have taken the decision to locate all of our administrative and corporate functions within the vicinity of the businesses they serve. This project is expected to be completed prior to the end of 2017 and will see the re-location of the Company's corporate offices to Newport West in Kingston.

I thank our board, management and staff for their commitment to our success, and our customers and partners for their continued support.

  
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C. E. Johnston Chairman



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS 13 WEEKS ENDED APRIL 1, 2017

### Group Balance Sheet

	Unaudited as at April 01, 2017 \$'000	Unaudited as at April 02, 2016 \$'000	Audited as at December 31, 2016 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	660,564	120,013	632,914
Short-term investments	3,368	275	828,920
Securities purchased under resale agreements	2,411,097	129,678	2,830,027
Accounts receivable	1,986,075	1,306,283	1,857,690
Taxation recoverable	22,928	5,695	32,745
Inventories	759,217	454,023	731,510
Assets classified as held for sale	-	137,779	-
<b>Total Current Assets</b>	<b>5,843,249</b>	<b>2,153,746</b>	<b>6,913,806</b>
<b>Current Liabilities</b>			
Credit facilities	-	64,565	-
Accounts payable	2,065,943	1,487,315	2,530,926
Taxation	56,634	13,954	89,727
Current portion of long-term loans	771,068	346,269	1,213,145
<b>Total Current Liabilities</b>	<b>2,893,645</b>	<b>1,912,103</b>	<b>3,833,798</b>
<b>Working Capital</b>	<b>2,949,604</b>	<b>241,643</b>	<b>3,080,008</b>
<b>Non-Current Assets</b>			
Biological assets	148,070	141,652	151,934
Interest in joint venture and associated companies	583,793	5,124,959	579,122
Investments	107,343	203,115	109,190
Intangible assets	1,691,044	1,191,648	1,699,185
Deferred tax assets	1,943	1,054	3,347
Property, plant and equipment	19,676,560	1,842,051	19,487,117
Employee benefit asset	936,177	-	936,177
<b>Total Non-Current Assets</b>	<b>23,144,930</b>	<b>8,504,479</b>	<b>22,966,072</b>
<b>Total Assets Less Current Liabilities</b>	<b>26,094,534</b>	<b>8,746,122</b>	<b>26,046,080</b>
<b>Equity</b>			
Share capital	112,214	18,702	112,214
Reserves	10,433,794	6,630,487	10,306,274
<b>Total equity attributable to equity holders of the parent</b>	<b>10,546,008</b>	<b>6,649,189</b>	<b>10,418,488</b>
<b>Non-Controlling Interest</b>	10,974,014	161,054	10,779,986
<b>Total Equity</b>	<b>21,520,022</b>	<b>6,810,243</b>	<b>21,198,474</b>
<b>Non-Current Liabilities</b>			
Deferred tax liability	1,162,025	-	1,186,280
Long-term loans	3,135,725	1,935,879	3,384,564
Employee benefit obligation	276,762	-	276,762
<b>Total Non-Current Liabilities</b>	<b>4,574,512</b>	<b>1,935,879</b>	<b>4,847,606</b>
<b>Total Equity and Non-Current Liabilities</b>	<b>26,094,534</b>	<b>8,746,122</b>	<b>26,046,080</b>
<b>Parent company stockholders' equity per ordinary stock unit:</b>			
Based on stock units in issue	<b>\$9.40</b>	<b>\$5.93</b>	<b>\$9.28</b>
After exclusion of stock units held by ESOP	<b>\$10.14</b>	<b>\$6.47</b>	<b>\$10.01</b>



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS 13 WEEKS ENDED APRIL 1, 2017

### Group Profit and Loss Account

	Notes	Unaudited 13 weeks ended April 01, 2017 \$'000	Unaudited 13 weeks ended April 02, 2016 \$'000 *
Gross operating revenue	3	3,408,271	2,163,101
Cost of operating revenue		( 2,319,843 )	( 1,705,704 )
<b>Gross profit</b>		<b>1,088,428</b>	<b>457,397</b>
Other income		46,596	64,028
Selling, administrative and other operating expenses		( 699,584 )	( 449,218 )
<b>Profit from operations</b>		<b>435,440</b>	<b>72,207</b>
Share of profit in joint venture and associated companies		3,747	140,613
<b>Profit before finance cost and taxation</b>		<b>439,187</b>	<b>212,820</b>
Finance cost - interest		( 74,424 )	( 47,679 )
<b>Profit before taxation</b>		<b>364,763</b>	<b>165,141</b>
Taxation charge		( 72,171 )	( 20,669 )
<b>Profit for the period</b>		<b>292,592</b>	<b>144,472</b>
<b>Attributable to:</b>			
Parent company stockholders		93,105	150,036
Non-controlling interest		199,487	( 5,564 )
		<b>292,592</b>	<b>144,472</b>
<b>Profit per ordinary stock unit:</b>	4		
Based on stock units in issue		<b>8.30</b> c	<b>13.37</b> c
After exclusion of stock units held by ESOP		<b>8.95</b> c	<b>14.60</b> c

\* The comparative information has been restated to compare with current year presentation.



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS 13 WEEKS ENDED APRIL 1, 2017

### Group Statement of Profit or Loss and Other Comprehensive Income

	Unaudited as at 13 weeks ended April 01, 2017 \$'000	Unaudited as at 13 weeks ended April 02, 2016 \$'000
<b>Profit for the period</b>	<b><u>292,592</u></b>	<b><u>144,472</u></b>
<b>Other comprehensive income/(expense):</b>		
Items that may be reclassified to profit or loss:		
Exchange gains on translating foreign operations	28,956	109,943
Share of other comprehensive gains of associated companies	-	5,768
Available-for-sale financial assets:		
Net change in fair value of available-for-sale investments	-	( 10,404 )
	<b><u>28,956</u></b>	<b><u>105,307</u></b>
<b>Total comprehensive income for the period</b>	<b><u>321,548</u></b>	<b><u>249,779</u></b>
<b>Attributable to:</b>		
Parent company stockholders	127,520	250,183
Non-controlling interest	194,028	( 404 )
	<b><u>321,548</u></b>	<b><u>249,779</u></b>



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

13 WEEKS ENDED APRIL 1, 2017

### Group Statement of Changes in Equity

	Share Capital \$'000	Share Premium \$'000	Capital Reserves \$'000	Fair Value Reserve \$'000	Reserve For Own Shares \$'000	Retained Profits \$'000	Parent Company Stockholders' Equity \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
<b>Balances at December 31, 2015</b>	<b>18,702</b>	<b>135,087</b>	<b>2,352,782</b>	<b>34,345</b>	<b>( 160,281 )</b>	<b>4,018,371</b>	<b>6,399,006</b>	<b>161,458</b>	<b>6,560,464</b>
<b>Changes in equity:</b>									
<b>Profit/(loss) for the period</b>	-	-	-	-	-	150,036	150,036	( 5,564 )	144,472
<b>Other comprehensive income</b>									
Exchange gains arising on retranslation of foreign operations	-	-	104,783	-	-	-	104,783	5,160	109,943
Share of other comprehensive loss of associated companies	-	-	-	-	-	5,768	5,768	-	5,768
Net change in fair value of available-for-sale investments	-	-	-	( 10,404 )	-	-	( 10,404 )	-	( 10,404 )
<b>Total other comprehensive income/(expense)</b>	-	-	104,783	( 10,404 )	-	5,768	100,147	5,160	105,307
<b>Total comprehensive income/(expense) for the period</b>	-	-	104,783	( 10,404 )	-	155,804	250,183	( 404 )	249,779
<b>Balances at April 2, 2016</b>	<b>18,702</b>	<b>135,087</b>	<b>2,457,565</b>	<b>23,941</b>	<b>( 160,281 )</b>	<b>4,174,175</b>	<b>6,649,189</b>	<b>161,054</b>	<b>6,810,243</b>
Retained in the financial statements of:									
The company	18,702	135,087	1,620,610	23,774	-	2,872,682	4,670,855		
Subsidiaries	-	-	836,955	167	( 160,281 )	150,244	827,085		
Joint venture and associated companies	-	-	-	-	-	1,151,249	1,151,249		
<b>Balances at April 2, 2016</b>	<b>18,702</b>	<b>135,087</b>	<b>2,457,565</b>	<b>23,941</b>	<b>( 160,281 )</b>	<b>4,174,175</b>	<b>6,649,189</b>		



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

13 WEEKS ENDED APRIL 1, 2017

### Group Statement of Changes in Equity (cont'd)

	Share Capital	Share Premium	Capital Reserves	Fair Value Reserve	Reserve For Own Shares	Retained Profits	Parent Company Stockholders' Equity	Non- Controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balances at December 31, 2016</b>	<b>112,214</b>	<b>135,087</b>	<b>2,202,157</b>	-	( 96,911 )	8,065,941	10,418,488	10,779,986	21,198,474
<b>Changes in equity:</b>									
<b>Profit for the period</b>	-	-	-	-	-	93,105	93,105	199,487	292,592
<b>Other comprehensive income/(loss)</b>									
Exchange gains arising on retranslation of foreign operations	-	-	34,415	-	-	-	34,415	( 5,459 )	28,956
Total other comprehensive income/(expense)	-	-	34,415	-	-	-	34,415	( 5,459 )	28,956
<b>Total comprehensive income for the period</b>	-	-	34,415	-	-	93,105	127,520	194,028	321,548
<b>Balances at April 1, 2017</b>	<b>112,214</b>	<b>135,087</b>	<b>2,236,572</b>	-	( 96,911 )	<b>8,159,046</b>	<b>10,546,008</b>	<b>10,974,014</b>	<b>21,520,022</b>
Retained in the financial statements of:									
The company	112,214	135,087	1,533,173	-	-	2,663,471	4,443,945		
Subsidiaries	-	-	703,399	-	( 96,911 )	5,438,179	6,044,667		
Associated companies	-	-	-	-	-	57,396	57,396		
<b>Balances at April 1, 2017</b>	<b>112,214</b>	<b>135,087</b>	<b>2,236,572</b>	-	( 96,911 )	<b>8,159,046</b>	<b>10,546,008</b>		



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

13 WEEKS ENDED APRIL 1, 2017

### Group Statement of Cash Flows

	Unaudited as at 13 weeks ended April 01, 2017	Unaudited as at 13 weeks ended April 02, 2016 *
	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	292,592	144,472
Adjustments for items not affecting cash:		
Depreciation and amortisation	221,340	81,252
Share of profits in joint venture and associated companies	( 3,747 )	( 140,613 )
Gains on disposal and acquisition of fixed assets and investments	( 698 )	( 56,004 )
Exchange movement in working capital	5,264	5,592
Taxation charge	72,171	20,669
Net interest expense	30,997	44,833
Other items	-	( 1,688 )
	<u>617,919</u>	<u>98,513</u>
Increase in current assets	( 127,740 )	( 326,669 )
(Decrease)/increase in current liabilities	( 264,682 )	<u>121,445</u>
<b>CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	<b><u>225,497</u></b>	<b><u>( 106,711 )</u></b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Additions to property, plant, equipment and biological assets	( 374,110 )	( 135,968 )
Proceeds on disposals	1,121	4,090
Movement in short term investments and repos	1,244,482	225,547
Net movement in interest in associated companies	( 271 )	( 202,399 )
Movement in long term loans receivable	1,850	-
Interest received	24,892	2,557
<b>CASH PROVIDED/(USED) BY INVESTMENT ACTIVITIES</b>	<b><u>897,964</u></b>	<b><u>( 106,173 )</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movement in loans and short term credit lines	( 693,498 )	118,952
Distribution to minority interest	( 165,903 )	-
Interest paid	( 111,887 )	( 88,180 )
Dividends paid	( 124,523 )	( 58,966 )
<b>CASH USED BY FINANCING ACTIVITIES</b>	<b><u>( 1,095,811 )</u></b>	<b><u>( 28,194 )</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>27,650</b>	<b>( 241,078 )</b>
<b>Cash at beginning of the period</b>	<b>632,914</b>	<b>361,091</b>
<b>Cash at end of the period</b>	<b><u>660,564</u></b>	<b><u>120,013</u></b>

\* The comparative information has been restated to compare with current year presentation.





# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

13 WEEKS ENDED APRIL 1, 2017

### Notes to the Financial Statements

#### 1. Basis of Presentation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, issued by the International Accounting Standards Board (IASB) and comply with the provisions of the Jamaican Companies Act.

The accounting policies and methods of computation used in these financial statements are consistent with the most recent annual report.

#### 2. Group's Operations and Activities

Jamaica Producers Group Limited ("company") is incorporated and domiciled in Jamaica. The company's registered office is located at 6A Oxford Road, Kingston 5.

The main activities of the company and its subsidiaries ("group"), joint venture and associated companies are food and juice manufacturing, the cultivation, marketing and distribution of fresh produce, port terminal operations, logistics, land management and the holding of investments.

During the prior year the group's investment in Kingston Wharves Limited ("KWL"), which had previously been accounted for as an associate, met the required parameters for recognition as a subsidiary and was recognised as such effective June 23, 2016. From the beginning of Quarter 3, 2016 KWL transactions were fully included in the consolidated financial statements whereas the figures in the prior period comparative statements reflect the transactions of KWL as an associate.

During the prior year, and with effect from September 19, 2016, the group divested its 50% joint venture, Mavis Bank Coffee Factory Limited, through an exchange of securities.

During the prior year, and with effect from July 12, 2016, the company completed a bonus issue of shares. Stockholders were issued 5 new shares for every one share held at that date, which increased the number of shares in issue from 187,024,006 to 1,122,144,036. For comparison purposes, all prior year comparative information has been restated for this.

During Q1, 2016, the group completed the acquisition of approximately 13% of The Shipping Association of Jamaica Property Limited (SAJP), a company involved in property and investment holdings. This brings the group's investment in SAJP to 20% and accordingly is reflected as an associate of the group, with the group's share of its results since acquisition included in the Group Profit and Loss Account under 'Share of profit in joint venture and associated companies'. Following the recognition of KWL at June 23, 2016 the group consolidates KWL's 10% ownership in SAJP to bring the total group ownership to 30%.

During Q2, 2016 the group completed the closure of mining operations in its Four Rivers Mining Company Limited subsidiary through the sale of substantially all mining assets to a third party.

#### 3. Gross operating revenue

Gross operating revenue comprises investment income, the gross sales of goods and services of the group and commission earned by the group on consignment sales. This is shown after deducting returns, rebates, discounts and consumption taxes and eliminating sales within the group.

#### 4. Profit per stock unit and stockholders' equity per stock unit

Profit per ordinary stock unit is calculated by dividing profit attributable to the group of \$93,105,000 by 1,122,144,036, being the total number of ordinary stock units in issue during the year and a weighted average number



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

13 WEEKS ENDED APRIL 1, 2017

### Notes to the Financial Statements (cont'd)

#### 4. Profit per stock unit and stockholders' equity per stock unit (cont'd)

of ordinary stock units in issue (excluding those held by the ESOP) during the period. The weighted average number of ordinary stock units in issue (excluding those held by the ESOP) for the period ended April 1, 2017 was 1,040,298,060 (2016 – 1,027,465,296) stock units.

Stockholders' equity per ordinary stock unit is calculated by dividing the parent company stockholders' equity by 1,122,144,036 being the total number of ordinary stock units in issue at the end of the period and 1,040,298,060 (2016 – 1,027,465,296), representing the total number of ordinary stock units in issue for the period ended April 1, 2017 less those held by the ESOP at the same date.

#### 5. Accounting Policies

The following accounting policies have been reflected in these financial statements in compliance with IFRS:

##### a. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

##### b. Subsidiaries

Subsidiaries are those entities controlled by the group. The group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The company and its subsidiaries are collectively referred to as "group".

##### c. Associates

Associates are those entities over which the group has significant influence, but not control, or joint control over the financial and operating policies, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at cost, including transaction costs.

The group's investment is carried at the group's share of the fair value of net identifiable assets of the associate net of any impairment loss identified on acquisition. The group's share of its associates' post-acquisition profits or losses is recognised in the profit and loss account and its share of post-acquisition movements in reserves is recognized in other comprehensive income to the extent that the profits, losses or movements are consistent with the group's significant accounting policies. Should the group's share of losses in an associate equal or exceed its interest in the associate, including any other unsecured receivables, the group will not recognize further losses unless it has incurred obligations or made payments on behalf of the associate.

##### d. Investments

Investments with fixed or determinable payments and which are not quoted in an active market are classified as loans and receivables and are stated at amortised cost, less impairment losses. Where the group has the positive intent and ability to hold securities to maturity, they are classified as held-to-maturity and recognised initially at cost and subsequently measured at amortised cost, less impairment losses. Other investments held



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

13 WEEKS ENDED APRIL 1, 2017

### Notes to the Financial Statements (cont'd)

#### 5. Accounting Policies (cont'd)

##### d. Investments (cont'd)

by the group are classified as available-for-sale and are stated at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses in the case of monetary items, such as debt securities. Where these investments are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is recognised in group profit or loss. Where fair value cannot be reliably measured, these investments are stated at cost. Available-for-sale investments include certain debt and equity securities.

The fair value of quoted available-for-sale investments is their bid price.

Available-for-sale investments are recognised/derecognised by the group on the date it commits to purchase or sell the investments. Other investments are recognised/derecognised on the day they are transferred to/by the group.

##### e. Intangible assets and goodwill:

(i) Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is including in the carrying amount of the equity accounted investee as a whole.

##### (ii) Other intangible assets

Other intangible assets that are acquired by the group and have finite useful lives are measured at cost less accumulated amortization and any accumulation impairment losses.

##### (iii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

##### (iv) Amortization

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimates of useful lives are as follows:

- brands and trademarks 25 years
- customer relationships 10 - 15 years
- other identified intangible assets 3 - 5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

##### f. Segment reporting

Segment information is presented in respect of the group's strategic business segments. The identification of business segments is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

The group's business segments reflect its current strategy and focus. The profit or loss before finance cost and



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

13 WEEKS ENDED APRIL 1, 2017

### Notes to the Financial Statements (cont'd)

#### 5. Accounting Policies (cont'd)

##### f. Segment reporting (cont'd)

taxation is used to measure the segment result. This has resulted in the recognition of three business segments:

- JP Food & Drink - This comprises businesses that are engaged in agriculture, processing, distribution and/or retail of food and drink.
- JP Logistics & Infrastructure - This comprises businesses that are engaged in logistics, transportation, port operations and related industries.
- Corporate Services - This comprises interest and investment income, net of the cost of corporate functions not directly charged to business units.

#### 6. Segment Results

	<u>2017</u>			
	JP Food & Drink \$'000	JP Logistics & Infrastructure \$'000	Corporate Services \$'000	Group \$'000
Gross revenue	1,828,639	1,579,632	21,136	3,429,407
Inter - segment revenue	-	-	( 21,136 )	( 21,136 )
Revenue from external sources	<u>1,828,639</u>	<u>1,579,632</u>	<u>-</u>	<u>3,408,271</u>
Profit before finance cost and taxation	<u>11,834</u>	<u>457,906</u>	<u>( 30,554 )</u>	439,187
Finance cost - interest				( 74,424 )
Profit before taxation				364,763
Taxation				( 72,171 )
Non-controlling interest				( 199,487 )
Net profit attributable to parent company stockholders				<u>93,105</u>
	<u>2016</u> *			
	JP Food & Drink \$'000	JP Logistics & Infrastructure \$'000	Corporate Services \$'000	Group \$'000
Gross revenue	1,904,494	243,916	44,420	2,192,830
Inter - segment revenue	-	-	( 29,729 )	( 29,729 )
Revenue from external sources	<u>1,904,494</u>	<u>243,916</u>	<u>14,691</u>	<u>2,163,101</u>
Profit before finance cost and taxation	<u>38,834</u>	<u>180,130</u>	<u>( 6,144 )</u>	212,820
Finance cost - interest				( 47,679 )
Profit before taxation				165,141
Taxation				( 20,669 )
Non-controlling interest				5,564
Net profit attributable to parent company stockholders				<u>150,036</u>

\* The comparative information has been restated to compare with current year presentation.

Also, for the prior year period up to June 23, 2016 a material component of the Logistics and Infrastructure division was accounted for as an associate entity. (Note 2)



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

13 WEEKS ENDED APRIL 1, 2017

### Notes to the Financial Statements (cont'd)

#### 7. Seasonal Variations

There are significant seasonal variations in some of the group's activities, and so the results for any period are not necessarily indicative of the final results for the whole year.

#### 8. Foreign Currency Translation

Overseas revenues and expenses have been translated at average exchange rates of J\$131.64 (2016: J\$132.30) to €1, J\$157.90 (2016: J\$170.89) to £1 and J\$127.59 (2016: J\$120.81) to US\$1.

Adjustments have been made for exchange gains and losses on foreign currency assets and liabilities as shown below:

	<u>J\$/€</u>	<u>J\$/£</u>	<u>J\$/US\$</u>
April 1, 2017	132.97	157.86	127.77
December 31, 2016	129.76	157.03	127.48
April 2, 2016	137.67	170.45	121.34
December 31, 2015	129.97	175.74	119.64

On behalf of the Board

Chairman

C.H. Johnston

Group Managing Director

J. Hall

May 12, 2017