Our Mission

To maintain the highest standards of
quality, integrity and efficiency
in the production, processing and marketing of fresh foods

Contents

Notice of Meeting

NOTICE IS HEREBY GIVEN that the sixty-eighth ANNUAL GENERAL MEETING OF JAMAICA PRODUCERS GROUP LIMITED will be held at the Registered Office of the Company, 6A Oxford Road, Kingston 5, at 11:00 o'clock in the forenoon of Thursday 2nd June 2005 for the following purposes:-

AGENDA

1. To receive and consider the Directors' and Auditors' Reports and Audited Statement of Accounts for the year ended December 31, 2004 and, if thought fit, pass the following resolution:-

   "That the Directors' and Auditors' Reports and Audited Statement of Accounts for the year ended December 31, 2004 be and are hereby adopted."

2. To fix the remuneration of the Auditors for 2004.

3. To pass the following resolution:-

   "That the Auditors, KPMG Peat Marwick, having indicated their willingness to continue in office, be and are hereby re-appointed for the year 2006."

4. To elect Directors.

   To consider and, if thought fit, pass the following resolutions:-

   (a) "That Mrs. Kathleen A.J. Moss who retires by rotation be and is hereby re-elected a director of the Company."

   (b) "That The Hon. Emil George who retires by rotation, be and is hereby re-elected a director of the Company."

SPECIAL BUSINESS

As special business, to consider and (if thought fit) pass the following resolution:

5. TO ELECT TO RETAIN SHARES WITH NOMINAL OR PAR VALUE – SECTION 37(1) OF THE COMPANIES ACT, 2004

   "THAT pursuant to the provisions of Section 37(1) of the Companies Act, 2004, the Company hereby elects to retain its existing shares with a nominal or par value and to continue to issue shares with a nominal or par value, and that the directors be, and they are hereby authorized to do any acts and execute any documents necessary to facilitate compliance with the Companies Act, 2004 in this regard, and to facilitate the conversion of the Company's shares to shares without a nominal or par value at the end of eighteen months from the date of this resolution or on an earlier date, should the Company in general meeting so determine by an ordinary resolution."

As special business, to consider and (if thought fit) pass the following resolution:

6. AMENDMENT OF ARTICLES OF ASSOCIATION TO FACILITATE BUY BACK OF SHARES

   THAT the Articles of Association be altered by inserting as Article 33A and Article 33B, the following:

Notice of Meeting

33A. (a) Subject to the provisions of Section 58 of the Companies Act, 2004 and any other relevant provisions of the Act, the Company may purchase or otherwise acquire shares issued by it in such manner and on such terms as the Directors may from time to time determine.

(b) Subject to the provisions of Section 59 of the Companies Act, 2004, and any other relevant provisions of the Act, the Company may, for any of the purposes specified in Section 59 of the Act, purchase or otherwise acquire shares issued by it in such manner and on such terms as the Directors may from time to time determine.

33B. Subject to the other provisions of Section 71 of the Companies Act, 2004 and any other relevant provisions of the Act, the Company may by special resolution do any of the things referred to in Section 71 (1) of the Act.

As special business, to consider and (if thought fit) pass the following resolution:

7. AMENDMENT OF ARTICLES OF ASSOCIATION TO ALLOW DIRECTORS TO PARTICIPATE IN MEETINGS BY WAY OF ELECTRONIC MEDIA

THAT the Articles of Association be altered by inserting as Article 79A, the following:

79A In accordance with Section 141 of the Companies Act, 2004, a Director may, if all the Directors of the Company consent, participate in a meeting of the Directors of the Company or of a Committee of the Directors by means of telephone or other communicating facilities as permits all persons participating in the meeting to hear each other, in which event, said director participating by telephone or other communicating facilities shall be counted as being present for the purpose of constituting a quorum, and any such meeting shall be deemed to have taken place in Jamaica.

8. To transact any other competent business.

BY ORDER OF THE BOARD

Kermitt McGann
Company Secretary

A member of the Company who is entitled to attend and vote is entitled to appoint one or more proxies to attend and on a poll, to vote in his stead. A proxy need not be a member of the Company. Form of Proxy must be lodged at the Registered Office of the Company not later than forty-eight hours before the meeting. An appropriate Form of Proxy is attached, to which should be affixed adhesive stamps to the value of $100.00.

Kingston, Jamaica

April 5, 2005

Financial Highlights

Five-year Summary

	2004	2003	2002	2001	2000
	$'000	$'000	$'000 (Restated)	$'000	$'000
GROUP PROFIT AND LOSS ACCOUNTS					
Gross operating revenue	22,114,298	18,412,626	14,097,166	12,846,012	11,091,475
Profit before taxation and minority interests	710,740	1,071,029*	903,567*	277,606	146,741
Taxation	(233,255)	(194,669)	(71,212)	(199,050)	(55,170)
Profit after taxation and before minority interests	477,485	876,360	832,355	78,556	91,571
Minority interests	(51,167)	15,454	(130,492)	(38,102)	(6,576)
Profit attributable to the group before extraordinary items	426,318	891,814	701,863	40,454	84,995
Extraordinary items	-	- *	- *	(421,610)	(4,888)
Net profit/(loss) for the year attributable to the group	426,318	891,814	701,863	(381,156)	80,107
Earnings/(loss) per ordinary stock unit:					
Before extraordinary items	227.95¢	476.84¢	375.28¢	21.63¢	45.45¢
After extraordinary items	227.95¢	476.84¢	375.28¢	(203.80¢)	42.83¢
Distributions to stockholders	208,869	167,811	68,505	70,365	69,600
Average exchange rates:					
US$1 to J$	61.01	58.13	48.40	45.91	43.17
UK£1 to J$	109.38	92.21	1.32	65.67	62.07
GROUP BALANCE SHEETS					
Property, plant and equipment, investments, etc.	7,644,285	5,083,385	4,119,940	2,264,904	2,699,432
Working capital	2,916,586	2,509,884	1,571,222	643,969	921,318
Long-term loans	(207,338)	(234,726)	(206,258)	(151,614)	(113,724)
Deferred income, taxation, etc.	(647,067)	(477,752)	(310,011)	(97,347)	(99,488)
Minority interests	(544,583)	(429,685)	(255,351)	(219,400)	(537,356)
Stockholders' equity	9,161,883	6,451,106	4,919,542	2,440,512	2,870,182
Capital	18,702	18,702	18,702	18,702	18,702
Reserves	9,143,181	6,432,404	4,900,840	2,421,810	2,851,480
	9,161,883	6,451,106	4,919,542	2,440,512	2,870,182
Stock units eligible for distributions	187,024,006	187,024,006	187,024,006	187,024,006	187,024,006
Stockholders' funds per stock unit	$ 48.99	34.49	26.30	13.05	15.35
Buying exchange rates at December 31:					
US$1 to J$	61.27	60.42	50.55	47.17	45.30
UK£1 to J$	115.68	105.89	79.89	66.76	65.43

2002, 2003 and 2004 are prepared under International Financial Reporting Standards (IFRS). 2000 and 2001 are prepared under Jamaica Generally Accepted Accounting Principles. Adjustments that would be required to make 2000 and 2001 information IFRS compliant are in respect of:

IAS 12 – Income Taxes
IAS 19 – Employee benefits
IAS 22 – Business combinations
IAS 37 – Provisions, contingent liabilities and contingent assets
IAS 38 – Intangible assets
IAS 39 – Financial instruments – Recognition and measurement

*Reclassified to conform with 2004 presentation

Charles H. Johnston
Chairman

Chairman's Statement

The operations of Jamaica Producers Group (JPG) suffered extensively as a result of Hurricane Ivan, which hit Jamaica on September 10, 2004. The banana crop on both our Jamaican estates was completely destroyed. As a direct consequence of this disaster, our banana sourcing and ripening operations in the United Kingdom, our shipping business, and our Jamaican ripening and snack food concerns were all adversely affected. I am pleased to report that the management and staff of the affected businesses responded with exceptional innovation, efficiency and attentiveness to shareholder value and customer service.

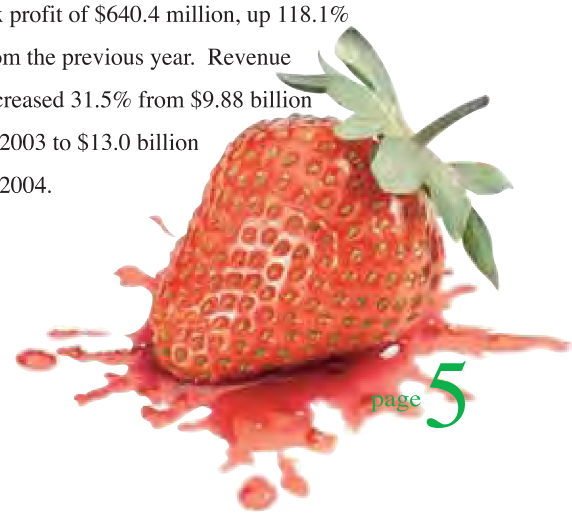
I am also gratified by the fact that the Group's ongoing strategy to develop the Fresh and Processed Foods Division and to diversify our revenue and profit base continues to be extremely successful. In the past three years, the Fresh and Processed Foods Division achieved revenue growth of 111.0%, moving from 48% to 59% of total Group revenue. During the same period, divisional pre-tax profit increased by 523.9%. Moreover, we are unquestionably a leader in the UK fresh produce and fresh prepared food markets.

JPG generated net profit of $426.3 million on revenue of $22.11 billion in 2004. Profit was down 52.2% and revenue increased 20.1% from 2003. Our balance sheet remains strong, with stockholders' equity of $9.16 billion at December 31, 2004—up 42.0% during the year.

2004 was a significant milestone for JPG as we celebrated the 75th anniversary of our establishment. Immediately following our Annual General Meeting in June, we held a gala luncheon attended by His Excellency Sir Howard Cooke, the Governor General of Jamaica, as well as members of Government, members of the Diplomatic Corps, the Lord Bishop of Jamaica, leaders of the business community and many of our shareholders. The Group made significant contributions throughout the year to deserving projects in the health and education sectors, and we ended the year-long celebrations with a Thanksgiving service at the St. Andrew Parish Church in Kingston, Jamaica.

Fresh and Processed Foods Division

The Fresh and Processed Foods Division performed very well in 2004, generating pre-tax profit of $640.4 million, up 118.1% from the previous year. Revenue increased 31.5% from $9.88 billion in 2003 to $13.0 billion in 2004.



This division includes the production and marketing of chilled juice, smoothies and soup; fresh food distribution, fresh produce packing and distribution; and the production and marketing of tropical snacks.

We enjoyed significant volume growth in our premium quality, short shelf life range of juices, smoothies and crushes

SERIOUS FOOD GROUP

Over the years, our juice and smoothie business based in Wales has been a major engine of growth and profitability. As we sought to grow the business, we increasingly moved into other areas of the fresh food sector. Against this background, we created the Serious Food Group at the beginning of 2004, comprising the following businesses:

- Sunjuice – our fresh juice and smoothie business in Wales
- Serious Food Distribution – our chilled food distribution business primarily serving London and surrounding areas
- Serious Soup – our fresh soup business
- Frobishers – our joint venture marketing company for long-life juices and smoothies primarily targeted at the wholesale and pub trades.

The Serious Food Group produced excellent results in 2004. We achieved strong increases in sales and profit and continued to satisfy increasing demand for healthy and convenient products.

Marshall Hall, C. D., Ph.D
Group Managing Director

We doubled the capacity of our TetraPak facility to keep pace with increasing demand

The largest component of Serious Food is Sunjuice. Sunjuice increased its share of the growing UK chilled juice market and enjoyed significant volume growth in its premium quality short shelf life range of juices, smoothies and crushes.

These products are sold under the Sunjuice brand as well as the private labels of major UK supermarkets and other customer-owned brands. During the year, we doubled the capacity of our TetraPak facility to keep pace with increasing demand from our customers for high quality products with a longer shelf life. This plant primarily produces private label NFC (not from concentrate) and FC (from concentrate) juices for major UK supermarket chains. Once again, Sunjuice was recognized for quality as our Raspberry & Boysenberry Smoothie won a Bronze True Taste Award in the Wales Food & Drink Awards 2004-5.

Serious Food Distribution performed well in its first full year of trading following our acquisition of Regale Foods Limited in November 2003. The business is the combination of Regale Foods and the former Sunjuice London Distribution Centre. The integration of the two operations is now complete. We have a fleet size of 24 vehicles and a product range that includes pastries, fruit salads and various deli products as well as Serious soup and Sunjuice crushes, juices and smoothies. We are well positioned to capitalize on the market trend toward more premium products in the hotel and foodservice sectors, while continuing to satisfy the requirements of the sandwich and snack bar sectors.

Serious Soup had a slow start in 2004, its first full year of trading. Sales were below expectations, but began to improve as we gained new accounts in the retail and foodservice sectors toward year-end. This business recorded a loss for the year.

Frobishers turned in a solid performance, achieving both sales and profit growth.
We increased our shareholding from 47.5% to 65% in July with a view to realizing greater synergies with other businesses in the Serious Food Group.

FRESH PRODUCE

Our fresh produce operations generated satisfactory results in 2004. This business includes our global sourcing and distribution of fresh fruit for the UK market – including top fruit (apples and pears), citrus, grapes, melons and pineapples, as well as a smaller exotic produce business (mainly yams, sweet potato and pumpkins).

We maintained our focus on supplying leading supermarket chains in the UK and Ireland with fresh fruit. The business achieved particularly strong trading results in the top fruit operation, and improved sales, profitability and market share in the melon and pineapple lines. We continue to see good overall growth prospects for this operation.

In 2004, we closed our wholesale outlets in Birmingham, Spitalfields and New Covent Garden markets. These outlets have traditionally supplied exotic produce to the West Indian community in Great Britain. We will maintain a presence in this market as a supplier to other UK wholesalers and as an exporter from Jamaica using our Jamaican produce packing and export facility. Our Jamaican produce export business supplies "exotics" to both the United Kingdom and the United States and is experiencing limited growth and profitability.

TROPICAL SNACKS

Prior to Hurricane Ivan, our tropical snack business exceeded sales growth and profitability targets. We experienced major gains in market share in Jamaica in our core banana chip and plantain chip product lines, and developed a steady export trade. The business relies on our Jamaican farms as its principal raw material source. Unfortunately, with the destruction of our banana and plantain crop in September as a result of the hurricane, we were forced to suspend production.

JP Snacks was able to design, launch and begin production of substitute products – cassava and potato chips – before year-end. The products have gained market acceptance and are expected to contribute to profitability and a resumption of growth in the business as soon as banana and plantain become available in Jamaica.

Banana Division

The Banana Division is a vertically integrated business that includes our banana farms in Jamaica, our ripening and distribution businesses in Jamaica and the UK, and our shipping services. The Banana Division recorded a pre-tax loss of $0.6 million on revenue of $8.94 billion in 2004, compared with a profit of $198.7 million (restated) on revenue of $8.30 billion the previous year. The division was severely affected by Hurricane Ivan and the outbreak of Moko disease in Jamaica. The business also faces extremely competitive trading conditions in the UK market and ongoing uncertainties around the expected change in the European Banana regime in January 2006.

BANANA RIPENING

Our banana ripening business in the United Kingdom continues to hold its position as one of the leading suppliers of bananas to UK supermarkets. In 2004, the business successfully maintained its global supply programme for these supermarkets, using fruit from West African, Central American and Caribbean sources. The programme was disrupted by the suspension of Jamaican banana exports following damage caused by Hurricane Ivan. As a result, we were forced to make spot purchases at generally higher supply prices. This problem will continue until Jamaican exports resume in the second quarter of 2005. Despite the challenges, the business achieved improved profitability for the year as a whole.

In June 2004, the European Commission announced its intention to introduce a quota-free regime with a tariff of 230 euros per tonne for bananas entering the European Union (EU). Banana imports into the EU from African, Caribbean and Pacific (ACP) countries would remain tariff free. All exporters reacted negatively to the recommendation with the ACP and the EU producers insisting that the tariff was too low, and the Central and South American producers protesting that it should be no more than the existing in-quota tariff of 75 euros.

The European Commission, in keeping with the agreements governing the life of the existing regime, has formally notified the World Trade Organization (WTO) of its intention to introduce the tariff of 230 euros and a quota free regime in January 2006.

It is expected that, as allowed for under the agreement, the principal non-ACP suppliers will seek to take the European Commission to arbitration before a WTO-appointed panel. The agreement is so structured that the arbitration process and all appeals must end in time for the new regime to be implemented in January 2006. It is difficult to predict the outcome of these deliberations, consequently Jamaica and the other ACP countries are seeking to persuade the EU of their need for special support in the event that the arbitration process produces a tariff that is too low for them to compete effectively. The EU, in turn, has pledged that it will continue its support programme for ACP producers designed to increase their efficiency.

The impact of a quota-free regime in the European Union, regardless of the level of the tariff, is difficult to assess. It is distinctly possible that the immediate response could be increased supplies leading to a dramatic fall in import prices. Our UK subsidiary, JP Fruit Distributors, is therefore pursuing a flexible sourcing strategy with a view to remaining competitive in 2006 and beyond.

We maintain a small banana ripening business in Jamaica. This business experienced steady trading in 2004, but suffered an interruption in its business as a result of Hurricane Ivan. We were required to suspend operations in September 2004 for approximately six months.

BANANA FARMING

2004 was a particularly difficult year for our two banana farms and the entire banana industry in Jamaica. Moko disease was identified on banana farms in western Jamaica, and subsequently at our St. Thomas farm – Eastern Banana Estates. Later in the year, the disease was discovered at St. Mary Banana Estates. Moko is new to Jamaica, but the disease has long affected banana production in Central America. It has required us to eradicate segments of the banana estates that are likely to be infested and to undertake a number of precautions to prevent the spread of the disease from one section of the estate to another.

In September, the entire crop at both estates was flattened by Hurricane Ivan. The hurricane also caused damage to the farms' infrastructure (including pack houses, guying systems, irrigation and cableways). Production, therefore, ceased for the remainder of the year. We are restoring the farms on a phased basis. The recovery efforts will benefit from financial support provided by the European Union. We expect both farms to resume export production in the second quarter of 2005. As a result of the greater proliferation of Moko disease on a 700-acre section of Eastern Banana Estates, we have decided not to restore this section of the farm. The financial statements include a share of the insurance proceeds representing partial coverage of our crop losses caused by Hurricane Ivan.

SHIPPING

Prior to Hurricane Ivan, our shipping service produced a good performance. As such, notwithstanding the hurricane, we were able to secure a satisfactory profit at year-end. The loss of our Jamaican banana cargo (arising from the hurricane) forced us to re-negotiate our shipping contracts for the remainder of 2004 on less attractive terms. This resulted in very difficult trading during the last quarter of the year, offset in part by insurance proceeds. The absence of Jamaican banana cargo until the second quarter of 2005 will result in the continuation of difficult trading conditions for the 2005 contract year.

Corporate

The Corporate segment primarily comprises the cost of corporate functions that are not directly charged to the business units, as well as interest and investment income. The segment generated a pre-tax profit of $70.9 million in 2004, down from $578.7 million in 2003. The decline was primarily due to a $325.6 million gain on sale of investments in 2003 and lower interest rates in 2004.

INVESTMENTS

Our investment portfolio performed extremely well in 2004, further strengthening our balance sheet and creating shareholder value. At year-end, the Group's balance sheet included available-for-sale investments with a fair value of $4.37 billion. The fair value reserve increased by $2.27 billion in 2004 to close the year at $3.89 billion—this is the total unrealized gain on available-for-sale investments.

HUMAN RESOURCES

At the end of 2004, the Group had 1,534 employees – 753 based in the United Kingdom, 773 in Jamaica, six in Costa Rica and one each in Ireland and South Africa. We recognize that our success depends, in large measure, on the good judgment, flexibility and commitment of this team of employees. To this end, we continue to undertake major investments in staff training and development across the Group. Moreover, all of our businesses have adopted programmes to recognize and reward employees for their particular contribution to our success, including targeted performance-related pay.

As a result of the loss of production occasioned by Hurricane Ivan, we were required to restructure our banana farms, to reduce our workforce by 444 persons and to temporarily lay-off 535 employees. The farms are in the process of re-calling laid-off employees as field cultivation and harvesting resumes. We are particularly conscious of the devastating impact of the hurricane on our employees. We have therefore sought to offer assistance to those most affected with a range of initiatives including support for emergency housing repair, ex-gratia payments and the maintenance of health insurance and other critical employee benefits during extended lay-offs.

SOCIAL RESPONSIBILITY

We are mindful that many of the communities in which we operate were also adversely affected by Hurricane Ivan and faced considerable difficulty in the year. To this end, we made donations totaling $5 million to national reconstruction efforts.

As part of our 75th anniversary celebrations, we contributed $7 million to Jamaica's health sector. We donated $3.5 million to the Caribbean Health Centre, a joint project of the Tropical Medical Research Institute (TMRI), The University of the West Indies (UWI) and the Ministry of Health, aimed at managing diseases such as hypertension and diabetes which affect large segments of the Jamaican population. The Centre will promote health and wellness through research and public education. We also spent $3.5 million to provide an ultra-sound machine for the Annotto Bay Hospital, which was in great need of this diagnostic tool.

The Annotto Bay Police Station also benefited from a refurbishing project in which we participated with other civic-minded corporate entities. The entire building has been reconditioned with particular emphasis on the conditions in which the police have to work. We were particularly pleased to contribute to the Annotto Bay community, which is home to St. Mary Banana Estates and our snack food factory.

Acknowledgements

Mr. Robert Honiball retired from our Board after 29 years of dedicated and distinguished service. His contribution to Jamaica Producers has been invaluable and I wish to acknowledge our appreciation of his service. His wise counsel and his balanced advice will be missed.

We value highly the commitment, dedication and hard work of our management and staff throughout the organization which was borne out once again in 2004. We thank them for their contribution to all that we have achieved in the face of tremendous challenges in 2004.

I also wish to use this opportunity to thank my fellow directors of JPG for their unfailing support and their commitment to our business.

C. H. Johnston
Chairman
April 5, 2005

Directors' Report

The Directors present this report, the Chairman's statement and the audited Financial Statements for the year 2004 to the 68th Annual General Meeting.

FINANCIAL STATEMENTS

The year's financial statements are shown on pages17 to 44 of this publication.

Highlights are:	**2004**	**2003**
	J$M	**J$M**
Gross Operating Revenue	22,114	18,413
Group Attributable Profit	426	892
Retained earnings 1^{st} January	2,243	1,453
Retained earnings 31^{st} December	2,456	2,243
Earnings per stock unit before extraordinary items	227.95c	476.84c
Stockholders Funds per stock unit at 31^{st} December Amounted to	$48.99	$34.49

DIVIDENDS

		Ordinary
		J$M
Special in commemoration of 75^{th} Anniversary being 75 cents per share	- paid 23^{rd} July	140.268
Interim of 25 cents per share	- paid 23^{rd} July	46.756
Interim of 25 cents per share	- paid 30^{th} December	46.756

No final dividend is recommended in respect of 2004.

AUDITORS

The Auditors, KPMG Peat Marwick, have expressed their willingness to continue in office.

DIRECTORS

Your Directors who served diligently during the year are:-

Mr. Aubrey E. Ffrench
The Hon. Emil C. George, O.J., Q.C., B.C.L., M.A. (Oxon.)
Marshall McG. Hall, C.D., Ph.D. - Group Managing Director
Mr. Jeffrey McG. Hall, B.A. M.P.P., J.D.
Mr. Charles H. Johnston, B.Sc. (Econ.) - Chairman
Mrs. Dahlia Kelly, B.Sc.
Mr. Michael R. Lord, O.B.E.
Mr. David McConnell
Mr. John O. Minott, C.D., B.Com., J.P.
Mr. Peter K. Morris, B.Sc. (Hons.), MBA
Mrs. Kathleen A.J. Moss, B.Sc., MBA, CBV
Mr. David H. Read, O.B.E.
Prof. Alvin G. Wint, B.Sc., MBA, DBA

Mr. Robert D. Honiball retired as a Director on 1^{st} December, 2004 after serving faithfully since 18^{th} December, 1975.

Mrs. Kathleen A.J. Moss and The Hon. Emil C. George retire by rotation and being eligible, offer themselves for re-election in accordance with the Articles of Association.

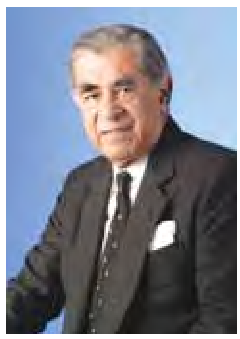
C.H. Johnston
Chairman
April 5, 2005

Board of Directors

C.H. Johnston
B.Sc. (Econ.)
Chairman

Marshall McG. Hall
C.D.,Ph.D.
Group Managing Director

A.E. Ffrench



E.C. George
O.J., Q.C., B.C.L., M.A. (Oxon)

Jeffrey McG. Hall
B.A., M.P.P., J.D.

D. Kelly
B.Sc.

M.R. Lord
O.B.E.

D. McConnell

J.O. Minott
C.D., B.Com., J.P.

P. Morris
B.Sc. (Hons.), MBA

K.A.J. Moss
B.Sc., MBA, CBV

D.H. Read
O.B.E.

A.G. Wint
B.Sc., MBA, DBA

Board Committees

AUDIT COMMITTEE
Mrs. Kathleen A. J. Moss - Chair
Mr. Aubrey Ffrench
Mr. J.O. Minott
Prof. Alvin G. Wint
Mr. Charles Johnston
Dr. Marshall Hall
Mr. Peter K. Morris

COMPENSATION COMMITTEE
Mr. Charles Johnston - Chair
Mrs. Kathleen A. J. Moss
Mr. Aubrey Ffrench
Dr. Marshall Hall

EXECUTIVE COMMITTEE
Mr. Charles Johnston - Chair
Dr. Marshall Hall
Mr. Peter K. Morris
Mr. Aubrey Ffrench
Mrs. Dahlia Kelly
Mr. J.O. Minott

KPMG Peat Marwick
Chartered Accountants

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email:firmmail@kpmg.com.jm

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Auditors' Report

We have audited the financial statements of Jamaica Producers Group Limited ("company") and the consolidated financial statements of the company and its subsidiaries ("group") as of and for the year ended December 31, 2004, set out on pages 17 to 44, and have obtained all the information and explanations which we required. The financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, proper accounting records have been kept and the financial statements, which are in agreement therewith and have been prepared in accordance with International Financial Reporting Standards, give a true and fair view of the state of affairs of the company and the group as at December 31, 2004, and of the results of operations and cash flows of the group for the year then ended, and comply with the provisions of the Companies Act, so far as concerns members of the company.

KPMG Peat Marwick

April 5, 2005

Company Balance Sheet
December 31, 2004

	Notes	2004 $'000	2003 $'000
CURRENT ASSETS			
Cash resources		92,910	106,703*
Short-term investments		100,000	182,002
Securities purchased under resale agreements	2(i)	694,069	878,644
Accounts receivable	3	195,036	89,716
Taxation recoverable		99,770	71,353*
Inventories	4	612	640
		1,182,397	1,329,058
CURRENT LIABILITIES			
Bank overdraft and short-term loan	5	25,459	62,151*
Accounts payable	6	129,787	152,151*
Unclaimed dividends		44,448	27,573
Current portion of long-term loan	15	2,624	3,557
		202,318	245,432
WORKING CAPITAL		980,079	1,083,626
INTERESTS IN SUBSIDIARY AND ASSOCIATED COMPANIES	8	148,202	84,765
INVESTMENTS	9	4,380,244	2,141,587
EMPLOYEE BENEFIT ASSET	10	-	116,619
PROPERTY, PLANT AND EQUIPMENT	12	69,457	73,344
		5,577,982	3,499,941
Financed by:			
STOCKHOLDERS' EQUITY			
Share capital	13	18,702	18,702
Reserves	14	5,520,853	3,433,574
		5,539,555	3,452,276
DEFERRED TAX LIABILITIES	11	38,427	45,041
LONG-TERM LOANS	15	-	2,624
		5,577,982	3,499,941

The financial statements on pages 17 to 44 were approved by the Board of Directors on April 5, 2005 and signed on its behalf by:

____________________ Chairman
C. H. Johnston

____________________ Managing Director
M. Hall

* Reclassified to conform with 2004 presentation.
The accompanying notes form an integral part of the financial statements
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Jamaica Producers Group Limited

Group Balance Sheet
December 31, 2004

	Notes	2004 $'000	2003 $'000
CURRENT ASSETS			
Cash resources		1,941,335	1,538,641*
Short-term investments		173,510	182,002
Securities purchased under resale agreements	2(i)	810,462	878,644
Accounts receivable	3	2,638,371	2,388,141*
Taxation recoverable		103,244	74,799*
Inventories	4	662,379	498,193
		6,329,301	5,560,420
CURRENT LIABILITIES			
Bank overdrafts and short-term loans	5	73,666	62,151*
Accounts payable	6	3,116,874	2,863,722*
Taxation		89,711	26,978
Unclaimed dividends		44,448	27,573
Current portion of long-term loans	15	87,940	70,112
		3,412,639	3,050,536
WORKING CAPITAL		2,916,662	2,509,884
BIOLOGICAL ASSETS - BANANA PLANTS	7	24,456	30,408*
INTERESTS IN ASSOCIATED COMPANIES	8	34,519	76,195
INVESTMENTS	9	4,769,423	2,262,642
EMPLOYEE BENEFIT ASSET	10	-	116,619
GOODWILL		341,814	257,318
DEFERRED TAX ASSETS	11	143,628	171,442
PROPERTY, PLANT AND EQUIPMENT	12	2,330,369	2,168,761
		10,560,871	7,593,269
Financed by:			
STOCKHOLDERS' EQUITY			
Share capital	13	18,702	18,702
Reserves	14	9,143,181	6,432,404
		9,161,883	6,451,106
MINORITY INTERESTS		544,583	429,685
DEFERRED TAX LIABILITIES	11	164,047	158,834
DEFERRED INCOME		130,186	48,055
EMPLOYEE BENEFIT OBLIGATION	10	352,834	270,863
LONG-TERM LOANS	15	207,338	234,726
		10,560,871	7,593,269

The financial statements on pages 17 to 44 were approved by the Board of Directors on April 5, 2005 and signed on its behalf by:

_________________________ Chairman
C. H. Johnston

_________________________ Managing Director
M. Hall

* Reclassified to conform with 2004 presentation.
The accompanying notes form an integral part of the financial statements.

Group Profit and Loss Account
Year ended December 31, 2004

	Notes	2004 $'000	2003 $'000
Gross operating revenue	16	22,114,298	18,412,626
Cost of operating revenue		(18,336,932)	(15,226,937)
Gross profit		3,777,366	3,185,689
Selling and distribution costs		(1,531,168)	(1,172,892)
Administration and other operating expenses		(1,685,409)	(1,471,084)*
Profit from operations		560,789	541,713
Share of profit in associated companies		1,007	3,346
Net gains from fluctuations in exchange rates		37,020	129,597
Impairment loss on investments		-	(7,562)
Gains on disposal of property, plant and equipment and investments		19,916	322,819
Gain on disposal of subsidiary		-	6,302
Other income		202,830	101,449
Finance cost - interest		(25,694)	(26,635)
Redundancy and lay-off costs	17	(85,128)	(-)
Profit before taxation and minority interests	18	710,740	1,071,029
Taxation	19	(233,255)	(194,669)
Profit after taxation and before minority interests		477,485	876,360
Minority interests		(51,167)	15,454
Net profit for the year attributable to the group		426,318	891,814
Dealt with in the financial statements of:			
The company		38,897	534,536
Subsidiary companies		387,189	354,948
Associated companies		232	2,330
		426,318	891,814
Earnings per ordinary stock unit	20	227.95¢	476.84¢

*Reclassified to conform with 2004 presentation.
The accompanying notes form an integral part of the financial statements.

Jamaica Producers Group Limited

Group Statement of Changes in Stockholders' Equity
Year ended December 31, 2004

	Share capital (note 13) $'000	Share premium $' 000	Capital reserves $' 000	Fair value reserve $'000	Retained profits $'000	Total $'000
Balances at December 31, 2002	18,702	135,087	1,954,308	1,358,585	1,452,860	4,919,542
Net profit for the year attributable to the group	-	-	-	-	891,814	891,814*
Exchange gains not recognised in the group profit and loss account	-	-	542,019	-	-	542,019*
Unrealised exchange gains transferred	-	-	45,749	-	(45,749)	-
Change in fair value of investments	-	-	-	586,555	-	586,555*
Realised gains on investments recognised in group profit and loss account	-	-	-	(321,013)	-	(321,013)*
Unclaimed distributions to stockholders (note 21)	-	-	19,213	-	-	19,213*
Distributions to stockholders (note 21)	-	-	(130,917)	-	(56,107)	(187,024)
Balances at December 31, 2003	18,702	135,087	2,430,372	1,624,127	2,242,818	6,451,106
Net profit for the year attributable to the group	-	-	-	-	426,318	426,318*
Exchange gains not recognised in the group profit and loss account	-	-	223,868	-	-	223,868*
Unrealised exchange gains transferred	-	-	1,448	-	(1,448)	-
Transfer of reserves of former subsidiary	-	-	(22,460)	-	22,460	-
Change in fair value of investments	-	-	-	2,269,460	-	2,269,460*
Unclaimed distributions to stockholders (note 21)	-	-	24,911	-	-	24,911*
Distributions to stockholders (note 21)	-	-	-	-	(233,780)	(233,780)
Balances at December 31, 2004	18,702	135,087	2,658,139	3,893,587	2,456,368	9,161,883
Retained in the financial statements of:						
The company	18,702	135,087	1,404,340	3,881,374	100,052	5,539,555
Subsidiary companies	-	-	1,253,799	12,213	2,356,316	3,622,328
Associated companies	-	-	-	-	-	-
Balances at December 31, 2004	18,702	135,087	2,658,139	3,893,587	2,456,368	9,161,883
The company	18,702	135,087	1,379,429	1,624,123	294,935	3,452,276
Subsidiary companies	-	-	1,045,116	4	1,938,703	2,983,823
Associated companies	-	-	5,827	-	9,180	15,007
Balances at December 31, 2003	18,702	135,087	2,430,372	1,624,127	2,242,818	6,451,106

*Total recognised gains for the year - $2,944,557,000 (2003: $1,718,588,000).
The accompanying notes form an integral part of the financial statements.

Jamaica Producers Group Limited

Group Statement of Cash Flows
Year ended December 31, 2004

	2004 $'000	2003 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year attributable to the group	426,318	891,814
Adjustments to reconcile net profit for the year to net cash provided/(used) by operating activities:		
Items not involving cash:		
Depreciation	319,107	338,077
Goodwill amortised	3,926	11,864
Biological assets amortised	24,456	-
Impairment loss on investment	-	7,562
Net unrealised exchange gains	129,579	277,912
Deferred tax, net	33,027	91,045
Employee benefits, net	53,815	94,667
Gain on disposal of property, plant and equipment and investments	(19,916)	(322,819)
Share of profit in associated companies	(1,007)	(2,330)
Minority interests in profit for the year	51,167	(15,454)
Deferred income amortised	(4,685)	(9,259)
	1,015,787	1,363,079
(Increase)/decrease in current assets:		
Accounts receivable	(133,535)	(683,319)*
Taxation recoverable	(28,445)	(34,133)
Inventories	(164,186)	(142,769)
Increase/(decrease) in current liabilities:		
Accounts payable	253,152	862,868
Taxation	62,733	(97,617)
Unclaimed distributions to stockholders	16,875	22,029
Due to related companies	-	(96,106)
Net cash provided by operating activities	1,022,381	1,194,032
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Biological assets	(18,504)	(26,401)*
Short-term investments	8,492	(155,499)
Securities purchased under resale agreements	68,182	(149,531)
Additions to property, plant and equipment	(414,109)	(281,222)
Proceeds from disposal of property, plant and equipment and investments	228,486	327,414
Interests in associated companies	42,683	17,620
Goodwill acquired	(77,422)	(91,216)
Additions to investments	(337,397)	(241,662)
Net cash used by investment activities	(499,589)	(600,497)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank overdrafts and short-term loans	11,515	(91,065)*
Long-term loans	(9,560)	64,056
Deferred income received	86,816	14,400
Distributions to stockholders	(208,869)	(167,811)
Net cash used by financing activities	(120,098)	(180,420)
Net increase in cash resources	402,694	413,115
Cash resources at beginning of the year	1,538,641	1,125,526
Cash resources at end of the year	1,941,335	1,538,641*

*Reclassified to conform with 2004 presentation
The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements
December 31, 2004

1. The company

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

The main activities of the company and its subsidiaries (note 26) are the cultivation, marketing and distribution of bananas and other fresh produce locally and overseas, juice manufacturing and distribution, shipping and the holding of investments.

The average number of employees during the year was 59 (2003: 88) for the company and 2,025 (2003: 2,154) for the group.

2. Basis of preparation, compliance and significant accounting policies

(a) Basis of preparation and compliance:

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

The significant accounting policies stated in paragraphs (b) to (r) below conform in all material respects to IFRS.

The financial statements are presented in Jamaican dollars and are prepared on the historical cost basis, except for available-for-sale investments which are stated at fair value.

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

(b) Basis of consolidation:

Subsidiaries are those entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies so as to obtain benefits from its activities. The consolidated financial statements include the financial statements of all subsidiaries, made up to December 31, 2004.

Associated companies are those entities in which the group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the group's share of the total recognised gains and losses of associated companies on the equity accounting basis (note 8).

2. Basis of preparation, compliance and significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd):

Inter-company balances and transactions, and any unrealised gains arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

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

(c) Foreign currencies:

The group's foreign assets and liabilities are translated at the buying rates of exchange ruling at the balance sheet date [note 25(b)(iii)]. Items in the foreign subsidiaries' profit and loss account are translated at rates of £1 to J$109.38 (2003: J$92.21) and US$1 to J$61.01 (2003: J$58.13), being the average rates of exchange ruling for the year.

Other transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions.

Gains and losses arising from translating income statement items are included in the profit and loss account. Unrealised portions of such gains are, ultimately, transferred to capital reserve. Exchange differences arising on other changes to stockholders' interests are reflected in other capital reserves (note 14).

(d) Property, plant and equipment:

(i) Owned assets

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses [see note 2(k)].

(ii) Leased assets

Leases under which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leasing arrangements in the United Kingdom are stated at an amount equal to the lower of the fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation, calculated in accordance with the policy in (iii) below, and impairment losses. After deducting interest attributable to future periods, the net amount payable is included in accounts payable.

(iii) Depreciation:

Property, plant and equipment, including leased assets, with the exception of freehold land on which no depreciation is provided, are depreciated on the straight-line basis at annual rates, varying between 2% and 50%, estimated to write off the assets over their expected useful lives. Computer software and equipment are depreciated on the straight-line basis at $33\frac{1}{3}$% and 100% per annum.

2. Basis of preparation, compliance and significant accounting policies (cont'd)

(e) Inventories:

Inventories are valued at the lower of cost, determined principally on the first-in first-out basis, and net realisable value.

(f) Trade and other receivables:

Trade and other receivables are stated at cost, less impairment losses.

(g) Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries after 1995. It comprises the excess of the cost of acquisition over the fair value of the net identifiable assets acquired less contingent liabilities, and deemed cost at March 31, 2004.

At each balance sheet date, goodwill is stated at cost less any accumulated impairment losses. *IFRS 3 Business combinations, IAS 36 Impairment of assets and IAS 38 Intangible assets,* as revised, which are effective for accounting periods beginning on or after January 1, 2005 in respect of goodwill, have been adopted early. As of April 1, 2004, goodwill is allocated to cash-generating units and is no longer amortised but tested annually for impairment.

(h) Investments:

Investments acquired at the time of primary issue are classified as originated securities 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 stated at amortised cost, less impairment losses. Other investments held by the group are classified as being available-for-sale and are stated at fair value with changes in fair value taken to fair value reserve. 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.

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

(i) Securities purchased under resale agreements:

Securities purchased under resale agreements ('reverse repos') are short-term transactions in which the company makes funds available to other parties and in turn receives securities which it agrees to resell on a specified date at a specified price. Reverse repos are accounted for as short-term collateralised lending.

The difference between the sale and repurchase consideration is recognised on the accrual basis over the period of the transaction and is included in interest income.

2. Basis of preparation, compliance and significant accounting policies (cont'd)

(j) Biological assets:

Biological assets represent the cost of the banana plants which are capitalised up to maturity. These are stated at cost, less accumulated amortisation and impairment losses, as fair value cannot be reliably determined. The costs are amortised over a period of seven years.

(k) Impairment:

The carrying amounts of the company's and the group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of other assets in the unit on a pro rata basis. Goodwill was tested for impairment at April 1, 2004 and December 31, 2004 and there was no indication of impairment. Impairment losses are recognised in the group profit and loss account.

(i) Calculation of recoverable amount

The recoverable amount of the group's investments in originated and held-to-maturity securities and receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of an originated or held-to-maturity security or receivable is reversed, if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

2. Basis of preparation, compliance and significant accounting policies (cont'd)

(l) Trade and other payables:

Trade and other payables, including provisions, are stated at their cost. A provision is recognised in the balance sheets when the company and group have a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(m) Employee benefits:

Employee benefits are all forms of consideration given by the group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, annual leave, and non-monetary benefits such as medical care and housing; post-employments benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and charged as expense. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave. Post-employment benefits are accounted for as described below.

Post-employment benefits, comprising pensions and other post-employment assets and obligations included in the financial statements, are actuarially determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations are conducted in accordance with IAS 19, and the financial statements reflect the company's/group's post-employment benefit asset and obligation as computed by the actuary. In carrying out their audit, the auditors rely on the actuary's report.

Defined-benefit pension plans

The group's net obligation in respect of its defined-benefit pension plans is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is determined by reference to the yield at the balance sheet date on long-term government bonds of maturities approximating the terms of the company's obligation. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the group profit and loss account on the straight-line basis over the average period until the benefits become vested. To the extent that the benefits are vested immediately, the expense is recognised immediately in the group profit and loss account.

2. Basis of preparation, compliance and significant accounting policies (cont'd)

(m) Employee benefits: (cont'd)

Defined benefit pension plans (cont'd)

To the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined-benefit obligation and the fair value of plan assets, that portion is recognised in the group profit and loss account over a period representing 50% of the average remaining working lives of staff members in the plan.

Where the calculation results in a pension surplus to the group, the recognised asset is limited to the present value of any future refunds from the plan, or reductions in future contributions to the plan, less any unrecognised actuarial losses and past service costs.

(n) Revenue:

Revenue from the sale of goods is recognised in the group profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the group profit and loss account in proportion to the stage of completion of the transaction at the balance sheet date.

(o) Finance costs:

Finance costs represent interest payable on borrowings calculated using the effective interest rate method.

(p) Interest income:

Interest income is recognised in the group profit and loss account as it accrues, taking into account the effective yield on the asset.

(q) Taxation:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the group profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. Basis of preparation, compliance and significant accounting policies (cont'd)

(r) Segment reporting:

A segment is a distinguishable component of the group that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3. Accounts receivable

	Company		Group	
	2004	2003	2004	2003
	$'000	$'000	$'000	$'000
Trade receivables	8,659	1,549	2,174,926	2,196,300
Staff receivables	23,062	31,107	27,585	34,338
Other receivables and prepayments	191,401	91,823	587,052	283,923
	223,122	124,479	2,789,563	2,514,561
Less: Provision for doubtful debts	(28,086)	(34,763)	(151,192)	(126,420)
	195,036	89,716	2,638,371	2,388,141

Other receivables and prepayments for the company and the group include $92,672 (2003: $201,000) receivable from directors of the company in the ordinary course of business and a receivable of $136,477,000 (2003: $Nil) from the company's defined-benefit pension scheme that is in the process of being wound up (see note 10).

4. Inventories

	Company		Group	
	2004	2003	2004	2003
	$'000	$'000	$'000	$'000
Processed goods	-	-	3,835	-
Raw materials and consumables	-	-	643,839	479,037
Spare parts and other	612	640	14,705	19,156
	612	640	662,379	498,193

5. Bank overdrafts and short-term loans

The overdraft facility of the company is unsecured (see note 12). The overdraft facility of a UK subsidiary is secured on that subsidiary's freehold property and by a fixed and floating charge over its assets. Interest is charged at between $1\frac{1}{2}$ and 2% above base rate. The bank overdraft of a Jamaican subsidiary is secured by a debenture over the fixed and floating assets of that subsidiary, stamped to cover $12 million.

6. Accounts payable

	Company		Group	
	2004	2003	2004	2003
	$'000	$'000	$'000	$'000
Trade payables	85,952	42,702	2,504,539	2,223,471
Provisions	-	59,018	13,072	60,666
Other	43,835	50,431	599,263	579,585
	129,787	152,151	3,116,874	2,863,722

Accounts payable includes $24,787,000 (2003: $35,126,000) due to directors, for the company and the group.

6. Accounts payable (cont'd)

Provisions represent the estimated cost of restoration of vacated leasehold properties and certain employee benefits for the company and the group and are broken down as follows.

	Company		Group	
	2004	2003	2004	2003
	$'000	$'000	$'000	$'000
Balance at beginning of the year	59,018	51,263	60,666	51,263
Provisions made during the year	-	59,018	13,281	60,666
Provisions used during the year	(59,018)	(51,263)	(60,875)	(51,263)
Balance at end of the year	-	59,018	13,072	60,666

7. Biological assets - banana plants

	Company		Group	
	2004	2003	2004	2003
	$'000	$'000	$'000	$'000
Balance at beginning of the year	-	-	30,408	4,007
Increase due to new plantation	-	-	18,504	26,401
Amortisation for the year	-	-	(24,456)	-
Balance at end of the year	-	-	24,456	30,408

8. Interests in subsidiary and associated companies

	Company		Group	
	2004	2003	2004	2003
	$'000	$'000	$'000	$'000
Subsidiary companies:				
Shares, at cost, less amounts written off	21,455	21,455	-	-
Loan accounts receivable	550,977	534,120	-	-
Loan accounts payable	(613,560)	(792,175)	-	-
Current accounts receivable	710,549	893,865	-	-
Current accounts payable	(545,929)	(599,210)	-	-
	123,492	58,055	-	-
Associated companies:				
Shares, at cost, less amounts written off	1	1	1	28,927
Group's share of reserves	-	-	-	16,023
Loan accounts receivable	32,456	32,456	33,709	33,709
Current accounts (payable)/receivable	(7,747)	(5,747)	809	(2,464)
	24,710	26,710	34,519	76,195
	148,202	84,765	34,519	76,195

Frobishers Juices Limited became a 65% subsidiary during the year [note 22(b)]. Consequently, its reserves, which were previously included in associated companies' reserves, are now included in subsidiary companies' reserves. An associated company, Belvedere Limited has its year-end at June 30. The consolidated profit and loss account includes the group's share of profits/losses of this company, as well as two subsidiaries, Jamaica Producers Marketing (USA) Inc. and Cia Bananera del Tropico JP, S.A., based on the management accounts for the year ended December 31, 2004. The results of these companies are insignificant in relation to the group.

9. Investments

	Company 2004 $'000	Company 2003 $'000	Group 2004 $'000	Group 2003 $'000
Available-for-sale securities:				
Quoted	4,097,022	1,877,143	4,098,828	1,877,288
Unquoted	72,329	34,961	267,608	34,968
	4,169,351	1,912,104	4,366,436	1,912,256
Originated loans and receivables:				
Government of Jamaica 2006 bonds	122,548	120,831	122,548	120,831
Promissory notes	41,622	27,406	41,622	27,406
Loan to employee share ownership Plan (ESOP)	46,723	81,207	46,723	81,207
Other debt securities	-	-	192,094	120,831
National Housing Trust (receivable in years 2001/2004)	-	39	-	76
Mortgage loans for staff housing	-	-	-	35
	210,893	229,483	402,987	350,386
	4,380,244	2,141,587	4,769,423	2,262,642

Market values of quoted investments are computed based on quotations received from stockbrokers.

It is the opinion of the directors that the value of unquoted investments approximates at least to their carrying value.

The number of stock units (note 13) held by the ESOP at December 31, 2004 was 15,793,508 (2003: 16,546,377).

10. Employee benefit asset/obligation

At the end of the year, the group had two benefit-based and four contributory pension schemes in operation. These are managed by trustees and cover certain salaried employees of the company and certain of its subsidiary and associated companies, who have satisfied minimum service requirements. The group terminated one of its benefit-based pension schemes during the year and, immediately thereafter, established a defined contribution scheme for those employees who were members of that scheme. As a result of that termination, the scheme is in the process of being wound up and the related employee benefit asset is included in accounts receivable (see note 3).

(a) Contributions under the four contributory pension schemes during the year amounted to $26,246,000 (2003: $14,422,000).

Notes to the Financial Statements (Continued)
December 31, 2004

10. Employee benefit asset/obligation (cont'd)

(b) The amounts recognised in the balance sheets in respect of the defined-benefit schemes are as follows:

(i) Employee benefit asset/obligation:

	Company and Group		Group	
	Asset		Obligation	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Present value of funded obligations	(215,234)*	(57,442)	(3,145,426)*	(2,583,990)
Fair value of plan assets	370,000	280,678	1,991,370	1,638,090
Sub-total	154,766	223,236	(1,154,056)	(945,900)
Unrecognised actuarial (gains)/losses included in the sub-total above	-	(69,651)	801,222	675,037
Unrecognised asset due to limitation in economic benefit	(16,289)	(36,966)	-	-
Recognised asset/(obligation)	138,477	116,619	(352,834)	(270,863)
Less provision for winding-up expenses	(2,000)	-	-	-
	136,477	116,619	(352,834)	(270,863)
Less current portion transferred to accounts receivable (note 3)	(136,477)	-	-	-
	-	116,619	(352,834)	(270,863)

(ii) Movements in net asset/obligation recognised in the balance sheets:

	Company and Group		Group	
	Asset		Obligation	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Net asset/(obligation) at January 1	116,619	95,968	(270,863)	(155,545)
Contributions paid	4,138	6,565	134,977	62,795
(Income)/expense recognised in the group profit and loss account	15,720	17,013	(188,792)	(119,134)
	136,477	119,546	(324,678)	(211,884)
Exchange loss on retranslation	-	-	(28,156)	(58,979)
Change in asset not recognised due to limitation on economic benefit	-	(2,927)	-	-
Net asset/(obligation) at December 31	136,477	116,619	(352,834)	(270,863)

* This includes the amount of $145,402,000 representing an obligation to transfer members' accrued pension entitlements to the new defined contribution scheme.

Notes to the Financial Statements (Continued)
December 31, 2004

10. Employee benefit asset/obligation (cont' d)

(b) The amounts recognised in the balance sheets in respect of the defined-benefit schemes are as follows (cont' d):

(iii) Income/(expense) recognised in the group profit and loss account:

	Asset		Obligation	
	2004	2003	2004	2003
	$'000	$'000	$'000	$'000
Current service cost	-	-	(106,647)	(83,910)
Interest on obligation	(7,271)	(8,071)	(150,728)	(93,500)
Actuarial gains/(losses) recognised	1,810	806	(54,909)	(19,272)
Expected return on plan assets	21,181	24,278	123,492	77,548
Income/(expense) recognised in the group profit and loss account	15,720	17,013	(188,792)	(119,134)
Actual return on plan assets	27.2%	17.6%	5.5%	14.3%

(iv) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages based on the plan assets of each scheme).

	2004	2003
	%	%
Discount rate at December 31	5.28	6.65
Expected return on plan assets at December 31	6.67	7.38
Future salary increases	4.92	5.52
Future pension increases	2.25	1.90

11. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Company

	Assets		Liabilities		Net	
	2004	2003	2004	2003	2004	2003
	$'000	$'000	$'000	$'000	$'000	$'000
Property, plant and equipment	8,705	-	-	3,413	8,705	(3,413)
Employee benefits	-	-	-	38,844	-	(38,844)
Other liabilities	2,996	7,091	-	-	2,996	7,091
Other assets	-	-	50,128	9,875	(50,128)	(9,875)
	11,701	7,091	50,128	52,132	(38,427)	(45,041)

Notes to the Financial Statements (Continued)
December 31, 2004

11. Deferred tax assets and liabilities (cont'd)

Deferred tax assets and liabilities are attributable to the following (cont'd):

Group

	Assets		Liabilities		Net	
	2004	2003	2004	2003	2004	2003
	$'000	$'000	$'000	$'000	$'000	$'000
Property, plant and equipment	-	51,611	114,729	110,115	(114,729)	(58,504)
Employee benefits	105,850	75,593	-	38,844	105,850	36,749
Other liabilities	22,778	18,666	-	-	22,778	18,666
Other assets	-	-	49,318	9,875	(49,318)	(9,875)
Tax losses carried forward	15,000	25,572	-	-	15,000	25,572
	143,628	171,442	164,047	158,834	(20,419)	12,608

Movement on net deferred tax during the year is as follows:

	2004	2003
	$'000	$'000
Net deferred tax assets at beginning of year	12,608	103,653
Recognised in group profit and loss account [note 19(a) (ii)]	(33,027)	(91,045)
Net deferred tax (liabilities)/assets at end of year	(20,419)	12,608

12. Property, plant and equipment

Company

	Freehold land and buildings	Leasehold land and buildings	Furniture, machinery and motor vehicles	Work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000
At cost:					
December 31, 2003	50,484	21,634	124,528	590	197,236
Transfers	(511)	602	759	(850)	-
Additions	-	-	13,511	260	13,771
Disposals	-	-	(44,674)	-	(44,674)
December 31, 2004	49,973	22,236	94,124	-	166,333
Depreciation:					
December 31, 2003	11,972	10,367	101,553	-	123,892
Charge for the year	1,186	1,112	14,179	-	16,477
Transfers	(1,131)	1,921	(790)	-	-
Eliminated on disposals	-	-	(43,493)	-	(43,493)
December 31, 2004	12,027	13,400	71,449	-	96,876
Net book values:					
December 31, 2004	37,946	8,836	22,675	-	69,457
December 31, 2003	38,512	11,267	22,975	590	73,344

Notes to the Financial Statements (Continued)
December 31, 2004

12. Property, plant and equipment (cont'd)

Group

	Freehold land and buildings $'000	Leasehold land, buildings and farm develop-ment costs $'000	Furniture, equipment and vehicles $'000	Work-in-progress $'000	Total $'000
At cost:					
December 31, 2003	700,419	1,015,413	3,209,804	81,112	5,006,748
Additions	42,322	688	350,509	20,590	414,109
Transfers	-	40,301	(2,490)	(37,811)	-
Disposals	(39,932)	(162,894)	(211,346)	-	(414,172)
Exchange adjustments	59,157	55,582	247,407	-	362,146
December 31, 2004	761,966	949,090	3,593,884	63,891	5,368,831
Depreciation:					
December 31, 2003	190,490	424,995	2,222,502	-	2,837,987
Charge for the year	22,750	25,349	271,008	-	319,107
Transfers	-	37,587	(37,587)	-	-
Eliminated on disposals	(1,839)	(109,715)	(194,048)	-	(305,602)
Exchange adjustments	17,353	10,260	159,357	-	186,970
December 31, 2004	228,754	388,476	2,421,232	-	3,038,462
Net book values:					
December 31, 2004	533,212	560,614	1,172,652	63,891	2,330,369
December 31, 2003	509,929	590,418	987,302	81,112	2,168,761

Freehold land and buildings include land as follows:

	Company		Group	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Cost	21,659	21,659	275,837	222,153
Directors' allocation of cost	4,507	4,507	4,857	4,857
Total land	26,166	26,166	280,694	227,010

The company has given an undertaking to one of its bankers not to encumber real estate held at 6A Oxford Road while the company has credit arrangements (note 5).

Notes to the Financial Statements (Continued)
December 31, 2004

13. Share capital

	2004 $'000	2003 $'000
Authorised:		
500,000,000 ordinary shares of 10¢ each	50,000	50,000
Issued and fully paid:		
187,024,006 ordinary stock units of 10¢ each (note 9)	18,702	18,702

14. Reserves

	Company		Group	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Capital:				
Share premium	135,087	135,087	135,087	135,087
Fair value reserve	3,881,374	1,624,123	3,893,587	1,624,127
Other (see below)	1,404,340	1,379,429	2,658,139	2,430,372
Total capital	5,420,801	3,138,639	6,686,813	4,189,586
Revenue:				
Retained profits	100,052	294,935	2,456,368	2,242,818
	5,520,853	3,433,574	9,143,181	6,432,404

Other capital reserves comprise gains on disposal of property, plant and equipment and investments, unrealised exchange gains and unclaimed distributions to stockholders (note 21).

15. Long-term loans

	Company		Group	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
(a) Bank loans	-	-	242,969	281,410
(b) Jamaica Exporters Association (JEA)	-	-	7,056	17,247
(c) Rehabilitation loans	-	-	8,850	9,432
(d) Banana Export Company Limited (BECO)	2,624	6,181	2,624	6,181
(e) Finance lease obligations	-	-	33,779	-
	2,624	6,181	295,278	314,270
Less: Current portion	(2,624)	(3,557)	(87,940)	(79,544)
	-	2,624	207,338	234,726

Notes to the Financial Statements (Continued)
December 31, 2004

15. Long-term loans (cont'd)

(a) These are loans, denominated in Pounds Sterling (£), which are secured over a subsidiary company's freehold land and building and by a fixed and floating charge over its operating assets. The loans are repayable by quarterly instalments over a five-year period.

(b) The JEA loan is denominated in US dollars. It was received in 2000, supported by a bank guarantee and repayable over five years from disbursement, with a moratorium on principal for two years. Interest is charged at a fixed rate of 3% per annum.

(c) The rehabilitation loans received during 1998 were repayable over a three to five-year period by quarterly instalments after a moratorium of one year. 75% of the loans were converted to grants and made interest-free, retroactive to their commencement and the balance is currently subject to re-negotiation with the consent of the lender. The loans are secured on the assets that were purchased from the proceeds.

(d) This represents an interest-free loan from the Banana Export Company Limited (BECO), and is repayable by twenty-four monthly payments with a six-month moratorium after the first disbursement.

(e) The obligations under finance leases are denominated in Pound Sterling (£) and repayable by quarterly instalments over a five-year period.

16. 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, U.K. value added tax and Jamaican General Consumption Tax.

17. Redundancy and lay-off costs

These costs represent the group's restructuring and rationalisation in certain subsidiaries, including the consequences of damage occasioned by Hurricane Ivan during the year.

18. Profit before taxation and minority interests

Profit before taxation and minority interests is stated after charging/(crediting):

	2004 $'000	2003 $'000
Directors' emoluments:		
Fees	1,590	1,616
Remuneration	102,899	88,140
Auditors' remuneration	19,176	16,678
Depreciation	319,107	338,077
Goodwill amortised	3,926	11,864
Staff costs	2,359,661	1,837,596
Interest income	(177,961)	(236,435)
Dividends received (gross)	(34,918)	(28,619)

19. Taxation

(a) Recognised in the group profit and loss account.

The taxation charge is based on the group's results for the year, as adjusted for tax purposes, and comprises:

	2004 $'000	2003 $'000
(i) Current tax charge:		
Taxation on share of profits of associated companies	875	1,016
United Kingdom Corporation tax @ 30% (2003: 30%)	198,082	102,608
Under-provision in previous year	1,271	-
	200,228	103,624
(ii) Deferred taxation (note 11):		
Origination and reversal of temporary differences	22,455	(68,812)
Tax losses	10,572	159,857
	33,027	91,045
Total taxation in group profit and loss account	233,255	194,669

19. Taxation (cont'd)

(b) The effective tax rate for 2004 was 32.82% (2003: 18.18% - restated) of $710,740,000 (2003: $1,071,029,000 - restated) pre-tax profits, compared to the statutory tax rate of $33^1/_3$% (2003: $33^1/_3$%). The actual charge differs from the "expected" tax charge for the year as follows:

	2004 $'000	2003 $'000
Profit before taxation	710,740	1,071,029
Computed "expected" tax charge @$33^1/_3$%	236,913	357,010
Taxation difference between profit for financial statements and tax reporting purposes on -		
Overseas taxation	(19,495)	(10,273)
Tax losses and tax relief utilised	(19,817)	(115,827)
Gain on sale of property, plant and equipment and investments	(24,222)	(16,813)
Disallowed expenses, depreciation and other related capital adjustments	59,876	(19,428)
Actual tax charge	233,255	194,669

(c) Four subsidiary companies operated, and two continue to operate, under relief from taxation on agricultural income as follows:

Company	Income Tax Order	Effective dates From	To
Eastern Banana Estates Limited	Income Tax (Approved Farmer) (No. 3) Order 1993 and 2004	1992 2003	2001 2008
Victoria Banana Company Limited	Income Tax (Approved Farmer) (No. 4) Order 1994	1995	2002
St. Mary Banana Estates Limited	Income Tax (Approved Farmer) (No. 3) Order 1993 and 2004	1992 2003	2001 2008
Agualta Vale Limited	Income Tax (Approved Farmer) Order of 1984 and 1990.	1985 1990	1989 2000

(d) As at December 31, 2004, taxation losses, subject to agreement by the Commissioner of Taxpayer Audit and Assessment, available for relief against future taxable profits amounted to approximately $13,162,000 (2003: $ Nil) for the company and $579,320,000 (2003: $584,363,000) for the group. A deferred tax asset of $178,012,000 (2003: $167,794,000) in respect of tax losses of certain subsidiaries has not been recognised by the group as management does not believe that the asset will be realised in the foreseeable future.

Notes to the Financial Statements (Continued)
December 31, 2004

20. Earnings per ordinary stock unit

The earnings per ordinary stock unit is calculated by dividing the net profit for the year of \$426,318,000 (2003: \$891,814,000) attributable to the group by 187,024,006 (2003: 187,024,000) ordinary stock units of 10¢ each, being the number of units in issue during the year.

21. Distributions to stockholders

	2004 \$'000	2003 \$'000
Capital distributions:		
First interim paid in respect of 2004 - Nil (2003: 25¢) per stock unit - gross	-	46,756
Special interim paid in respect of 2004 - Nil (2003: 25¢) per stock unit - gross	-	46,756
Second special interim paid in respect of 2004 - Nil (2003: 20¢) per stock unit - gross	-	37,405
	-	130,917
Ordinary dividends:		
First interim paid in respect of 2004 - 25¢ (2003: 30¢) per stock unit - gross	46,756	56,107
Special interim paid in respect of 2004 - 75¢ (2003: Nil) per stock unit - gross	140,268	-
Second interim paid in respect of 2004 - 25¢ (2003: Nil) per stock unit - gross	46,756	-
	233,780	187,024
Unclaimed distributions written back to capital reserve (note 14)	(24,911)	(19,213)
	208,869	167,811

22. Contingent liabilities

(a) The company has given a guarantee of \$1,000,000 to cover bank borrowings of a subsidiary. One of the group's bankers, Bank of Nova Scotia Jamaica Limited, has also issued a guarantee on behalf of a subsidiary in favour of a utility company for \$521,000.

(b) On June 13, 2004, a subsidiary acquired an additional 17 1/2 % shareholding in an associated company incorporated in Great Britain, bringing the group's total shareholding to 65%. The initial consideration was £192,500 (J\$20,934,000). Additional consideration estimated at £54,590 (J\$6,315,000) may be payable in 2005, depending on certain performance milestones being achieved.

Notes to the Financial Statements (Continued)
December 31, 2004

23. Commitments

(a) Unexpired lease commitments at December 31, 2004 expire as follows:

	Company		Group	
	2004	2003	2004	2003
	$'000	$'000	$'000	$'000
Within one year	-	-	9,686	1,906
Subsequent years	-	-	89,746	34,308
	-	-	99,432	36,214

(b) As at December 31, 2004, capital expenditure authorised but not committed amounted to approximately $41,616,000 (2003: $36,916,000) for the company and $779,235,000 (2003: $872,087,000) for the group.

(c) At December 31, 2004, a subsidiary had purchase commitments of $367,620,000 (US$6,000,000) [2003: $126,882,000 (US$2,100,000)], in the ordinary course of business in respect of forward exchange contracts.

24. Segment Reporting

Segment information is presented in respect of the group's business segments. The primary format, business segmentation, 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. Unallocated items comprise mainly income-earning assets and revenue.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

Business segments:

The group is organised into three business segments. These are:

(a) Banana segment - this comprises the growing, sourcing, ripening, marketing and distribution of bananas and the operation of a shipping line that, *inter alia,* transports bananas to the United Kingdom.

(b) Fresh and processed foods segment - this comprises the sourcing, marketing and distribution of fresh produce (other than bananas), and the production and marketing of fresh juices, drinks and other freshly prepared foods and tropical snacks.

Notes to the Financial Statements (Continued)
December 31, 2004

24. Segment Reporting (cont'd)

(c) Corporate segment - this comprises the cost of corporate functions that are not directly charged to business units, as well as interest and investment income.

	Banana		Fresh and Processed Foods		Corporate		Total	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Gross operating revenue	8,962,406	8,319,180	12,998,342	9,881,263	283,071	357,859	22,243,819	18,558,302
Inter-segment revenue	(17,660)	(20,514)	-	-	(111,861)	(125,162)	(129,521)	(145,676)
Revenue from external customers	8,944,746	8,298,666	12,998,342	9,881,263	171,210	232,697	22,114,298	18,412,626
Segment result	(555)	198,684	637,348	289,036	72,940	579,963	709,733	1,067,683
Share of profit/(loss) in associated companies	-	-	3,007	4,599	(2,000)	(1,253)	1,007	3,346
Profit/(loss) before taxation and minority interests	(555)	198,684	640,355	293,635	70,940	578,710	710,740	1,071,029
Taxation							(233,255)	(194,669)
Minority interests							(51,167)	15,454
Net profit for the year							426,318	891,814
Segment assets	3,440,957	3,201,821	4,033,036	3,121,853	6,499,517	4,320,131	13,973,510	10,643,805
Segment liabilities	1,522,151	1,425,124	2,462,560	1,982,345	826,916	763,068	4,811,627	4,170,537
Capital expenditure	78,431	106,831	317,841	154,075	17,837	20,316	414,109	281,222
Depreciation and amortisation	159,595	195,182	164,279	119,679	23,615	35,080	347,489	349,941

25. Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of an enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash resources, short-term investments, securities purchased under resale agreements, accounts receivable and investments. Financial liabilities include bank overdrafts and demand loans, accounts payable, due to related companies and long-term loans.

(a) Fair value of financial instruments:

Fair value amounts represent estimates of the arm's length consideration for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties who are under no compulsion to act. Fair value is best evidenced by a quoted market price, if one exists.

25. Financial instruments (cont'd)

(a) Fair value of financial instruments (cont'd):

The fair value of cash resources, short-term investments, securities purchased under resale agreements, accounts receivable, bank overdrafts and demand loans, accounts payable and due to related companies are assumed to approximate their carrying values due to their relatively short-term nature. The fair value of quoted investments is at market value. The fair value of other investments, except for certain unquoted shares (note 9), are assumed to be cost, less provision for impairment.

The fair value for long-term loans is assumed to approximate carrying value as no discount on settlement is anticipated.

(b) Financial instrument risks:

Exposure to credit, interest rate, foreign currency, market, liquidity and cash flow risks arises in the ordinary course of the company' s and the group' s business. No derivative financial instruments are presently used to manage, mitigate or eliminate exposure to financial instrument risk, except as shown in note 23 (c).

(i) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation resulting in loss to the other party.

The company and the group manage this risk by:

- having a credit policy in place to minimize exposure to credit risk;
- performing credit evaluations on all customers requiring credit; and
- maintaining cash resources with reputable financial institutions.

Except for cash resources, accounts receivable and investment in certain quoted equities, there were no other significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(ii) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The company and the group materially contract financial liabilities at fixed interest rates for the duration of the term. Bank overdrafts are subject to interest rates which may be varied by appropriate notice by the lender. Financial liabilities subject to fixed interest rates are shown at note 15.

(iii) Foreign currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The company and the group are exposed to foreign currency risk on transactions that are denominated in currencies other than the Jamaican dollar. The main currencies giving rise to this risk are the Pound Sterling (£), United States dollar (US$) and Euros (€).

25. Financial instruments (cont'd)

(b) Financial instrument risks:

(iii) Foreign currency risk (cont'd):

The company and group manage this risk by matching foreign currency assets with liabilities as far as possible.

The net foreign currency assets/(liabilities) at year-end were as follows:

	Company		Group	
	2004 ('000)	2003 ('000)	2004 ('000)	2003 ('000)
US dollar	US$ 2,844	16,066	13,308	26,133
Pound Sterling	£ 303	786	27,694	7,028
Euros	€ -	-	(1,165)	228

Buying exchange rates at:

	April 05, 2005	December 31 2004	December 31 2003
US$1 to J$	J$61.29	61.27	60.42
UK£1 to J$	J$112.41	115.68	105.89
€1 to J$	J$76.91	81.73	74.39

(iv) Market risk:

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market.

The company and the group manage this risk by conducting research and monitoring the price movement of securities on the local and international markets.

(v) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities.

Due to the dynamic nature of the underlying businesses, the management of the company and the group aim at maintaining flexibility in funding by ensuring that sufficient cash resources are held or placed in short-term marketable instruments to meet financial obligations when they fall due.

(vi) Cash flow risk:

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. The company manages this risk by contracting, as far as possible, at fixed interest rates.

Notes to the Financial Statements (Continued)
December 31, 2004

26. Subsidiary and associated companies

	2004	2003	Place of incorporation
	% equity held		
SUBSIDIARY COMPANIES*			
Jamaica Banana Producers Steamship Company Limited	100	100	Jamaica
Agualta Vale Limited	100	100	"
St. Mary Banana Estates Limited	100	100	"
The Jamaica Producers Marketing Company Limited	100	100	"
Cariban Limited	100	100	Guernsey
JP Fruit Distributors Limited	65	65	England and Wales
Producers Fruit Distributors Limited	100	100	Jamaica
Jamaica Producers Ripening Company Limited	100	51	"
JBFS Investments Limited	100	100	"
Crescent Developments Limited	100	100	"
Southern Shipping Company Limited	100	100	"
P.S.C. Limited	100	100	"
Jamaica Producers Shipping Company Limited	60	60	"
Jamaica Producers Marketing (U.S.A.) Inc.	100	100	U.S.A
Caribbean Chartering Limited	100	100	Cayman Islands
Central American Banana Limited	100	100	"
Serious Food Limited	100	-	England and Wales
Sunjuice Limited	100	100	"
Serious Food (Distribution) Limited	100	100**	"
Astrol Properties Limited	100	100	"
Frobishers Juices Limited	65	***	"
Cia. Bananera del Tropico JP, S.A.	100	100	Costa Rica
Cia. Comercializadora Productos Limon	100	100	"
Eastern Banana Estates Limited	100	100	Jamaica
Victoria Banana Company Limited	100	100	"
Agri Services Limited	100	100	"
Trinjam Food Processors Limited	100	100	"
ASSOCIATED COMPANIES			
Belvedere Limited	25	25	Jamaica
Frobishers Juices Limited	***	47 1/2	England and Wales

* The names of inactive subsidiary companies are omitted.
** Formerly named Regale Foods Limited.
*** Became a 65% subsidiary during the year 2004.

Stockholding of Directors and Officers

December 31, 2004

DIRECTORS	Personal Stockholding	Stockholding in which Director/Officer has a Controlling Interest
Mr. A.E. Ffrench	15,892	-
Hon. E.C. George	4,687	-
Mr. J. Hall	288.876	831,000
Dr. M. Hall	11,702,289	-
Mr. C.H. Johnston	197,389	10,601,430
Mrs. D. Kelly	106,133	93,750
Mr. M.R. Lord	51,020	206,208
Mr. D. McConnell	-	-
Mr. J.O. Minott	13,182	-
Mr. P.K. Morris	176,059	-
Mrs. K.A.J. Moss	1,634,748	999,332
Mr. D.H. Read	4,634	-
Prof. A.G. Wint	8,228	-
OFFICERS		
Mr. M.J. Cousins	13,672	1,300
Ms. J.D. Goodall	2,500	-
Mr. K.O. McGann	76,750	-
Mr. P. St. E. Samuels	8,041	-
Mr. D. C. Witter	3,818	-
TRUSTEES		
JPG Ltd. (ESOP)	15,793,508	

Top Ten Stockholders

December 31, 2004

Trustees - JPG Ltd (ESOP)	15,793,508
Grace, Kennedy Pension Scheme	15,025,848
Marshall Hall & Jeanette Hall	11,702,289
Lennox Portland Ltd.	10,798,819
NCB Trust & Merchant Bank Ltd.	8,552,641
National Insurance Fund	6,986,463
Scotiabank Ja. Trust & Merchant Bank Ltd.	5,792,372
Mayberry Investments Ltd.	3,306,775
Scotia Jamaica Investment Ltd. A/C3119 (Pension Fund)	3,171,986
David & Kathleen Moss	2,634,080