



# Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS  
13 WEEKS ENDED MARCH 31, 2012

## Chairman's Statement

For the **13-week** period ending March 31, 2012 (the "2012 First Quarter"), net profit attributable to shareholders of Jamaica Producers Group Limited ("JP") was \$65.8 million. This result compares to a net profit of \$352.6 million for the comparable period in 2011 (when we recorded a significant gain on the sale of investments).

We are pleased to report that our strategy of improving our operating performance through acquisition and business development is beginning to show positive results. JP experienced a seven-fold increase in operating profits relative to the first quarter of 2011. Earnings before interest, taxes, depreciation and amortization (EBITDA), excluding gains on disposal of fixed assets and investments increased by 178% to \$97.7 million. Our 2012 First Quarter revenues increased by 25.2% to \$1.74 billion.

### JP Tropical

Our JP Tropical Division recovered from a breakeven position in the 2011 First Quarter to a pre-tax profit of \$38.0 million for the 2012 First Quarter. 2012 First Quarter revenues were up 71.6%.

Our recent acquisitions of a controlling interest in Tortuga International Holdings Limited and a joint venture interest in Mavis Bank Coffee Factory Limited continue to perform in accordance with expectations and have both made a positive contribution to the profitability of the Division.

In addition, Jamaican sales volumes for tropical snacks and fresh produce by JP Tropical Foods Limited ("JPTF") have benefited from increased investment in consumer marketing as well as a focus on product quality and innovation. This has been supported by significantly improved yields on our banana farms. We are particularly pleased with the steady sales growth in JPTF's fresh food segment which includes ripe bananas as well as bammies and pineapples. We expect to complement this with new product launches in the JPTF snack food segment this year. Our joint venture snack food business in the Dominican Republic had a challenging quarter. We changed our focus from the distribution of our own brands in this market to co-packing opportunities across the region. With this new business model, we have developed a growing base of good clients.

The combined food businesses of the JP Tropical Division present an excellent platform for growth in specialty foods. The businesses serve a diverse range of sales channels including travel retail, supermarkets, convenience stores and street vendors, and offer both premium and economical products. Moreover, the businesses serve a range of markets, both within the Caribbean region and internationally, with no single country accounting for more than 50% of total revenues.

The division continues to exploit its land holdings as an additional source of income. Four Rivers Mining Company – our recently established construction aggregates business made a positive contribution to divisional profits.

### JP Europe

In the 2012 First Quarter, JP Europe earned pre-tax profits of \$7.4 million. Profits are down relative to the 2011 First Quarter, while revenues are up by 10.7%. Our fresh juice business, A.L. Hoogesteger Fresh Specialist B.V. (Hoogesteger), continues to be the market leader in Holland and is now leveraging its new juice processing technology to access new markets in Northern Europe. We expect this recent investment to start contributing positively to profitability by the end of the year once it develops a strong customer base. In the 2012 First Quarter, this new plant operated below its breakeven volumes.

Our JP Shipping Services business faced seasonally low sales which were exacerbated by the adverse conditions facing the UK economy. The business did, however, benefit from various initiatives to reduce administrative costs over the long term.

### Corporate

The Corporate segment recorded a pre-tax profit of \$34.5 million for the 2012 First Quarter compared to a profit of \$340.9 million for the 2011 First Quarter. The segment comprises interest and investment income net of the cost of corporate functions not directly charged to business units. The prior year's result benefited from gains on the sale of investments totaling \$353.3 million.

During the 2012 First Quarter, Kingston Wharves Limited (KW), a company listed on the Jamaica Stock Exchange, accepted an offer from JP to subscribe for Three Hundred and Fifty-Seven Million Five Hundred and Fifty Thousand (357,550,000) ordinary shares of KW at a price of \$5.00 per share. The total amount of the investment (\$1.8 billion) will result in JP holding 26.1% of the issued shares of KW (after taking into account its shareholding prior to the transaction). JP financed this investment in part from the proceeds of a \$1 billion private placement of debt securities. The transaction also required the amendment of the Articles of Incorporation of KW to empower any shareholder having 21% or more of the issued shares of KW to appoint up to three directors. As part of its disclosures to the Jamaica Stock Exchange and to shareholders, JP indicated that it may seek to acquire additional shares from third parties and/or to sell shares from time to time in limited volumes, however, JP has no intention of acquiring a majority or controlling interest in KW shares or of holding less than 21% of KW shares. As such, JP is expected to maintain its entitlement to representation on the board of KW. This is a long-term strategic investment for JP, and follows our plan to leverage our asset base and management knowledge so as to diversify our business and improve overall shareholder returns.

KW is recognized as a leading private multi-purpose port terminal operator in the Caribbean. The KW port facility was, however, built in the mid-1960s and was designed primarily to process break bulk and non-containerized cargo. As a consequence, the near 50-year old facility requires some rehabilitation of its infrastructure and a redesign of key aspects of its operations to effectively compete in a market for logistics services that is increasingly dominated by containerized cargo.

At the same time as it seeks to rehabilitate its core infrastructure, KW will focus on growing revenues by intensifying the development of trans-shipment operations, developing strategic synergies with trans-Pacific lines and increasing its operating efficiency. The ability to process increased numbers of vessels and larger vessels will enable KW to grasp the opportunity presented by the expansion of the Panama Canal and thus grow cargo volumes, expand into new services and participate in the creation of an international logistics and distribution hub in Kingston.

### General

The business environment in which JP operates will continue to be challenged by macroeconomic conditions. Moreover, our business will continue to experience seasonal fluctuations in revenues and profits. We are satisfied, however, that our strategy, market leadership and businesses present us with attractive opportunities to diversify our revenue base, grow our business and improve shareholder returns.

I thank our board, management and staff for their commitment to our success, and our customers, shareholders and other key stakeholders for their continued loyalty.

Chairman  
C. G. Johnston



# Jamaica Producers Group Limited

**UNAUDITED GROUP RESULTS**  
**13 WEEKS ENDED MARCH 31, 2012**

## Group Balance Sheet

	Unaudited as at March 31, 2012 \$'000	Unaudited as at April 2, 2011 \$'000	Audited as at December 31, 2011 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	105,498	209,566	160,339
Short-term investments	278,483	546,365	261,550
Securities purchased under resale agreements	287,494	716,451	1,273,355
Accounts receivable	857,244	719,398	1,092,884
Taxation recoverable	73,527	124,508	87,183
Inventories	441,836	266,659	352,759
<b>Total Current Assets</b>	<b>2,044,082</b>	<b>2,582,947</b>	<b>3,228,070</b>
<b>Current Liabilities</b>			
Bank overdrafts	24,976	-	-
Accounts payable	1,110,902	786,156	1,056,073
Taxation	1,925	3,987	9,218
Current portion of long-term loans	65,342	54,481	12,300
<b>Total Current Liabilities</b>	<b>1,203,145</b>	<b>844,624</b>	<b>1,077,591</b>
<b>Working Capital</b>	<b>840,937</b>	<b>1,738,323</b>	<b>2,150,479</b>
<b>Non-Current Assets</b>			
Biological assets	26,405	2,001	21,519
Interest in associated company and joint ventures	2,191,758	62,987	170,511
Investments	678,719	1,575,997	794,750
Goodwill	996,668	544,347	397,937
Deferred tax asset	3,849	7,683	8,331
Property, plant and equipment	1,519,069	1,161,606	1,448,744
<b>Total Non-Current Assets</b>	<b>5,416,468</b>	<b>3,354,621</b>	<b>2,841,792</b>
<b>Total Assets Less Current Liabilities</b>	<b>6,257,405</b>	<b>5,092,944</b>	<b>4,992,271</b>
<b>Equity</b>			
Share capital	18,702	18,702	18,702
Reserves	4,825,029	4,993,342	4,771,594
<b>Total equity attributable to equity holders of the parent</b>	<b>4,843,731</b>	<b>5,012,044</b>	<b>4,790,296</b>
<b>Non-Controlling Interest</b>	247,471	( 10,097 )	( 16,159 )
<b>Total Equity</b>	<b>5,091,202</b>	<b>5,001,947</b>	<b>4,774,137</b>
<b>Non-Current Liabilities</b>			
Employee benefit obligation	-	3,757	20,239
Long-term loans	1,166,203	87,240	197,895
<b>Total Non-Current Liabilities</b>	<b>1,166,203</b>	<b>90,997</b>	<b>218,134</b>
<b>Total Equity and Non-Current Liabilities</b>	<b>6,257,405</b>	<b>5,092,944</b>	<b>4,992,271</b>
<b>Parent company stockholders' equity per ordinary stock unit:</b>			
Based on stock units in issue	<b>\$25.90</b>	<b>\$26.80</b>	<b>\$25.61</b>
After exclusion of stock units held by ESOP	<b>\$28.59</b>	<b>\$29.66</b>	<b>\$28.28</b>



# Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS  
13 WEEKS ENDED MARCH 31, 2012

## Group Profit and Loss Account

	Notes	Unaudited as at March 31, 2012 \$'000	Unaudited as at April 2, 2011 \$'000
Gross operating revenue	3	1,740,150	1,389,573
Cost of operating revenue		( 1,341,148 )	( 1,091,947 )
<b>Gross profit</b>		<b>399,002</b>	<b>297,626</b>
Marketing, selling and distribution costs		( 122,054 )	( 86,388 )
Administrative and other operating expenses		( 234,123 )	( 205,614 )
<b>Profit from operations</b>		<b>42,825</b>	<b>5,624</b>
Share of loss in joint ventures		( 1,559 )	( 6,406 )
Net profit/(loss) from fluctuations in exchange rates		4,033	( 1,037 )
Gain on disposal of property, plant and equipment and investments		40,069	353,902
Other (expense)/income		( 510 )	2,766
<b>Profit before finance cost and taxation</b>		<b>84,858</b>	<b>354,849</b>
Finance cost - interest		( 5,031 )	( 1,349 )
<b>Profit before taxation</b>		<b>79,827</b>	<b>353,500</b>
Taxation charge		( 7,385 )	( 1,985 )
<b>Profit for the period</b>		<b>72,442</b>	<b>351,515</b>
<b>Attributable to:</b>			
Parent company stockholders		65,755	352,593
Non-controlling interest		6,687	( 1,078 )
		<b>72,442</b>	<b>351,515</b>
<b>Profit per ordinary stock unit:</b>	4		
Based on stock units in issue		<u>35.16 ¢</u>	<u>188.53 ¢</u>
After exclusion of stock units held by ESOP		<u>38.82 ¢</u>	<u>208.67 ¢</u>



# Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS  
13 WEEKS ENDED MARCH 31, 2012

## Group Statement of Comprehensive Income

	<u>Unaudited as at March 31, 2012</u>	<u>Unaudited as at April 2, 2011</u>
	\$'000	\$'000
<b>Profit for the period</b>	<u>72,442</u>	<u>351,515</u>
<b>Other comprehensive income:</b>		
Exchange gains on translating foreign operations	63,528	71,446
Available-for-sale financial assets:		
Revaluation (losses)/gains arising during the period	( 40,799 )	62,674
Realised revaluation gains transferred to group profit and loss account	( 35,049 )	( 348,054 )
	<u>( 12,320 )</u>	<u>( 213,934 )</u>
<b>Total comprehensive income for the period</b>	<u><u>60,122</u></u>	<u><u>137,581</u></u>
<b>Total comprehensive income attributable to:</b>		
Parent company stockholders	53,435	138,659
Non-controlling interest	<u>6,687</u>	( 1,078 )
	<u><u>60,122</u></u>	<u><u>137,581</u></u>



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

### 13 WEEKS ENDED MARCH 31, 2012

#### 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, 2010</b>	<b>18,702</b>	<b>135,087</b>	<b>1,760,043</b>	<b>1,332,894</b>	<b>( 199,590 )</b>	<b>1,826,249</b>	<b>4,873,385</b>	<b>( 9,019 )</b>	<b>4,864,366</b>
Changes in equity:									
<b>Profit for the period</b>	-	-	-	-	-	<b>352,593</b>	<b>352,593</b>	<b>( 1,078 )</b>	<b>351,515</b>
<b>Other comprehensive income</b>									
Exchange profits arising on retranslation of foreign operations	-	-	71,446	-	-	-	71,446	-	71,446
Net Change in fair value of available-for-sale investments	-	-	-	62,674	-	-	62,674	-	62,674
Realised revaluation gains on available-for-sale investments transferred to group profit and loss account	-	-	-	<b>( 348,054 )</b>	-	-	<b>( 348,054 )</b>	-	<b>( 348,054 )</b>
Total other comprehensive income/(expense)	-	-	71,446	<b>( 285,380 )</b>	-	-	<b>( 213,934 )</b>	-	<b>( 213,934 )</b>
<b>Total comprehensive income/(expense) for the period</b>	-	-	71,446	<b>( 285,380 )</b>	-	352,593	138,659	<b>( 1,078 )</b>	137,581
<b>Balances at April 2, 2011</b>	<b>18,702</b>	<b>135,087</b>	<b>1,831,489</b>	<b>1,047,514</b>	<b>( 199,590 )</b>	<b>2,178,842</b>	<b>5,012,044</b>	<b>( 10,097 )</b>	<b>5,001,947</b>
Retained in the financial statements of:									
The company	18,702	135,087	1,577,786	1,329,277	-	1,367,384	4,428,236		
Subsidiaries	-	-	255,916	<b>( 281,763 )</b>	<b>( 199,590 )</b>	830,129	604,692		
Joint venture companies	-	-	<b>( 2,213 )</b>	-	-	<b>( 18,671 )</b>	<b>( 20,884 )</b>		
<b>Balances at April 2, 2011</b>	<b>18,702</b>	<b>135,087</b>	<b>1,831,489</b>	<b>1,047,514</b>	<b>( 199,590 )</b>	<b>2,178,842</b>	<b>5,012,044</b>		



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS

### 13 WEEKS ENDED MARCH 31, 2012

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

	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, 2011</b>	<b>18,702</b>	<b>135,087</b>	<b>1,736,814</b>	<b>385,885</b>	<b>( 190,646 )</b>	<b>2,704,454</b>	<b>4,790,296</b>	<b>( 16,159 )</b>	<b>4,774,137</b>
Changes in equity:									
<b>Profit for the period</b>	-	-	-	-	-	<b>65,755</b>	<b>65,755</b>	<b>6,687</b>	<b>72,442</b>
<b>Other comprehensive income</b>									
Exchange profits arising on retranslation of foreign operations	-	-	63,528	-	-	-	63,528	-	63,528
Net Change in fair value of available-for-sale investments	-	-	-	( 40,799 )	-	-	( 40,799 )	-	( 40,799 )
Realised revaluation gains on available-for-sale investments transferred to group profit and loss account	-	-	-	( 35,049 )	-	-	( 35,049 )	-	( 35,049 )
Total other comprehensive income/(expense)	-	-	63,528	( 75,848 )	-	-	( 12,320 )	-	( 12,320 )
<b>Total comprehensive income/(expense) for the period</b>	-	-	63,528	( 75,848 )	-	65,755	53,435	6,687	60,122
<b>Changes in ownership interest in subsidiaries</b>									
Issue of share capital in subsidiary	-	-	-	-	-	-	-	256,943	256,943
<b>Balances at March 31, 2012</b>	<b>18,702</b>	<b>135,087</b>	<b>1,800,342</b>	<b>310,037</b>	<b>( 190,646 )</b>	<b>2,770,209</b>	<b>4,843,731</b>	<b>247,471</b>	<b>5,091,202</b>
Retained in the financial statements of:									
The company	18,702	135,087	1,581,429	339,443	-	2,323,068	4,397,729		
Subsidiaries	-	-	220,967	( 29,406 )	( 190,646 )	493,752	494,667		
Joint venture companies	-	-	( 2,054 )	-	-	( 46,611 )	( 48,665 )		
<b>Balances at March 31, 2012</b>	<b>18,702</b>	<b>135,087</b>	<b>1,800,342</b>	<b>310,037</b>	<b>( 190,646 )</b>	<b>2,770,209</b>	<b>4,843,731</b>		



# Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS  
13 WEEKS ENDED MARCH 31, 2012

## Group Statement of Cash Flows

	<u>Unaudited as at</u> <u>March 31, 2012</u> \$'000	<u>Unaudited as at</u> <u>April 2, 2011</u> \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period attributable to the group	65,755	352,593
Items not affecting cash:		
Gains on disposal of fixed assets and investments	( 34,506 )	( 354,363 )
Depreciation and amortisation	52,915	34,245
Other items	( 20,470 )	( 22,692 )
	<b>63,694</b>	<b>9,783</b>
Decrease/(Increase) in current assets	337,742	( 9,691 )
Increase/(Decrease) in current liabilities	17,621	( 19,130 )
CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<b>419,057</b>	<b>( 19,038 )</b>
CASH (USED)/PROVIDED BY INVESTMENT ACTIVITIES	( 1,376,195 )	56,406
CASH PROVIDED/(USED) BY FINANCING ACTIVITIES	902,297	( 57,034 )
Net decrease in cash and cash equivalents	( 54,841 )	( 19,666 )
Cash and cash equivalents at beginning of the period	<u>160,339</u>	<u>229,232</u>
Cash and cash equivalents at end of the period	<u><u>105,498</u></u>	<u><u>209,566</u></u>



# Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS  
13 WEEKS ENDED MARCH 31, 2012

## Notes to the Financial Statements

### 1. Basis of Presentation

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

The accounting policies and methods of computation used in these interim 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") are juice and food manufacturing, the cultivation, marketing and distribution of fresh produce locally, logistics, land management and the holding of investments.

During the quarter the group acquired a 62 percent share in Tortuga International Holdings Limited, a company that operates food manufacturing and distribution in the Caribbean, for US\$4.9 million. Its revenues and results are reported in the JP Tropical Division.

Also, the group subscribed for 357,550,000 new shares in Kingston Wharves Limited, a listed company on the Jamaica Stock Exchange for J\$1.8 billion. This brings the group's share of this company to approximately 26 percent and is reflected in "Interest in associated company and joint ventures" in the group balance sheet. A share of its results has not been reflected in these financial statements as the acquisition was consummated on March 29, 2012.

There were no other exceptional items or discontinued operations.

### 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 and discounts, 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 by 187,024,006, being the total number of ordinary stock units in issue during the period and a weighted average number 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 March 31, 2012 was 169,403,806 (2011 – 168,971,135) stock units.

Stockholders' equity per ordinary stock unit is calculated by dividing the parent company stockholders' equity by 187,024,006 being the total number of ordinary stock units in issue at the end of the period and 169,403,806 (2011 – 168,971,135), representing the total number of ordinary stock units in issue at period-end less those held by the ESOP at the same date.





# Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS  
13 WEEKS ENDED MARCH 31, 2012

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

### 5. 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.

### 6. Accounting Policies

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

#### a. Investments

The group's investments are initially recognized at cost and classified at the time of purchase in accordance with IFRS. Available-for-sale investments are subsequently re-measured at fair value. The excess of the fair value of these investments over the original carrying amount is credited to the Fair Value Reserve (see Group Statement of Changes in Equity). Where fair value cannot be reliably measured, available-for-sale investments are carried at cost. Loans and receivables that have no active market are subsequently re-measured at amortized cost. Securities having a maturity date of less than one year are included in Current Assets.

#### b. 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. Goodwill is stated at cost, less any accumulated impairment losses. It is allocated to cash-generating units and tested annually for impairment.

#### c. Deferred Taxation

Deferred income tax is provided in full, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts. A tax asset is reflected for unutilized tax losses only to the extent that reversal can reasonably be expected.

#### d. Segment Reporting

Segment information is presented in respect of the group's strategic business segment. 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 is organized into three business segments:

- JP Europe Division – This comprises businesses that are centred in Europe and include production and marketing of natural food and drink, and a logistics business.
- JP Tropical Division – This comprises businesses that are centred in the Caribbean and Central America, and include production and marketing of natural food and drink as well as management of land holdings.
- Corporate – This comprises interest and investment income, net of the cost of corporate functions not directly charged to business units.



# Jamaica Producers Group Limited

## UNAUDITED GROUP RESULTS 13 WEEKS ENDED MARCH 31, 2012

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

#### 7. Segment Results

The segment results are as follows:

	<u>Unaudited as at March 31, 2012</u>	<u>Unaudited as at April 2, 2011</u>
	\$'000	\$'000
<b><u>Revenue</u></b>		
JP Europe Division	1,164,146	1,051,358
JP Tropical Division	539,412	314,279
Corporate	36,592	23,936
<b>Total</b>	<b><u>1,740,150</u></b>	<b><u>1,389,573</u></b>
<b><u>Profit before tax</u></b>		
JP Europe Division	7,404	12,216
JP Tropical Division	37,970	374
Corporate	34,453	340,910
<b>Total</b>	<b><u>79,827</u></b>	<b><u>353,500</u></b>


#### 8. Foreign Currency Translation

Overseas revenues and expenses have been translated at effective exchange rates of J\$115.11 (2011: 117.18) to €, J\$135.18 (2011: J\$134.98) to £1 and J\$86.49 (2011: J\$85.42) to US\$1.

Adjustments have been made for exchange gains and losses on foreign currency assets and liabilities at March 31, 2012 and April 2, 2011 based upon the following exchange rates:

	<b>J\$/€</b>	<b>J\$/£</b>	<b>J\$/US\$</b>
March 31, 2012	115.77	137.72	86.93
December 31, 2011	111.82	133.26	86.14
April 2, 2011	120.78	136.20	85.33
December 31, 2010	114.49	130.81	85.34

On behalf of the Board

  
C.H. Johnston Chairman

  
J. Hall Group Managing Director

May 11, 2012