



Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS 13 WEEKS ENDED MARCH 30, 2013

Chairman's Statement

For the **13-week** period ended March 30, 2013 (the "2013 First Quarter"), net profit attributable to shareholders of Jamaica Producers Group Limited ("JP") was \$85 million. This result reflects a 30% increase in profits relative to the same period last year. JP's 2013 First Quarter revenues increased by 7% to \$1.86 billion.

JP Europe

Despite the continuing macroeconomic weakness in Europe, and negative growth in our core Dutch and UK markets, we succeeded in improving the returns from our JP Europe division. We increased our revenues by 19% to \$1.38 billion and experienced an eight-fold increase in pre-tax profits. The division earned pre-tax profits of \$59.9 million for the 2013 First Quarter.

Our European-based juice manufacturing business, A.L. Hoogesteger Fresh Specialist B.V. (Hoogesteger), continues to be the market leader in freshly squeezed juice in the Netherlands. In the 2013 First Quarter, we benefitted from growth in exports of our juice into other parts of Northern Europe. Our project to grow the business through exports benefitted from the introduction last year of a new production line that extends the shelf-life of fresh juices. The improved performance of Hoogesteger was also supported by a series of cost reduction initiatives that we recently implemented to improve the resilience of our operations.

Our UK-based JP Shipping Services business faced seasonally low sales but generally performed better this year than in the 2012 First Quarter. Our freight-forwarding services between the UK and the Caribbean continue to improve and we are benefitting from increased customer loyalty.

The improved segment results for JP Europe also reflect the impact of the appreciation of the euro relative to the Jamaican dollar during the quarter. Over many years, JP has executed a strategy of seeking to generate the majority of its revenues in major foreign currencies and this strategy improves the performance of JP's Jamaican dollar earnings during periods in which the Jamaican dollar depreciates relative to these currencies.

JP Tropical

The performance of our JP Tropical Division continues to suffer from the adverse effects of Hurricane Sandy in October 2012. The hurricane destroyed the majority of our banana crop in Jamaica. As such we experienced a significant reduction in the revenues of the division but also faced all of the costs of restoring our banana farms while maintaining the overheads of the business. The recent frequency and intensity of hurricane damage to Jamaica's banana industry is simply unprecedented – certainly in our 84 years of trading the commodity. That said, although we may be disappointed and are frankly somewhat frustrated, we can no longer claim to be surprised. Accordingly, during the quarter we restructured our Jamaican banana business to reduce the headcount of permanent staff and increase the management synergies across the Group so as to reduce the overhead base of the business. These factors resulted in an exceptional restructuring charge of \$36 million during the quarter and a pre-tax net loss of \$55 million.

At the same time, we stepped up our program of diversifying the JP Tropical business. This included the cultivation of additional acreages of cassava (for our bammy production) and pineapple – both of which are more hurricane resistant than bananas. We also commenced feasibility studies in respect of the large scale production of cassava for use as an input in the brewing business and the production of bananas in historically less hurricane prone parishes in Western Jamaica.

An important part of our diversification programme, however, has been through acquisition and investment outside of banana farming. As such, the divisional results for the quarter include our 50 percent share of Mavis Bank

Coffee Factory (which we acquired as part of a joint-venture with Pan Jamaican Investment Trust Limited in 2011) and our 62 percent share of Tortuga International Holdings Limited (which we acquired in 2012). Mavis Bank Coffee Factory is Jamaica's leading processor of Blue Mountain coffee. Tortuga International is a leading producer of Caribbean rum cake and other Caribbean rum-based products.

The results also include the acquisition of 100 percent of the operations of what was formerly our joint venture snack food plant in the Dominican Republic. This snack food plant is now 100% owned by a wholly-owned subsidiary and is intended to function primarily as a co-packer of plantain and banana chips for Spanish language markets in the Americas and as a back-up source of banana chips for the Jamaican market in the event of hurricane damage to our Jamaican banana farms.

Finally, we continue to leverage our land assets through the business of mining and processing construction aggregates through our 51 percent interest in Four Rivers Mining Company Limited, a start-up company that had its first full year of operations in 2012.

These recent acquisitions and investments collectively made a positive contribution to the divisional performance and we expect them to be an increasingly important part of the division in the future.

Corporate

The Corporate segment recorded a profit of \$125 million for the 2013 First Quarter compared to a profit of \$34 million for the 2012 First Quarter. The segment comprises interest and investment income net of the cost of corporate functions not directly charged to the business units.

The 2013 First Quarter benefitted from the gains on the sale of real estate and the inclusion of JP's share of the profits from Kingston Wharves Limited, which became an associated company following our subscription for KW equity on 29 March 2012 and thus did not contribute to our earnings in the comparative prior year's quarter. This additional income was partially offset by the debt service costs associated with the issuance of a \$1 billion bond by the Group to partially finance the acquisition of shares in Kingston Wharves. KW is recognized as a leading private multi-purpose port terminal operator in the Caribbean.

General

The business environment in which JP operates will continue to be challenged by macroeconomic conditions. 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 for their continued support.

Finally, I wish to personally thank Jamaica's banana consumers for their patience during the period since Hurricane Sandy, in which we have been unable to meet your regular demand for high quality fruit. The good news is that we have replanted our JP banana farms, they are now healthy and productive, and as of today you can begin to ask your favourite retailer for your supply of JP bananas. We will be harvesting limited volumes of fruit this week and plan to be in full production no later than 1st July.

Chairman
C. H. Johnston



Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS 13 WEEKS ENDED MARCH 30, 2013

Group Balance Sheet

	<u>Unaudited as at</u> <u>March 30, 2013</u> \$'000	<u>Unaudited as at</u> <u>March 31, 2012</u> \$'000	<u>Audited</u> <u>December 31, 2012</u> \$'000
Current Assets			
Cash and cash equivalents	274,909	105,498	323,929
Short-term investments	101,212	278,483	131,316
Securities purchased under resale agreements	109,463	287,494	175,587
Accounts receivable	1,197,769	857,244	604,071
Taxation recoverable	37,611	73,527	72,491
Inventories	346,062	441,836	353,932
Total Current Assets	<u>2,067,026</u>	<u>2,044,082</u>	<u>1,661,326</u>
Current Liabilities			
Credit facilities	9,794	24,976	30,870
Accounts payable	1,318,139	1,110,902	967,362
Taxation	16,019	1,925	3,154
Current portion of long-term loans	67,953	65,342	67,235
Total Current Liabilities	<u>1,411,905</u>	<u>1,203,145</u>	<u>1,068,621</u>
Working Capital	<u>655,121</u>	<u>840,937</u>	<u>592,705</u>
Non-Current Assets			
Biological assets	83,335	26,405	47,957
Interest in associated companies and joint ventures	2,624,822	2,191,758	2,617,756
Investments	495,143	678,719	502,998
Intangible assets	1,096,598	996,668	1,053,975
Deferred tax asset	4,237	3,849	3,083
Property, plant and equipment	1,639,155	1,519,069	1,618,297
Total Non-Current Assets	<u>5,943,290</u>	<u>5,416,468</u>	<u>5,844,066</u>
Total Assets Less Current Liabilities	<u>6,598,411</u>	<u>6,257,405</u>	<u>6,436,771</u>
Equity			
Share capital	18,702	18,702	18,702
Reserves	5,210,359	4,825,029	4,997,473
Total equity attributable to equity holders of the parent	<u>5,229,061</u>	<u>4,843,731</u>	<u>5,016,175</u>
Non-Controlling Interest	<u>254,766</u>	<u>247,471</u>	<u>259,087</u>
Total Equity	<u>5,483,827</u>	<u>5,091,202</u>	<u>5,275,262</u>
Non-Current Liabilities			
Deferred tax liability	397	-	1,611
Long-term loans	1,114,187	1,166,203	1,159,898
Total Non-Current Liabilities	<u>1,114,584</u>	<u>1,166,203</u>	<u>1,161,509</u>
Total Equity and Non-Current Liabilities	<u>6,598,411</u>	<u>6,257,405</u>	<u>6,436,771</u>
Parent company stockholders' equity per ordinary stock unit:			
Based on stock units in issue	<u>\$27.96</u>	<u>\$25.90</u>	<u>\$26.82</u>
After exclusion of stock units held by ESOP	<u>\$30.76</u>	<u>\$28.59</u>	<u>\$29.51</u>



Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS 13 WEEKS ENDED MARCH 30, 2013

Group Profit and Loss Account

	Notes	13 weeks ended March 30, 2013 \$'000	13 weeks ended March 31, 2012 \$'000
Gross operating revenue	3	1,861,437	1,740,150
Cost of operating revenue		(1,472,266)	(1,341,148)
Gross profit		389,171	399,002
Marketing, selling and distribution costs		(125,888)	(122,054)
Administrative and other operating expenses		(275,915)	(234,123)
(Loss)/Profit from operations		(12,632)	42,825
Share of profit/(loss) in associated companies and joint ventures		99,596	(1,559)
Net gain from fluctuations in exchange rates		7,953	4,033
Gain on disposal of property, plant and equipment and investments		98,766	40,069
Exceptional Items		(35,953)	-
Other income		-	(510)
Profit before finance cost and taxation		157,730	84,858
Finance cost - interest		(27,131)	(5,031)
Profit before taxation		130,599	79,827
Taxation charge		(49,443)	(7,385)
Profit for the period		81,156	72,442
Attributable to:			
Parent company stockholders		85,477	65,755
Non-controlling interest		(4,321)	6,687
		81,156	72,442
Profit per ordinary stock unit:	4		
Based on stock units in issue		45.70 ¢	35.16 ¢
After exclusion of stock units held by ESOP		50.28 ¢	38.82 ¢



Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS 13 WEEKS ENDED MARCH 30, 2013

Group Statement of Comprehensive Income

	<u>13 weeks ended</u> <u>March 30, 2013</u>	<u>13 weeks ended</u> <u>March 31, 2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Profit for the period	<u>81,156</u>	<u>72,442</u>
Other comprehensive income:		
Exchange gains on translating foreign operations	134,748	63,528
Available-for-sale financial assets:		
Net change in fair value of available-for-sale investments		
Revaluation losses arising during the year	(7,339)	(40,799)
Realised revaluation gains transferred to group profit and loss account	<u>-</u>	<u>(35,049)</u>
	<u>127,409</u>	<u>(12,320)</u>
Total comprehensive income for the period	<u><u>208,565</u></u>	<u><u>60,122</u></u>
Total comprehensive income/(expense) attributable to:		
Parent company stockholders	212,886	53,435
Non-controlling interest	<u>(4,321)</u>	<u>6,687</u>
	<u><u>208,565</u></u>	<u><u>60,122</u></u>



Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS 13 WEEKS ENDED MARCH 30, 2013

Group Statement of Changes in Equity

	Share Capital	Share Premium	Capital Reserves	Fair Value Reserve	Reserve For Own Shares	Retained Profits	Parent Company Stockholders' Equity	Non- Controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at December 31, 2011	18,702	135,087	1,736,814	385,885	(190,646)	2,704,454	4,790,296	(16,159)	4,774,137
Changes in equity:									
Profit for the period	-	-	-	-	-	65,755	65,755	6,687	72,442
Other comprehensive income									
Exchange gain 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 expense	-	-	63,528	(75,848)	-	-	(12,320)	-	(12,320)
Total comprehensive income/(expense) for the period	-	-	63,528	(75,848)	-	65,755	53,435	6,687	60,122
Changes in ownership interest in subsidiaries									
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	256,943	256,943
	-	-	-	-	-	-	-	256,943	256,943
Total increase/(decrease) in equity	-	-	63,528	(75,848)	-	65,755	53,435	263,630	317,065
Balances at March 31, 2012	18,702	135,087	1,800,342	310,037	(190,646)	2,770,209	4,843,731	247,471	5,091,202
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)		
Balances at March 31, 2012	18,702	135,087	1,800,342	310,037	(190,646)	2,770,209	4,843,731		



Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS 13 WEEKS ENDED MARCH 30, 2013

Group Statement of Changes in Equity (cont'd)

	Share Capital	Share Premium	Capital Reserves	Fair Value Reserve	Reserve For Own Shares	Retained Profits	Parent Company Stockholders' Equity	Non- Controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at December 31, 2012	18,702	135,087	1,952,467	229,048	(178,988)	2,859,859	5,016,175	259,087	5,275,262
Changes in equity:									
Profit for the period	-	-	-	-	-	85,477	85,477	(4,321)	81,156
Other comprehensive income									
Exchange profits arising on retranslation of foreign operations	-	-	134,748	-	-	-	134,748	-	134,748
Net change in fair value of available-for-sale investments	-	-	-	(7,339)	-	-	(7,339)	-	(7,339)
Total other comprehensive income/(expense)	-	-	134,748	(7,339)	-	-	127,409	-	127,409
Total increase/(decrease) in equity	-	-	134,748	(7,339)	-	85,477	212,886	(4,321)	208,565
Balances at March 30, 2013	18,702	135,087	2,087,215	221,709	(178,988)	2,945,336	5,229,061	254,766	5,483,827
Retained in the financial statements of:									
The company	18,702	135,087	1,589,125	217,919	-	2,489,780	4,450,613		
Subsidiaries	-	-	514,475	3,790	(178,988)	356,838	696,115		
Joint venture and associated companies	-	-	(16,385)	-	-	98,718	82,333		
Balances at March 30, 2013	18,702	135,087	2,087,215	221,709	(178,988)	2,945,336	5,229,061		



Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS 13 WEEKS ENDED MARCH 30, 2013

Group Statement of Cash Flows

	<u>13 weeks ended</u> <u>March 30, 2013</u> \$'000	<u>13 weeks ended</u> <u>March 31, 2012</u> \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year attributable to the group	85,477	65,755
Items not affecting cash:		
Gains on disposal of fixed assets and investments	(98,766)	(34,506)
Depreciation and amortisation	59,496	52,915
Other items	(23,598)	(20,470)
	22,609	63,694
 (Increase)/Decrease in current assets	(546,388)	337,742
Increase in current liabilities	373,027	17,621
CASH (USED)/PROVIDED BY OPERATING ACTIVITIES	(150,752)	419,057
CASH PROVIDED/(USED) BY INVESTMENT ACTIVITIES	225,813	(1,376,195)
CASH (USED)/PROVIDED BY FINANCING ACTIVITIES	(124,080)	902,297
Net decrease in cash and cash equivalents	(49,020)	(54,841)
Cash and cash equivalents at beginning of the period	323,929	160,339
Cash and cash equivalents at end of the period	274,909	105,498



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 incurred exceptional restructuring charges of \$36 million related to its banana operations following damage caused by Hurricane Sandy in October 2012.

During the first quarter of the previous year the group acquired a 62% share in Tortuga International Holdings Limited, a company that operates food manufacturing and distribution in the Caribbean. The group also acquired 357,550,000 ordinary shares of Kingston Wharves Limited (KW) and together with other acquisitions resulted in an associated company holding of 30% of the issued shares of that company at December 31, 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 quarter and a weighted average number of ordinary stock units in issue (excluding those held by the ESOP) during the quarter. The weighted average number of ordinary stock units in issue (excluding those held by the ESOP) for the quarter ended March 30, 2013 was 170,001,859 (2012 – 169,403,806) 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 quarter and 170,001,859 (2012 – 169,403,806), representing the total number of ordinary stock units in issue at quarter-end less those held by the ESOP at the same date.



Notes to the Financial Statements (cont'd)

5. Accounting Policies

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

a. Associates

Associates are all entities over which the group has significant influence, but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognized at cost. The group's investment is carried at the group's share of the fair value of net identifiable assets of the associate net of any impairment loss identified on acquisition.

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

b. Investments

Investments with fixed or determinable payments and which are not quoted in an active market are classified as loans and receivables and are stated at amortised cost, less impairment losses. Where the group has the positive intent and ability to hold securities to maturity, they are classified as held-to-maturity and recognised initially at cost and subsequently measured at amortised cost, less impairment losses. Other investments held by the group are classified as available-for-sale and are stated at fair value with changes in fair value recognised in other comprehensive income except for impairment losses and foreign exchange gains and losses in the case of monetary items, such as debt securities. Where these investments are derecognised, the cumulative gain or loss previously recognised directly in other comprehensive income is recognised in group profit or loss. Where fair value cannot be reliably measured, these investments are stated at cost. Available-for-sale investments include certain debt and equity securities.

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

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

c. Intangible assets and goodwill:

Goodwill is subsequently measured at cost, less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is including in the carrying amount of the equity accounted investee as a whole.

(i) Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented in intangible assets, for measurement of goodwill at initial recognition.

(ii) Other intangible assets

Other intangible assets that are acquired by the group and have finite useful lives are amortized and tested for impairment.

(iii) Subsequent expenditure

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



Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS 13 WEEKS ENDED MARCH 30, 2013

Notes to the Financial Statements (cont'd)

5. Accounting Policies (cont'd)

c. Intangible assets and goodwill (cont'd):

(iv) Amortization

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

The estimates of useful lives are as follows:

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

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

d. 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 unutilised tax losses only to the extent that reversal can reasonably be expected.

e. Segment reporting

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

The group is organised 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.

6. Segment Results

The segment results are as follows:

	<u>13 weeks ended</u> <u>March 30, 2013</u>	<u>13 weeks ended</u> <u>March 31, 2012</u>
	\$'000	\$'000
<u>Revenue</u>		
JP Europe Division	1,382,341	1,164,146
JP Tropical Division	450,321	539,412
Corporate	28,774	36,592
Total	<u>1,861,437</u>	<u>1,740,150</u>
<u>Profit before tax</u>		
JP Europe Division	59,960	7,404
JP Tropical Division	(54,828)	37,970
Corporate	125,467	34,453
Total	<u>130,599</u>	<u>79,827</u>



Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS 13 WEEKS ENDED MARCH 30, 2013

Notes to the Financial Statements (cont'd)

7. Foreign Currency Translation

Overseas revenues and expenses have been translated at effective exchange rates of J\$125.13 (2012: J\$115.11) to €, J\$147.10 (2012: J\$135.18) to £1 and J\$94.69 (2012: J\$86.49) to US\$1.

Adjustments have been made for exchange gains and losses on foreign currency assets and liabilities at March 30, 2013 and March 31, 2012 based upon the following exchange rates:

	<u>J\$/€</u>	<u>J\$/£</u>	<u>J\$/US\$</u>
March 30, 2013	125.82	148.05	97.94
December 31, 2012	121.49	148.29	92.15
March 31, 2012	115.77	137.72	86.93
December 31, 2011	111.82	133.26	86.14

On behalf of the Board

Chairman

C.H. Johnston

Group Managing Director

J. Hall

May 10, 2013