



Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS
26 WEEKS ENDED JULY 2, 2016

Chairman's Statement

For the **26-week** period ended July 2, 2016 Jamaica Producers Group Limited ("JP" or the "Group") earned \$2.71 billion of net profit attributable to shareholders. This record profit results from a series of initiatives that have ultimately transformed our core operations and positioned this Group as Jamaica's leading private investor in Logistics & Infrastructure.

Our review of our ownership position in Kingston Wharves (KW) and, in particular, our rights to representation on its board as set out in its Articles of Incorporation have led us to conclude, after consultation with our auditors, that it is now appropriate to account for KW as a subsidiary. JP's economic interest in KW arises from our direct holding of its equity, and by way of our newest associated company – The Shipping Association of Jamaica Property Limited -- itself a significant shareholder of KW and partly owned by KW.

With this recognition of KW as a JP subsidiary (with effect from the end of the second quarter), International Financial Reporting Standards require us to account for this transaction on the basis of the fair value of its net assets. Our investment in KW has been well managed and has performed well. The fair value of the underlying assets of KW is now worth considerably more than the price per share that we paid for our interest in the company and the value per share reflected on our balance sheet. As such we have recorded a gain of \$2.46 billion to reflect the fair value of net assets as at the end of this reporting period.

Going forward, we will include the financial results of Kingston Wharves in the consolidated financial statements of the Group. We believe this will give our shareholders a much better understanding of the factors that affect the operating performance of JP and of its most significant and strategic assets. We expect that this will ultimately serve to improve shareholder value.

JP's total equity attributable to shareholders at the end of the 2016 first half was \$9.33 billion reflecting a 46% increase since the start of the year.

JP Logistics & Infrastructure

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

The divisional revenues for the 2016 first half do not include revenues generated in our KW subsidiary as its recognition as a subsidiary took place at the end of the reporting period. Revenues for KW will be included in the divisional result for the remainder of the year.

For the first half of 2016, the division's earnings before interest and taxation were \$306 million, up 37% relative to the comparable period last year. The earnings reflect strong performances from Kingston Wharves and JP Shipping Services – our UK-based freight forwarder – both showing a significant improvement over the prior year. KW benefited from growth in its domestic cargo movements and in its services as a regional hub for motor vehicles. The result for JP Shipping also reflected strong revenue growth and improved efficiency compared to the prior year.

During the first half, the Group added to its existing investment in The Shipping Association of Jamaica Property Limited (SAJP). This company is engaged in land and investment holdings primarily in the Newport West area of Kingston, is complementary to the division's existing activities and is now accounted for as an associate. Directors of JP and Kingston Wharves are represented on the board of this company.

The division's revenues of \$481 million were down from \$562 million in the prior year. The reduced revenues were a result of our decision to restructure our mining operations in St. Mary. This business has now been sold to a third party operator and is expected to generate income from royalties in 2017.

JP Food & Drink

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

JP Food & Drink earned first half revenues of \$4.06 billion, up 16% over the prior year. The division earned profits before



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Chairman's Statement (cont'd)

financing and taxation of \$134 million. This result includes a one-off restructuring charge of \$52 million. The divisional earnings net of the restructuring charge are up 11% relative to the prior year.

We continue to strengthen the JP Food & Drink division by harvesting the business development opportunities that arise from our international sales platform, diverse product range and modern production capabilities. The restructuring charge was incurred in connection with our plan to consolidate more of our bakery operations for the Tortuga brand at our JP Commercial Centre in Kingston. This commercial centre -- which is now under development -- will house our regional sales, administrative and general management functions and will also include a state-of-the-art bakery as well as cold and ambient storage for our fresh produce and snack distribution businesses. Upon completion of the various components of the facility, we will incur severance costs and other charges as we discontinue operations at the sites that would have previously housed some of these functions. We are confident that the project, upon completion, will bolster the underlying revenue and profit growth of the division.

The division's single largest business continues to be A. L. Hoogesteger Fresh Specialist B.V. This business is achieving revenue growth, profitability and market leadership through innovation in fresh juice and fresh juice technology and by growing its customer base across Northern Europe. During the first half of the year, Hoogesteger faced significant increases in fresh fruit raw material costs. We have already sought to re-engineer our packaging and reorganize our logistics arrangements with key customers to offset these increases. In addition, we have benefited from sales growth with new accounts in Germany and Scandinavia.

Corporate Services

The Corporate Services segment acts predominantly as a group financing, investment and corporate management operation. The division earned a profit before interest and taxation of \$2.37 billion predominantly from the booking of the aforementioned gain in connection with our ownership interest in Kingston Wharves.

General

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

We are pleased with the performance of our JP Logistics and Infrastructure business. Moreover, we are satisfied that the requirement to account for our interest in KW on a consolidated basis will give greater transparency to our ambitions for this business segment, our strategy and importantly our operating performance. We expect that this will ultimately be reflected in improved shareholder value.

As our long-term strategy for growing the company develops and marks important milestones, we are mindful that some of our shareholders will place value on increased liquidity in our shares, either because they wish to buy or sell. Prior to the end of the quarter, at our annual general meeting of shareholders, the company authorized the issuance of five new shares for every one share of JP then issued and outstanding. The new shares were duly issued on July 12th, 2016, shortly after the end of the second quarter. The book value per share based on the shares in issue (net of any shares held pursuant to the Employee Share Ownership Plan) at the end of the second quarter was \$53.83. This compares to a market price per share on that date of \$45.40.

We can state that, on a comparable pro forma basis using the shares in issue as at July 12, 2016, the book value per share at the end of the second quarter would have been \$8.97 and the market price per share would have been \$7.57.

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

C. D. Johnston

Chairman



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Group Balance Sheet

	Unaudited as at July 2, 2016 \$'000	Unaudited as at June 27, 2015 \$'000	Audited December 31, 2015 \$'000
Current Assets			
Cash and cash equivalents	490,704	366,934	361,091
Short-term investments	280	4,513	-
Securities purchased under resale agreements	3,082,325	163,847	355,500
Accounts receivable	1,856,834	1,373,114	1,071,138
Taxation recoverable	14,740	8,291	10,065
Inventories	677,050	394,703	374,536
Assets classified as held for sale	36,930	-	-
Total Current Assets	6,158,863	2,311,402	2,172,330
Current Liabilities			
Credit facilities	112,375	-	84,821
Accounts payable	2,214,623	1,343,123	1,411,980
Taxation	68,159	51,480	56,019
Current portion of long-term loans	857,943	126,463	194,013
Total Current Liabilities	3,253,100	1,521,066	1,746,833
Working Capital	2,905,763	790,336	425,497
Non-Current Assets			
Biological assets	149,796	122,056	135,534
Interest in joint venture and associated companies	778,287	4,410,046	4,652,062
Investments	390,484	193,389	280,766
Employee benefit asset	619,083	-	-
Intangible assets	1,508,383	1,168,780	1,174,643
Deferred tax asset	2,591	1,007	956
Property, plant and equipment	17,468,997	1,911,934	1,831,912
Total Non-Current Assets	20,917,621	7,807,212	8,075,873
Total Assets Less Current Liabilities	23,823,384	8,597,548	8,501,370
Equity			
Share capital	18,702	18,702	18,702
Reserves	9,315,292	6,255,605	6,380,304
Total equity attributable to equity holders of the parent	9,333,994	6,274,307	6,399,006
Non-Controlling Interest	9,845,628	288,814	161,458
Total Equity	19,179,622	6,563,121	6,560,464
Non-Current Liabilities			
Deferred tax liability	1,192,312	1,248	-
Employee benefit obligation	245,378	-	-
Long-term loans	3,206,072	2,033,179	1,940,906
Total Non-Current Liabilities	4,643,762	2,034,427	1,940,906
Total Equity and Non-Current Liabilities	23,823,384	8,597,548	8,501,370
Parent company stockholders' equity per ordinary stock unit:			
Based on stock units in issue	\$49.91	\$33.55	\$34.21
After exclusion of stock units held by ESOP	\$53.83	\$36.64	\$37.37



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Group Profit and Loss Account

	Notes	Unaudited 13 weeks ended July 2, 2016 \$'000	Unaudited 13 weeks ended June 27, 2015 \$'000	Unaudited 26 weeks ended July 2, 2016 \$'000	Unaudited 26 weeks ended June 27, 2015 \$'000
Gross operating revenue	3	2,407,259	2,077,297	4,572,601	4,106,415
Cost of operating revenue		(1,832,350)	(1,554,905)	(3,483,310)	(3,100,724)
Gross profit		574,909	522,392	1,089,291	1,005,691
Marketing, selling and distribution costs		(214,379)	(158,449)	(379,287)	(301,039)
Administrative and other operating expenses		(341,220)	(336,231)	(680,274)	(663,791)
Profit from operations		19,310	27,712	29,730	40,861
Share of profit in joint venture and associated companies		221,733	172,385	362,346	274,058
Net gain from fluctuations in exchange rates		4,735	4,325	10,518	4,812
Gain on disposal and acquisition of property, plant and equipment and investments		-	319,024	56,004	423,788
Restructuring costs		(108,040)	-	(108,040)	-
Gain on recognition as a subsidiary	2	2,460,678	-	2,460,678	-
Other expenses		-	(38,308)	-	(38,308)
Profit before finance cost and taxation		2,598,416	485,138	2,811,236	705,211
Finance cost - interest		(46,681)	(49,096)	(94,360)	(100,521)
Profit before taxation		2,551,735	436,042	2,716,876	604,690
Taxation charge		(53,573)	(46,386)	(74,242)	(55,969)
Profit for the period		2,498,162	389,656	2,642,634	548,721
Attributable to:					
Parent company stockholders		2,557,111	414,243	2,707,147	589,431
Non-controlling interest		(58,949)	(24,587)	(64,513)	(40,710)
		2,498,162	389,656	2,642,634	548,721
Profit per ordinary stock unit:	4				
Based on stock units in issue		<u>1,367.26 ¢</u>	<u>221.49 ¢</u>	<u>1,447.49 ¢</u>	<u>315.16 ¢</u>
After exclusion of stock units held by ESOP		<u>1,477.44 ¢</u>	<u>242.04 ¢</u>	<u>1,572.54 ¢</u>	<u>344.81 ¢</u>



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Group Statement of Profit or Loss and Other Comprehensive Income

	Unaudited as at 13 weeks ended July 2, 2016 \$'000	Unaudited as at 13 weeks ended June 27, 2015 \$'000	Unaudited as at 26 weeks ended July 2, 2016 \$'000	Unaudited as at 26 weeks ended June 27, 2015 \$'000
Profit for the period	<u>2,498,162</u>	<u>389,656</u>	<u>2,642,634</u>	<u>548,721</u>
Other comprehensive income/(loss):				
Items that may be reclassified to profit or loss:				
Exchange gains/(losses) on translating foreign operations	83,977	92,313	193,920	(63,605)
Share of other comprehensive gains/(losses) of associated companies	-	-	5,768	(533)
Available-for-sale financial assets:				
Net change in fair value of available-for-sale investments	(7,089)	1,667	(17,493)	(6,585)
Realised revaluation gains on available-for-sale investments transferred to profit and loss account	-	-	-	(103,246)
	<u>76,888</u>	<u>93,980</u>	<u>182,195</u>	<u>(173,969)</u>
Total comprehensive income for the period	<u>2,575,050</u>	<u>483,636</u>	<u>2,824,829</u>	<u>374,752</u>
Total comprehensive income attributable to:				
Parent company stockholders	2,621,437	502,037	2,871,620	407,982
Non-controlling interest	(46,387)	(18,401)	(46,791)	(33,230)
	<u>2,575,050</u>	<u>483,636</u>	<u>2,824,829</u>	<u>374,752</u>



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**UNAUDITED GROUP RESULTS
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Group Statement of Changes in Equity

	Parent						Non-		Total Equity \$'000
	Share Capital \$'000	Share Premium \$'000	Capital Reserves \$'000	Fair Value Reserve \$'000	Reserve For Own Shares \$'000	Retained Profits \$'000	Company Stockholders' Equity \$'000	Controlling Interest \$'000	
Balances at December 31, 2014	18,702	135,087	2,391,553	135,699	(172,199)	3,354,851	5,863,693	322,044	6,185,737
Changes in equity:									
Profit/(loss) for the period	-	-	-	-	-	589,431	589,431	(40,710)	548,721
Other comprehensive income									
Exchange (losses)/gains arising on retranslation of foreign operations	-	-	(71,085)	-	-	-	(71,085)	7,480	(63,605)
Share of other comprehensives loss of associated companies	-	-	-	-	-	(533)	(533)	-	(533)
Net change in fair value of available-for-sale investments	-	-	-	(6,585)	-	-	(6,585)	-	(6,585)
Realised revaluation gains on available-for-sale investments transferred to group profit and loss account	-	-	-	(103,246)	-	-	(103,246)	-	(103,246)
Total other comprehensive (expense)/income	-	-	(71,085)	(109,831)	-	(533)	(181,449)	7,480	(173,969)
Total comprehensive (expense)/income for the period	-	-	(71,085)	(109,831)	-	588,898	407,982	(33,230)	374,752
Transactions with owners of the company									
Own shares sold by ESOP	-	-	-	-	1,449	-	1,449	-	1,449
Unclaimed distributions to stockholders	-	-	1,183	-	-	-	1,183	-	1,183
	-	-	1,183	-	1,449	-	2,632	-	2,632
Total (decrease)/increase in equity	-	-	(69,902)	(109,831)	1,449	588,898	410,614	(33,230)	377,384
Balances at June 27, 2015	18,702	135,087	2,321,651	25,868	(170,750)	3,943,749	6,274,307	288,814	6,563,121
Retained in the financial statements of:									
The company	18,702	135,087	1,615,339	25,701	-	3,283,978	5,078,807	-	5,078,807
Subsidiaries	-	-	706,312	167	(170,750)	(174,053)	361,676	-	361,676
Joint venture and associated companies	-	-	-	-	-	833,824	833,824	-	833,824
Balances at June 27, 2015	18,702	135,087	2,321,651	25,868	(170,750)	3,943,749	6,274,307	288,814	6,563,121



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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
Balances at December 31, 2015	18,702	135,087	2,352,782	34,345	(160,281)	4,018,371	6,399,006	161,458	6,560,464
Changes in equity:									
Profit/(loss) for the period	-	-	-	-	-	2,707,147	2,707,147	(64,513)	2,642,634
Other comprehensive income									
Exchange gains arising on retranslation of foreign operations	-	-	176,198	-	-	-	176,198	17,722	193,920
Share of other comprehensive income of associated companies	-	-	-	-	-	5,768	5,768	-	5,768
Net change in fair value of available-for-sale investments	-	-	-	(17,493)	-	-	(17,493)	-	(17,493)
Total other comprehensive income/(expense)	-	-	176,198	(17,493)	-	5,768	164,473	17,722	182,195
Total comprehensive income/(expense) for the period	-	-	176,198	(17,493)	-	2,712,915	2,871,620	(46,791)	2,824,829
Transaction with owners of the company									
Own shares sold by ESOP	-	-	-	-	63,368	-	63,368	-	63,368
Distributions to stockholders	-	-	-	-	-	-	-	9,730,961	9,730,961
Total increase/(decrease) in equity	-	-	176,198	(17,493)	63,368	2,712,915	2,934,988	9,684,170	12,619,158
Balances at July 2, 2016	18,702	135,087	2,528,980	16,852	(96,913)	6,731,286	9,333,994	9,845,628	19,179,622
Retained in the financial statements of:									
The company	18,702	135,087	1,620,610	16,685	-	2,827,175	4,618,259		
Subsidiaries	-	-	908,370	167	(96,913)	4,968,422	5,780,046		
Joint venture and associated companies	-	-	-	-	-	(1,064,311)	(1,064,311)		
Balances at July 2, 2016	18,702	135,087	2,528,980	16,852	(96,913)	6,731,286	9,333,994	9,845,628	19,179,622



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Group Statement of Cash Flows

	Unaudited as at 26 weeks ended July 2, 2016 \$'000	Unaudited as at 26 weeks ended June 27, 2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period attributable to the group	2,707,147	589,431
Depreciation and amortisation	196,613	153,892
Share of profits in joint venture and associated companies	(368,870)	(273,525)
Gains on disposal and acquisition of fixed assets and investments	(56,004)	(423,788)
Exchange movement in working capital	69,168	(1,962)
Taxation charge	74,242	55,969
Minority interest	(46,791)	(33,230)
Net interest expense	90,851	90,163
Gain on recognition as a subsidiary	(2,460,678)	-
Other items	-	38,803
Increase in current assets	(279,188)	(272,230)
Increase/(decrease) in current liabilities	46,141	(226,360)
CASH USED BY OPERATING ACTIVITIES	(27,369)	(302,837)
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Additions to property, plant, equipment and biological assets	(319,969)	(98,121)
Proceeds on disposals	69,380	478,891
Movement in short term investments and repos	328,225	(19,349)
Net movement in interest in joint venture and associated companies	(132,903)	97,732
Acquisition of subsidiaries, net of cash	296,061	-
Interest received	2,421	2,799
CASH PROVIDED BY INVESTMENT ACTIVITIES	243,215	461,952
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in loans and short term credit lines	68,461	12,830
Interest paid	(95,728)	(97,132)
Dividends paid	(58,966)	(30,160)
CASH USED BY FINANCING ACTIVITIES	(86,233)	(114,462)
Net increase in cash and cash equivalents	129,613	44,653
Cash at beginning of the period	361,091	322,281
Cash at end of the period	490,704	366,934



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Notes to the Financial Statements

1. Basis of Presentation

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

The accounting policies and methods of computation used in these 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"), joint venture and associated companies are food and juice manufacturing, the cultivation, marketing and distribution of fresh produce, port terminal operations, logistics, land management and the holding of investments.

The group has at the end of the quarter recognised its ability to direct the activities that significantly affect the returns of Kingston Wharves Limited ("KWL"). Therefore, the group has now accounted for KWL as a subsidiary under IFRS 10 and brought to account a gain of approximately \$2.5 billion in the Group Profit and Loss Account which is attributable to that recognition. This is based on the best possible information in arriving at the fair value of net assets of KWL at the end of the quarter and is subject to review at year-end. During the quarter the group's share of profits of KWL has been shown as an associate until recognition as a subsidiary at the end of the quarter.

During the previous quarter the group completed the acquisition of approximately 13% of The Shipping Association of Jamaica Property Limited (SAJP), a company involved in property and investment holdings. This brings the group's investment in SAJP to 20% and accordingly this entity is now assessed to be an associate of the group, with the group's share of its results since acquisition included in the Group Profit and Loss Account under 'Share of profit in associated companies and joint ventures'.

Also, during the previous quarter the group commenced the closure of mining operations in its Four Rivers Mining Company Limited subsidiary, a process which continued into the second quarter. Following a review for impairment at the end of 2015, no further provisions were deemed necessary. Certain assets of this subsidiary have been reclassified as held for sale at the end of the period.

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 July 2, 2016 was 173,077,468 (2015 – 171,143,707) 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 173,383,010 (2015 – 171,244,216), representing the total number of ordinary stock units in issue at quarter-end less those held by the ESOP at the same date.



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Notes to the Financial Statements (cont'd)

Accounting Policies

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

a. Business combinations

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

b. Subsidiaries

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

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

c. Associates

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

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

d. Investments

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

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

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

e. Intangible assets and goodwill:

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



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Notes to the Financial Statements (cont'd)

5. Accounting Policies (cont'd)

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

(ii) Other intangible assets

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

(iii) Subsequent expenditure

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

(iv) Amortization

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

The estimates of useful lives are as follows:

- brands and trademarks 25 years
- customer relationships 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.

f. Segment reporting

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

The group's business segments reflect its current strategy and focus. The profit or loss before finance cost and taxation is used to measure the segment result. This has resulted in the recognition of three business segments:

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

6. Segment Results

	2016			
	JP Food & Drink	JP Logistics & Infrastructure	Corporate Services	Group
	\$'000	\$'000	\$'000	\$'000
Gross revenue	4,058,260	481,472	97,375	4,637,107
Inter - segment revenue	-	-	(64,506)	(64,506)
Revenue from external sources	<u>4,058,260</u>	<u>481,472</u>	<u>32,869</u>	<u>4,572,601</u>
Profit before finance cost and taxation	<u>134,207</u>	<u>306,422</u>	<u>2,370,607</u>	2,811,236
Finance cost - interest				(94,360)
Profit before taxation				2,716,876
Taxation				(74,242)
Non-controlling interest				<u>64,513</u>
Net profit attributable to parent company stockholders				<u>2,707,147</u>



Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS
26 WEEKS ENDED JULY 2, 2016

Notes to the Financial Statements (cont'd)

6. Segment Results (cont'd)

2015	JP Logistics &			Group
	JP Food & Drink	Infrastructure	Corporate Services	
	\$'000	\$'000	\$'000	\$'000
Gross revenue	3,490,910	561,538	124,933	4,177,381
Inter - segment revenue	-	-	(70,966)	(70,966)
Revenue from external sources	<u>3,490,910</u>	<u>561,538</u>	<u>53,967</u>	<u>4,106,415</u>
Profit before finance cost and taxation	<u>167,310</u>	<u>223,423</u>	<u>314,478</u>	705,211
Finance cost - interest				(100,521)
Profit before taxation				604,690
Taxation				(55,969)
Non-controlling interest				<u>40,710</u>
Net profit attributable to parent company stockholders				<u>589,431</u>

7. Seasonal Variations

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


8. Foreign Currency Translation

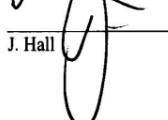
Overseas revenues and expenses have been translated at average exchange rates of J\$135.39 (2015: J\$128.63) to €1, J\$172.55 (2015: J\$174.01) to £1 and J\$122.20 (2015: J\$115.16) to US\$1.

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

	J\$/€	J\$/£	J\$/US\$
July 2, 2016	140.19	163.83	125.93
December 31, 2015	129.97	175.74	119.64
June 27, 2015	130.03	181.84	116.72
December 31, 2014	138.09	175.97	114.12

On behalf of the Board


 C. Johnston
 Chairman


 J. Hall
 Group Managing Director

August 12, 2016