



JAMAICA PRODUCERS GROUP LIMITED

UNAUDITED GROUP RESULTS

26 WEEKS ENDED JUNE 29, 2019



Jamaica Producers Group Limited

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Chairman's Statement

For the **13-week** period ended June 29, 2019 (the 'second quarter'), Jamaica Producers Group Limited ('JP') increased its consolidated net profit attributable to shareholders by 52% relative to the comparable period in 2018. JP's second quarter revenues are up 12% over the prior year. For the 2019 second quarter, JP generated revenues of \$5.4 billion and net profit attributable to shareholders of \$399 million.

JP's performance for the first six months of 2019 (the 'year-to-date') was also strong. Year-to-date profits attributable to shareholders are up 52% relative to 2018 and revenues are up 9%. Both of our business segments – Logistics & Infrastructure ('L&I') and Food & Drink ('F&D') generated improved second quarter and year-to-date revenues and profits relative to 2018.

During the second quarter, JP completed the sale of 30% of JP Snacks Caribbean Limited, the holding company for the JP snack food operations (which includes the JP St Mary's brand) to Wisynco Group Limited ('Wisynco') for approximately \$740 million. As a part of this deal, Wisynco was appointed the exclusive distributor for JP St Mary's snacks in Jamaica. JP is optimistic about the long-term prospects of working with Wisynco to continue to grow the JP St Mary's brand in Jamaica and internationally. We expect sales growth to arise from more streamlined distribution and, importantly, from ongoing new product development in tropical snacks.

Under International Financial Reporting Standards, the gain associated with the sale of shares in JP Snacks Caribbean Limited to Wisynco is directly credited to JP shareholders' equity and is not reflected in the results shown in the Group Statement of Profit or Loss. This gain (which amounted to \$575 million) contributed to a \$1.4 billion, or 11% increase in JP shareholders' equity since the start of the year.

JP Logistics & Infrastructure

The L&I Division accounts for the major share of the Group's net assets and, in turn, its profits. In addition to Kingston Wharves Limited, the Group's largest subsidiary (which operates a multipurpose port and logistics hub), the L&I Division also includes JP Shipping Services Limited (which operates logistics and shipping services between Caribbean ports and the United Kingdom). The L&I Division generated 2019 year-to-date profit before finance cost and taxation of \$1.6 billion, a 24% increase over the prior year. Divisional revenues of \$4.2 billion were up 10% over the prior year. The Logistics & Infrastructure Division continues to benefit from a series of initiatives to develop Kingston Wharves as a leading regional multipurpose and multi-user terminal, and Newport West as a warehousing and logistics hub. During the second quarter, Kingston Wharves benefited from growing volumes of project cargo as well as bulk, breakbulk and automotive shipments to Jamaica and the region.

JP Food & Drink

JP's F&D Division is the largest contributor to the revenues of the Group. The Division earned year-to-date 2019 profits before finance costs and taxation of \$438 million, a 48% increase on the prior year result of \$296 million. The F&D Division now comprises our portfolio of subsidiaries that are engaged in farming, food processing, distribution and retail of food and drink. The Division 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 and Caribbean rum-based confectionery and baked goods. A.L. Hoogesteger Fresh Specialist B.V. ('Hoogesteger') is the largest contributor to the revenues and profits of the Division. This business is a market

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Chairman's Statement (cont'd)

leader in fresh juice in northern Europe and serves as a co-packer of juice for major supermarket and food service entities in the Netherlands, Belgium, Scandinavia and Switzerland. During the second quarter and year-to-date, the Division benefitted from a solid result in our European juice business, improved yields on our banana farms in Jamaica and growth in regional consumer and travel retail markets in which our JP St Mary's and Tortuga brands trade.

Outlook

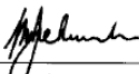
Jamaica Producers Group Limited has been organised to generate revenues from a diverse range of business lines and, importantly, a diverse range of markets. Our food and drink business includes premium and travel retail products, as well as everyday snacks and basic food items. These businesses are aligned to general consumer trends such as the focus on health, convenience and provenance, and they serve markets as diverse as the Caribbean diaspora, Northern Europe and the full range US cruise and stopover tourist destinations in the Caribbean, Mexico and Florida.

Our logistics businesses, also operating in Europe and the Caribbean, handle a wide range of cargo types and service a large number of origin and destination markets. Services provided range from freight forwarding to stevedoring, terminal operations, cold storage and logistics.

We view the diversity of our business as a strength. We are of the view, however, that emerging forces could test the resilience of our business model in the months ahead. These include increasingly volatile global exchange rates and protectionist movements that may dampen global trade and, in turn, affect consumer and business confidence.

Frankly, we are ready for the test. Our balance sheet is strong, and we are already focused on improving the efficiency, competitiveness and resilience of all of our business units. We also feel that the current business environment, despite its challenges, will present new opportunities. The cost of capital remains relatively attractive and we have a strong market position in some of the world's most developed consumer markets. Moreover, Jamaica's logistics, tourism and service sectors, in particular, have a real chance to develop if we continue to reduce our own trade barriers, facilitate the swift development of special economic zones to distribute and add value to global products, and maintain competitive access terms and direct shipping and travel connections to the world's largest markets. We remain hopeful about these prospects for business development at Jamaica Producers.

I thank our board, management and teams for their commitment to our business and our shared values, and our customers and partners for their continued support.


C. B. Johnston Chairman



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Group Statement of Financial Position

	Unaudited as at June 29, 2019	Unaudited as at June 30, 2018	Audited as at December 31, 2018
	\$'000	\$'000	\$'000
Current Assets			
Cash and cash equivalents	792,105	761,296	836,176
Short-term investments	25,947	28,430	19,632
Securities purchased under resale agreements	5,233,512	4,248,937	4,467,950
Accounts receivable	2,791,537	2,876,039	2,245,045
Other financial assets	470,000	-	470,000
Taxation recoverable	28,865	9,970	30,638
Inventories	955,283	873,719	890,199
Total Current Assets	10,297,249	8,798,391	8,959,640
Current Liabilities			
Accounts payable	3,296,089	3,687,447	3,965,549
Taxation	208,790	150,146	151,423
Current maturities of long term loans	850,826	704,748	780,242
Current lease liabilities	176,470	-	-
Total Current Liabilities	4,532,175	4,542,341	4,897,214
Working Capital	5,765,074	4,256,050	4,062,426
Non-Current Assets			
Biological assets	80,573	78,143	81,140
Interest in associates and joint venture	789,235	656,680	803,747
Investments	107,870	95,438	88,311
Intangible assets	1,535,510	1,612,971	1,513,082
Deferred tax asset	5,271	3,802	3,730
Property, plant and equipment	21,558,029	21,334,971	21,624,039
Right-of-use assets	1,527,429	-	-
Employee benefit asset	1,985,258	1,174,675	1,985,258
Total Non-Current Assets	27,589,175	24,956,680	26,099,307
Total Assets Less Current Liabilities	33,354,249	29,212,730	30,161,733
Equity			
Share capital	112,214	112,214	112,214
Reserves	13,377,698	11,529,976	11,997,858
Total equity attributable to equity holders of the parent	13,489,912	11,642,190	12,110,072
Non-Controlling Interest	13,209,426	11,760,524	12,675,000
Total Equity	26,699,338	23,402,714	24,785,072
Non-Current Liabilities			
Deferred tax liability	1,306,268	1,287,579	1,307,140
Long term loans	3,673,890	4,164,645	3,742,739
Long term lease liabilities	1,347,971	-	-
Employee benefit obligations	326,782	357,792	326,782
Total Non-Current Liabilities	6,654,911	5,810,016	5,376,661
Total Equity and Non-Current Liabilities	33,354,249	29,212,730	30,161,733
Parent company stockholders' equity per ordinary stock unit:			
Based on stock units in issue	\$12.02	\$10.37	\$10.79
After exclusion of stock units held by ESOP	\$12.90	\$11.16	\$11.59



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Group Statement of Profit or Loss

		Unaudited 13 weeks ended June 29, 2019	Unaudited 13 weeks ended June 30, 2018	Unaudited 26 weeks ended June 29, 2019	Unaudited 26 weeks ended June 30, 2018
	Notes	\$'000	\$'000	\$'000	\$'000
Gross operating revenue	3	5,365,502	4,808,042	10,155,181	9,287,390
Cost of operating revenue		(3,513,026)	(3,289,781)	(6,651,926)	(6,433,126)
Gross profit		1,852,476	1,518,261	3,503,255	2,854,264
Other income		190,504	100,404	162,678	153,454
Selling, administration and other operating expenses		(954,420)	(823,299)	(1,831,045)	(1,638,556)
Profit from operations		1,088,560	795,366	1,834,888	1,369,162
Share of profits in associates and joint venture		5,377	33,442	5,830	33,021
Profit before finance cost and taxation		1,093,937	828,808	1,840,718	1,402,183
Finance cost - interest		(77,196)	(89,713)	(156,212)	(187,975)
Profit before taxation		1,016,741	739,095	1,684,506	1,214,208
Taxation charge		(184,871)	(205,576)	(341,485)	(317,782)
Profit for the period		831,870	533,519	1,343,021	896,426
Attributable to:					
Parent company stockholders		398,913	262,972	629,288	414,590
Non-controlling interest		432,957	270,547	713,733	481,836
		831,870	533,519	1,343,021	896,426
Profit per ordinary stock unit:	4				
Based on stock units in issue		<u>35.55</u> ¢	<u>23.43</u> ¢	<u>56.08</u> ¢	<u>36.95</u> ¢
After exclusion of stock units held by ESOP		<u>38.17</u> ¢	<u>25.17</u> ¢	<u>60.22</u> ¢	<u>39.68</u> ¢



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Group Statement of Profit or Loss and Other Comprehensive Income

	Unaudited 13 weeks ended June 29, 2019 \$'000	Unaudited 13 weeks ended June 30, 2018 \$'000	Unaudited 26 weeks ended June 29, 2019 \$'000	Unaudited 26 weeks ended June 30, 2018 \$'000
Profit for the period	<u>831,870</u>	<u>533,519</u>	<u>1,343,021</u>	<u>896,426</u>
Other comprehensive income:				
Items that may be reclassified to profit or loss:				
Exchange gains/(losses) on translating foreign operations	241,047	(57,419)	170,614	(2,425)
Available-for-sale financial assets:				
Net change in fair value of available-for-sale investments	5,769	-	5,769	-
	<u>246,816</u>	<u>(57,419)</u>	<u>176,383</u>	<u>(2,425)</u>
Total comprehensive income for the period	<u><u>1,078,686</u></u>	<u><u>476,100</u></u>	<u><u>1,519,404</u></u>	<u><u>894,001</u></u>
Attributable to:				
Parent company stockholders	629,941	197,094	790,690	401,597
Non-controlling interest	448,745	279,006	728,714	492,404
	<u><u>1,078,686</u></u>	<u><u>476,100</u></u>	<u><u>1,519,404</u></u>	<u><u>894,001</u></u>



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Group Statement of Changes in Equity

	Share Capital \$'000	Share Premium \$'000	Capital Reserves \$'000	Reserve For Own Shares \$'000	Retained Profits \$'000	Company Stockholders' Equity \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Balances at December 31, 2017	112,214	135,087	2,308,929	(72,419)	8,777,022	11,260,833	11,484,023	22,744,856
Changes in equity:								
Profit for the period	-	-	-	-	414,590	414,590	481,836	896,426
Other comprehensive (loss)/income								
Exchange (losses)/gains arising on retranslation of foreign operations	-	-	(12,993)	-	-	(12,993)	10,568	(2,425)
Total other comprehensive (expense)/income	-	-	(12,993)	-	-	(12,993)	10,568	(2,425)
Total comprehensive (loss)/income for the period	-	-	(12,993)	-	414,590	401,597	492,404	894,001
Other reserve movements								
Other transfer to capital reserve	-	-	19,095	-	(19,095)	-	-	-
Transactions with owners recorded directly in equity								
Own shares acquired by ESOP	-	-	-	(20,240)	-	(20,240)	-	(20,240)
Net movement in subsidiary ESOP	-	-	-	-	-	-	(50,000)	(50,000)
Distributions to non-controlling interests	-	-	-	-	-	-	(165,903)	(165,903)
Total transactions with owners recorded directly in equity	-	-	-	(20,240)	-	(20,240)	(215,903)	(236,143)
Total increase/(decrease) in equity	-	-	6,102	(20,240)	395,495	381,357	276,501	657,858
Balances at June 30, 2018	112,214	135,087	2,315,031	(92,659)	9,172,517	11,642,190	11,760,524	23,402,714
Retained in the financial statements of:								
The company	112,214	135,087	1,297,715	-	2,700,468	4,245,484		
Subsidiary companies	-	-	1,017,316	(92,659)	6,367,792	7,292,449		
Associate companies and joint venture	-	-	-	-	104,257	104,257		
Balances at June 30, 2018	112,214	135,087	2,315,031	(92,659)	9,172,517	11,642,190		



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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, 2018	112,214	135,087	2,063,906	-	(80,144)	9,879,009	12,110,072	12,675,000	24,785,072
Changes in equity:									
Profit for the period	-	-	-	-	-	629,288	629,288	713,733	1,343,021
Other comprehensive income									
Exchange gains arising on retranslation of foreign operations	-	-	155,633	-	-	-	155,633	14,981	170,614
Net change in fair value of available-for-sale investments	-	-	-	5,769	-	-	5,769	-	5,769
Total other comprehensive income	-	-	155,633	5,769	-	-	161,402	14,981	176,383
Total comprehensive income for the period	-	-	155,633	5,769	-	629,288	790,690	728,714	1,519,404
Other reserve movements									
Other transfer to capital reserve	-	-	6,378	-	-	(6,378)	-	-	-
Transactions with owners recorded directly in equity									
Own shares sold by ESOP	-	-	-	-	13,752	-	13,752	-	13,752
Net movement in subsidiary ESOP	-	-	-	-	-	-	-	6,811	6,811
Distributions to non-controlling interests	-	-	-	-	-	-	-	(190,789)	(190,789)
Disposal of shares in subsidiary to non-controlling interest	-	-	-	-	-	575,397	575,397	(10,310)	565,087
Total transactions with owners recorded directly in equity	-	-	-	-	13,752	575,397	589,149	(194,288)	394,861
Total increase in equity	-	-	162,011	5,769	13,752	1,198,307	1,379,839	534,426	1,914,265
Balances at June 29, 2019	112,214	135,087	2,225,917	5,769	(66,392)	11,077,317	13,489,912	13,209,426	26,699,338
Retained in the financial statements of:									
The company	112,214	135,087	1,167,202	5,769	-	2,629,471	4,049,743		
Subsidiary companies	-	-	1,058,715	-	(66,392)	8,251,304	9,243,627		
Associate companies and joint venture	-	-	-	-	-	196,542	196,542		
Balances at June 29, 2019	112,214	135,087	2,225,917	5,769	(66,392)	11,077,317	13,489,912		



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Group Statement of Cash Flows

	26 weeks ended June 29, 2019	26 weeks ended June 30, 2018
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	1,343,021	896,426
Adjustments for items not affecting cash:		
Depreciation and amortisation	665,369	583,653
Share of profits in associates	(5,830)	(33,021)
(Profits)/losses on disposal of fixed assets and investments	(1,775)	2,127
Exchange movement in working capital	269,434	(426)
Taxation charge	341,485	317,782
Net interest expense	69,270	161,655
	<u>2,680,974</u>	<u>1,928,196</u>
Increase in current assets	(603,397)	(547,577)
(Decrease)/increase in current liabilities	(819,336)	128,479
CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,258,240</u>	<u>1,509,098</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Additions to property, plant, equipment, intangible assets and biological assets	(604,806)	(772,441)
Proceeds from disposal of property, plant and equipment and investments	23,590	2,878
Proceeds from disposal of shares in subsidiary, net of costs	575,397	-
Movement in short term investments and repos	(771,877)	(472,336)
Net movement in interest in associates and joint venture	18,926	(6,999)
Net movement in own shares held by group ESOPs	-	(70,240)
Movement in long term loans receivable	6,521	3,132
Additions to investment	(23,577)	-
Interest received	80,537	53,688
CASH USED BY INVESTMENT ACTIVITIES	<u>(695,289)</u>	<u>(1,262,318)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in loans and right-of-use liabilities	(114,605)	86,396
Interest paid	(149,549)	(189,675)
Distribution to non-controlling interest	(207,199)	(162,977)
Other movements in non-controlling interest	(10,310)	-
Dividends paid	(125,360)	(104,483)
CASH USED BY FINANCING ACTIVITIES	<u>(607,023)</u>	<u>(370,739)</u>
Net decrease in cash and cash equivalents	(44,071)	(123,958)
Cash at beginning of the period	836,176	885,254
Cash at end of the period	<u><u>792,105</u></u>	<u><u>761,296</u></u>



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Notes to the Financial Statements

1. Group's Operations and Activities

Jamaica Producers Group Limited ("company") is incorporated and domiciled in Jamaica. The company's registered office is located at 4 Fourth Avenue, Newport West, Kingston 13.

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

On April 29, 2019, the group completed the disposal of a 30% stake in its tropical snacks holding company, JP Snacks Caribbean Limited (formerly Central American Banana (2005) Limited). Total consideration of \$740m was received, including the purchase of 30% of the subsidiary's outstanding intercompany debt. The group has recorded a gain on disposal of \$575m on the equity part of the transaction. In accordance with IFRS 10, Consolidated Financial Statements, changes in the group's ownership interest in a subsidiary that do not result in the group losing control of the subsidiary are equity transactions and any gain or loss arising therein are recognised directly in equity attributable to the shareholders of the group.

During the prior year a subsidiary, Kingston Wharves Limited, acquired a 50% interest in SSL REIT Limited, a company engaged principally in the rental of warehousing facilities.

2. Basis of Presentation

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

The accounting policies and methods of computation used in these financial statements are consistent with the most recent annual report except where certain new, revised and amended standards and interpretations came into effect during the current financial year.

During the current and prior year a number of new or amended standards became applicable for the current reporting period. The group has assessed these and has adopted those which are relevant to its financial statements. Their adoption did not result in any changes to amounts recognised or disclosed in these financial statements. A summary of these new or amended standards is below:

IFRS 16, Leases

The group has adopted IFRS 16 retrospectively from January 1, 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

On adoption of IFRS 16, the group recognised a liability in relation to leases, which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. The liability is measured at the present value of the remaining lease payments, discounted using appropriate weighted average incremental borrowing rates applied on 1 January 2019 with rates ranging from 3% to 7.5%. The associated right-of-use asset for the property lease is measured at the amount equal to the lease liability.



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Notes to the Financial Statements (cont'd)

2. Basis of Presentation (cont'd)

IFRS 9, Financial Instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, de-recognition of financial instruments and impairment of financial assets. The adoption of IFRS 9 from January 1, 2018 resulted in changes in accounting policies but no material adjustments were recognised in the financial statements.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 replaces the provisions of IAS 18 that relate to the recognition of revenue. The adoption of IFRS 15 from January 1, 2018 resulted in changes in accounting policies but this has not resulted in any material adjustments in the financial statements.

3. Gross operating revenue

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

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

Profit per ordinary stock unit is calculated by dividing profit attributable to the group of \$398,913,000 by 1,122,144,036, 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 June 29, 2019 was 1,045,164,488 (2018 - 1,044,832,060) stock units.

Stockholders' equity per ordinary stock unit is calculated by dividing the parent company stockholders' equity by 1,122,144,036 being the total number of ordinary stock units in issue at the end of the quarter and 1,045,669,918 (2018 – 1,043,622,060), representing the total number of ordinary stock units in issue for the quarter ended June 29, 2019 less those held by the ESOP at the same date.

5. Accounting Policies

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

a. Business combinations

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



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Notes to the Financial Statements (cont'd)

5. Accounting Policies (cont'd)

b. Subsidiaries

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

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

c. Associates

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

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

d. Intangible assets and goodwill

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

(ii) Other intangible assets

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



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Notes to the Financial Statements (cont'd)

5. Accounting Policies (cont'd)

d. Intangible assets and goodwill (cont'd)

(iv) Amortisation

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

The estimates of useful lives are as follows:

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

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

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'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 and related industries.
- Corporate Services - 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

26 WEEKS ENDED JUNE 29, 2019

Notes to the Financial Statements (cont'd)

6. Segment Results

2019

	<u>JP Food & Drink</u>	<u>JP Logistics & Infrastructure</u>	<u>Corporate Services</u>	<u>Group</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Gross revenue	5,947,916	4,207,864	44,506	10,200,285
Inter - segment revenue	(2,705)	-	(42,399)	(45,104)
Revenue from external sources	<u>5,945,211</u>	<u>4,207,864</u>	<u>2,106</u>	<u>10,155,181</u>
Profit before finance cost and taxation	<u>438,401</u>	<u>1,563,740</u>	(<u>161,423</u>)	1,840,718
Finance cost - interest				(<u>156,212</u>)
Profit before taxation				1,684,506
Taxation				(341,485)
Non-controlling interest				(<u>713,733</u>)
Net profit attributable to parent company stockholders				<u>629,288</u>

2018

	<u>JP Food & Drink</u>	<u>JP Logistics & Infrastructure</u>	<u>Corporate Services</u>	<u>Group</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Gross revenue	5,457,234	3,830,047	51,238	9,338,519
Inter - segment revenue	(2,225)	-	(48,904)	(51,129)
Revenue from external sources	<u>5,455,009</u>	<u>3,830,047</u>	<u>2,334</u>	<u>9,287,390</u>
Profit before finance cost and taxation	<u>296,086</u>	<u>1,261,005</u>	(<u>154,908</u>)	1,402,183
Finance cost - interest				(<u>187,975</u>)
Profit before taxation				1,214,208
Taxation				(317,782)
Non-controlling interest				(<u>481,836</u>)
Net profit attributable to parent company stockholders				<u>414,590</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\$142.82 (2018: J\$147.19) to €1, J\$167.26 (2018: J\$172.16) to £1 and J\$130.42 (2018: J\$125.30) to US\$1.

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



Jamaica Producers Group Limited

UNAUDITED GROUP RESULTS
26 WEEKS ENDED JUNE 29, 2019

Notes to the Financial Statements (cont'd)

8. Foreign Currency Translation (cont'd)

	<u>J\$/€</u>	<u>J\$/£</u>	<u>J\$/US\$</u>
June 29, 2019	144.42	162.49	130.31
December 31, 2018	135.92	161.10	126.68
June 30, 2018	144.32	170.17	128.54
December 31, 2017	147.10	165.35	124.11

On behalf of the Board


Chairman
C. Johnston


Group Managing Director
J. Hall

August 9, 2019

