



JAMAICA PRODUCERS GROUP LIMITED

AND SUBSIDIARY AND ASSOCIATED COMPANIES

Page 1

UNAUDITED GROUP RESULTS 40 WEEKS ENDED OCTOBER 2, 2004

CHAIRMAN'S STATEMENT

Jamaica Producers Group recorded net profit of \$360.7 million on revenue of \$16.82 billion for the 40 weeks ended October 2, 2004. Net profit declined 43.2% from the previous year due to a substantial gain on disposal of investments early in 2003. For the 16 weeks ended October 2, 2004 (Third Quarter), net profit was \$170.7 million, up 51.7% from the corresponding period in 2003.

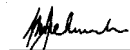
Hurricane Ivan severely disrupted our Jamaican operations near the end of the Third Quarter. I wish to express appreciation to our employees for their hard work, support and understanding during this difficult period. We sustained major crop losses at our banana farms and were forced to suspend exports. These losses were partially insured, and our Third Quarter balance sheet includes deferred income of \$170.4 million in respect of insurance proceeds, which will offset some of the restoration cost. Our snack food business was also adversely affected by the loss of its principal source of raw materials to produce banana chips. We have implemented a recovery programme, however more than 1,000 employees in several business units were laid off as a result of the hurricane. We expect to resume harvesting bananas in the Second Quarter 2005, but it will take some time to restore the affected business units to commercial levels of activity.

Against this background, the Banana Division recorded pre-tax profit of \$142.5 million on sales of \$6.97 billion for the 40 weeks ended October 2, 2004. This result was below expectations, but represented a significant improvement from the \$70.8 million divisional pre-tax profit for the corresponding 40-week period in 2003. This was primarily due to the positive impact of our strategy to improve the efficiency of our

banana business in the United Kingdom. It should, however, be noted that market conditions remain difficult.

The Fresh & Processed Foods Division produced excellent results, with pre-tax profit of \$473.1 million on sales of \$9.74 billion for the 40-week period. Year over year profit growth was 59.7% on a 29.5% increase in sales. Our UK-based juice, smoothie and fresh food distribution businesses recorded strong sales and profit growth. Our non-banana fresh produce business produced a solid result, despite a significant decline in sales.

The Corporate segment comprises the cost of corporate functions not directly charged to the business units, as well as interest and investment income. The segment recorded a pre-tax loss of \$1.8 million for the 40 weeks ended October 2, 2004, compared with a \$431.8 million profit for the corresponding period in 2003. The decline is due to a \$325.6 million gain on the disposal of investments in 2003 and lower interest rates in 2004. Our investment portfolio continued to generate excellent returns. The Fair Value Reserve on the balance sheet (which shows the unrealised gain on investments) increased by \$1.76 billion to \$3.38 billion in the 40 weeks ended October 2, 2004.


C. B. Johnston Chairman

GROUP BALANCE SHEET AS AT OCTOBER 2, 2004

	Unaudited as at October 2, 2004	Unaudited as at October 4, 2003	Audited as at December 31, 2003
	\$ 000	\$ 000	\$ 000
Current Assets			
Cash and short term investments	2,354,503	2,464,741	2,555,546
Accounts receivable	2,810,790	2,043,254	2,418,549
Taxation recoverable	77,974	45,630	52,637
Inventories	618,227	490,548	498,193
	<u>5,861,494</u>	<u>5,044,173</u>	<u>5,524,925</u>
Current Liabilities			
Bank overdrafts and demand loans	(4,496)	(11,990)	(18,410)
Taxation	(186,265)	(79,755)	(26,978)
Accounts payable and other liabilities	(2,952,996)	(2,508,489)	(2,939,245)
	<u>(3,143,757)</u>	<u>(2,600,234)</u>	<u>(2,984,633)</u>
Working Capital	2,717,737	2,443,939	2,540,292
Interests in Associated Companies	36,520	61,490	76,195
Investments	4,320,500	1,914,744	2,262,642
Goodwill	300,930	168,840	257,318
Employee Benefit Asset	120,569	109,373	116,619
Deferred Tax Assets	184,080	180,966	171,442
Property, Plant and Equipment	2,168,292	1,976,635	2,168,761
	<u>9,848,628</u>	<u>6,855,987</u>	<u>7,593,269</u>
Minority Interests	(530,589)	(440,750)	(429,685)
Long-term Loans	(207,561)	(219,767)	(234,726)
Employee Benefit Liabilities	(294,341)	(193,491)	(270,863)
Deferred Tax Liabilities	(152,694)	(122,251)	(158,834)
Deferred Income	(200,548)	(88,396)	(48,055)
	<u>8,462,895</u>	<u>5,791,332</u>	<u>6,451,106</u>
STOCKHOLDERS' EQUITY			
Share Capital	18,702	18,702	18,702
Reserves	8,444,193	5,772,630	6,432,404
	<u>8,462,895</u>	<u>5,791,332</u>	<u>6,451,106</u>
Stockholders' funds per ordinary stock unit (see note 4)	<u>\$45.25</u>	<u>\$30.97</u>	<u>\$34.49</u>

GROUP PROFIT AND LOSS ACCOUNT 40 WEEKS ENDED OCTOBER 2, 2004

	Unaudited 16 weeks ended October 2, 2004	Unaudited 16 weeks ended October 4, 2003	Unaudited 40 weeks ended October 2, 2004	Unaudited 40 weeks ended October 4, 2003
Notes	\$ 000	\$ 000	\$ 000	\$ 000
Gross operating revenue	3	6,831,017	5,539,988	16,822,337
Cost of operating revenue		(5,491,815)	(4,586,336)	(13,777,108)
Gross profit		1,339,202	953,652	3,045,229
Selling and distribution costs		(537,708)	(361,448)	(1,241,655)
Administrative and other operating expenses		(502,134)	(435,687)	(1,241,365)
		<u>(1,039,842)</u>	<u>(797,135)</u>	<u>(2,483,020)</u>
Profit from operations		299,360	156,517	559,209
Share of profit in associated companies		483	2,815	3,087
Finance cost		(7,802)	(7,947)	(19,234)
Net gain/(loss) from fluctuations in exchange rates		8,418	(19,730)	19,106
(Loss)/gains on disposal of fixed assets and investments		(10,453)	(5,084)	14,076
Other income		24,145	26,630	37,561
		<u>24,145</u>	<u>26,630</u>	<u>37,561</u>
Profit before taxation and minority interests		314,151	153,201	613,805
Taxation		(92,822)	(27,543)	(179,476)
		<u>(92,822)</u>	<u>(27,543)</u>	<u>(179,476)</u>
Profit after taxation and before minority interests		221,329	125,658	434,329
Minority interests		(50,599)	(13,096)	(73,581)
		<u>(50,599)</u>	<u>(13,096)</u>	<u>(73,581)</u>
Profit for the period attributable to the group		170,730	112,562	360,748
Earnings per ordinary stock unit, cents:	4	<u>91.29</u>	<u>60.19</u>	<u>192.89</u>
		<u>339.81</u>		



JAMAICA PRODUCERS GROUP LIMITED

AND SUBSIDIARY AND ASSOCIATED COMPANIES

Page 2

UNAUDITED GROUP RESULTS 40 WEEKS ENDED OCTOBER 2, 2004

GROUP STATEMENT OF CHANGES IN EQUITY 40 WEEKS ENDED OCTOBER 2, 2004

	Share Capital \$ 000	Share Premium \$ 000	Capital Reserves \$ 000	Fair Value Reserve \$ 000	Retained Profits \$ 000	Total \$ 000
Balances at December 31, 2002, as restated	18,702	135,087	1,954,308	1,358,585	1,452,860	4,919,542
Exchange gains not recognised in the group profit and loss account	-	-	414,623	-	-	414,623 *
Profit for the period attributable to the group	-	-	-	-	635,529	635,529 *
Investment revaluation gains	-	-	-	236,163	-	236,163 *
Realised investment revaluation gains transferred to the group profit and loss account	-	-	-	(321,013)	-	(321,013) *
Distributions to stockholders	-	-	(93,512)	-	-	(93,512)
Balances at October 4, 2003	<u>18,702</u>	<u>135,087</u>	<u>2,275,419</u>	<u>1,273,735</u>	<u>2,088,389</u>	<u>5,791,332</u>
Balances at December 31, 2003	18,702	135,087	2,430,372	1,624,127	2,242,818	6,451,106
Exchange gains not recognised in the group profit and loss account	-	-	77,967	-	-	77,967 *
Profit for the period attributable to the group	-	-	-	-	360,748	360,748 *
Investment revaluation gains	-	-	-	1,760,098	-	1,760,098 *
Distributions to stockholders	-	-	-	-	(187,024)	(187,024)
Balances at October 2, 2004	<u>18,702</u>	<u>135,087</u>	<u>2,508,339</u>	<u>3,384,225</u>	<u>2,416,542</u>	<u>8,462,895</u>

* Total recognised gains - \$2,198,813,000 (2003 - \$965,302,000).

NOTES:

1. Group's Operations

There were no significant changes to the Group's operations for the period under review.

2. Basis of Presentation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB), as well as interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and practice statements issued by the Institute of Chartered Accountants of Jamaica, and comply with the provisions of the Companies Act.

Comparative figures have been restated to reflect the following adjustment for deferred taxes based on the audited accounts:

	Unaudited 40 weeks ended October 4, 2003 \$'000
Profit for the period attributable to the group as previously reported	682,316
IAS 12 – Income taxes not previously included	(56,641)
Less applicable minority interest	9,854
	<u>(46,787)</u>
As restated	<u>635,529</u>

Where necessary, prior quarter's comparative figures have been reclassified and restated to conform with those of the current quarter.

3. Gross Operating Revenue

Gross operating revenue comprises the Group's sales of goods and services, commissions earned on consignment sales net of returns, UK Value Added Tax, General Consumption Tax and investment income.

4. Earnings per stock unit and stockholders' funds per stock unit

Earnings per stock unit and stockholders' funds per stock unit are calculated by dividing profit attributable to the group and stockholders' funds, respectively, by 187,024,006 stock units of 10 cents each.

GROUP STATEMENT OF CASH FLOWS 40 WEEKS ENDED OCTOBER 2, 2004

	Unaudited 40 weeks ended October 2, 2004 \$ 000	Unaudited 40 weeks ended October 4, 2003 \$ 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period attributable to the group	360,748	635,529
Items not affecting cash:		
Gains on disposal of fixed assets and investments	(14,076)	(326,504)
Other items	338,711	307,613
	<u>685,383</u>	<u>616,638</u>
Decrease in current assets	(537,612)	(496,675)
Increase in current liabilities	173,842	284,571
CASH PROVIDED BY OPERATING ACTIVITIES	<u>321,613</u>	<u>404,534</u>
CASH (USED)/PROVIDED BY INVESTMENT ACTIVITIES	(482,920)	249,693
CASH USED BY FINANCING ACTIVITIES	(39,736)	(70,628)
Net (decrease)/increase in cash resources	<u>(201,043)</u>	<u>583,599</u>
Cash resources at beginning of the period	2,555,546	1,881,142
Cash resources at end of the period	<u>2,354,503</u>	<u>2,464,741</u>

5. Main Activities

The main activities of the Group during the period consisted of the cultivation, marketing and distribution of bananas and other fresh produce locally and overseas, juice manufacturing and distribution, shipping and the holding of investments.

6. Accounting Policies

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

a. Employee Benefits

The group participates in three defined benefit pension plans. Pension costs are assessed using the projected unit credit method. The cost of providing pensions is charged to the Group Profit and Loss Account. The net of the present value of the pension obligation and the fair value of the plan assets is reflected on the balance sheet.

Provision is made for the cost of vacation leave in respect of services rendered by employees up to the balance sheet date.

b. Goodwill

Goodwill on consolidation is reflected in the Group's financial statements for acquisitions after 1995, subject to impairment. It is being amortized on a straight-line basis over a period of 20 years.

c. 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). Originated loans and receivables are subsequently re-measured at amortized cost. Securities having a maturity date of less than one year are included in Current Assets.

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



JAMAICA PRODUCERS GROUP LIMITED

AND SUBSIDIARY AND ASSOCIATED COMPANIES

Page 3

UNAUDITED GROUP RESULTS 40 WEEKS ENDED OCTOBER 2, 2004

NOTES:

6. Accounting Policies (cont'd)

e. Segment Reporting

The Group is organized into three business segments:

- Banana Division – This comprises the growing, sourcing, ripening, marketing and distribution of bananas, and the operation of a shipping line that *inter alia* transports bananas to the United Kingdom.
- Fresh & Processed Foods Division – This comprises the sourcing, marketing and distribution of fresh produce (other than bananas), and the production and marketing of fresh juices, drinks and other freshly prepared foods and tropical snacks.
- Corporate segment – This comprises the cost of corporate functions that are not directly charged to business units, as well as interest and investment income.

7. Segment Results

Segment results are as follows:

	<u>Unaudited 40 weeks ended October 2, 2004</u>	<u>Unaudited 40 weeks ended October 4, 2003</u>
	\$'000	\$'000
Revenue		
Banana Division	6,970,614	6,300,340
Fresh & Processed Foods Division	9,743,253	7,522,958
Corporate	108,470	197,419
Total	<u>16,822,337</u>	<u>14,020,717</u>
Profit before tax and minority interests		
Banana Division	142,541	70,764
Fresh & Processed Foods Division	473,127	296,269
Corporate	(1,863)	431,758
Total	<u>613,805</u>	<u>798,791</u>

8. Foreign Currency Translation

Overseas revenues and expenses have been translated at effective exchange rates of JS108.50 (2003: JS90.19) to £1.00 and JS60.90 (2003: JS57.46) to US\$1.00.

Adjustments have been made for exchange gains and losses on foreign currency assets and liabilities at October 2, 2004 and October 4, 2003 based upon the following exchange rates:

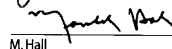
	<u>JS/£</u>	<u>JS/US\$</u>
October 2, 2004	108.29	61.54
December 31, 2003	105.89	60.42
October 4, 2003	94.47	59.59
December 31, 2002	79.89	50.55

9. 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.

On behalf of the Board

 _____ Chairman
C. Johnston

 _____ Managing Director
M. Hall

November 12, 2004