Submission Data File

General Information	
Form Type*	10-Q
Contact Name	Matthew Judge
Contact Phone	866-683-5332
Filer File Number	
Filer CIK*	0001133062 **[JANEL WORLD TRADE LTD]**
Filer CCC*	**********
Filer is Smaller Reporting Company	Yes
Confirming Copy	No
Notify via Website only	No
Return Copy	No
SROS*	NONE
Period*	03-31-2012
(End General Information)	

Document Information	
File Count*	7
Document Name 1*	v310922_10q.htm
Document Type 1*	10-Q
Document Description 1	Form 10-Q
Document Name 2*	v310922_ex31-1.htm
Document Type 2*	EX-31.1
Document Description 2	Certification
Document Name 3*	v310922_ex31-2.htm
Document Type 3*	EX-31.2
Document Description 3	Certification
Document Name 4*	v310922_ex31-3.htm
Document Type 4*	EX-31.3
Document Description 4	Certification
Document Name 5*	v310922_ex32-1.htm
Document Type 5*	EX-32.1
Document Description 5	Certification
Document Name 6*	v310922_ex99-1.htm
Document Type 6*	EX-99.1
Document Description 6	PRESS RELEASE
(End Document Information)	

Notifications	
Notify via Website only	No
E-mail 1	matthew@vfilings.com
(End Notifications)	

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly period ended **March 31, 2012**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number **333-60608**

JANEL WORLD TRADE, LTD.

(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization	**86-1005291** (I.R.S. Employer Identification No.)
150-14 132nd Avenue **Jamaica, New York** (Address of principal executive offices)	**11434** (Zip Code)

Registrant’s telephone number, including area code: **(718) 527-3800**

Inapplicable
(Former name, former address and former fiscal year if changed from last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☒ No ☐

Indicate by check mark if the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.
Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes ☐ No ☒

The number of shares of Common Stock outstanding as of May 11, 2012 was 21,854,868.

JANEL WORLD TRADE, LTD.

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

JANEL WORLD TRADE LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	MARCH 31, 2012 (Unaudited)	SEPTEMBER 30, 2011 (Audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 238,931	$ 504,829
Accounts receivable, net of allowance for doubtful accounts of $281,109 at March 31, 2012 and $289,547 at September 30, 2011	5,711,767	5,886,255
Inventories	773,448	415,934
Marketable securities	65,532	52,352
Loans receivable – officers	44,928	92,817
Prepaid expenses and sundry current assets	127,207	279,835
Tax refund receivable	148,000	148,000
TOTAL CURRENT ASSETS	**7,109,813**	**7,380,022**
PROPERTY AND EQUIPMENT, NET	**544,735**	**459,850**
OTHER ASSETS:		
Intangible assets, net	3,130,123	3,271,649
Security deposits	170,299	97,299
Deferred income taxes	1,431,003	1,184,003
TOTAL OTHER ASSETS	**4,731,425**	**4,552,951**
TOTAL ASSETS	**$ 12,385,973**	**$ 12,392,823**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Note payable – bank	$ 1,301,335	$ 951,335
Note payable – other	100,000	100,000
Accounts payable – trade	5,067,290	4,858,344
Accrued expenses and taxes payable	366,043	419,649
Current portion of long-term debt – bank	74,768	86,360
Current portion of long-term debt – related party	276,317	___249,618
TOTAL CURRENT LIABILITIES	**7,185,753**	**6,665,306**
OTHER LIABILITIES:		
Long-term debt – bank	260,635	298,625
Long-term debt – related party	826,666	826,666
Deferred compensation	78,568	78,568
TOTAL OTHER LIABILITIES	**1,165,869**	**1,203,859**
STOCKHOLDERS' EQUITY	**4,034,351**	**4,523,658**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 12,385,973**	**$ 12,392,823**

See notes to financial statements

JANEL WORLD TRADE LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	THREE MONTHS ENDED MARCH 31, 2012	THREE MONTHS ENDED MARCH 31, 2011	SIX MONTHS ENDED MARCH 31, 2012	SIX MONTHS ENDED MARCH 31, 2011
REVENUES	**$ 22,268,568**	**$ 22,721,645**	**$ 45,853,700**	**$ 49,155,639**
COSTS AND EXPENSES:				
Cost of sales	20,077,801	20,364,643	41,323,335	44,198,680
Selling, general and administrative	2,704,997	2,419,085	5,341,143	4,844,629
Depreciation and amortization	104,610	80,880	184,541	160,022
TOTAL COST AND EXPENSES	**22,887,408**	**22,864,608**	**46,849,019**	**49,203,331**
LOSS FROM OPERATIONS	**(618,840)**	**(142,963)**	**(995,319)**	**(47,692)**
OTHER ITEMS:				
Interest and dividend income	444	934	1,644	2,187
Interest expense	(44,050)	(25,742)	(83,683)	(72,785)
TOTAL OTHER ITEMS	**(43,606)**	**(24,808)**	**(82,039)**	**(70,598)**
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	**(662,446)**	**(167,771)**	**(1,077,358)**	**(118,290)**
Income taxes (credits)	(264,615)	(74,939)	(432,615)	(47,580)
LOSS FROM CONTINUING OPERATIONS	**(397,831)**	**(92,832)**	**(644,743)**	**(70,710)**
Loss from discontinued operations, net of tax	-	(47,439)	-	(60,991)
NET LOSS	**$ (397,831)**	**$ (140,271)**	**$ (644,743)**	**$ (131,701)**
OTHER COMPREHENSIVE INCOME NET OF TAX:				
Unrealized gain from available for sale securities	8,857	2,869	12,936	8,429
TOTAL COMPREHENSIVE LOSS	**$ (388,974)**	**$ (137,402)**	**$ (631,807)**	**$ (123,272)**
Basic earnings (loss) per share:				
Continuing operations	$ (0.02)	$ (0.00)	$ (0.03)	$ (0.00)
Discontinued operations	$ 0.00	$ (0.00)	$ 0.00	$ (0.00)
Total	$ (0.02)	$ (0.01)	$ (0.03)	$ (0.01)
Diluted earnings (loss) per share:				
Continuing operations	$ (0.02)	$ (0.00)	$ (0.03)	$ (0.00)
Discontinued operations	$ 0.00	$ (0.00)	$ 0.00	$ (0.00)
Total	$ (0.02)	$ (0.01)	$ (0.03)	$ (0.01)
Basic weighted average number of shares Outstanding	21,678,913	20,801,652	21,732,192	21,048,729
Fully diluted weighted average number of shares outstanding	23,314,163	22,850,528	23,367,442	22,704,285

See notes to financial statements

JANEL WORLD TRADE LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	CAPITAL STOCK SHARES	CAPITAL STOCK $	PREFERRED STOCK SHARES	PREFERRED STOCK $	TREASURY STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE LOSS	TOTAL
BALANCE–SEPTEMBER 30, 2011	**21,104,868**	**$ 21,105**	**1,063,525**	**$ 1,064**	**$ (48,891)**	**$ 4,695,415**	**$ (131,003)**	**$ (14,032)**	**$ 4,523,658**
Net loss	-	-	-			-	(644,743)	-	(644,743)
Dividends to preferred shareholders	-	-	-	-	-	-	(7,500)	-	(7,500)
Common stock issuance	750,000	750	-	-	-	149,250	-	-	150,000
Other comprehensive gains:									
Unrealized gains on available-for-sale marketable securities	-	-	-	-	-	-	-	12,936	12,936
BALANCE – March 31, 2012	**21,854,868**	**$ 21,855**	**1,063,525**	**$ 1,064**	**$ (48,891)**	**$ 4,844,665**	**$ (783,246)**	**$ (1,096)**	**$ 4,034,351**

See notes to financial statements

JANEL WORLD TRADE, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	SIX MONTHS ENDED MARCH 31,	
	2012	2011
OPERATING ACTIVITIES:		
Income (loss) from continuing operations	$ (644,743)	$ (70,710)
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Bad debt reserve	8,438	56,388
Depreciation and amortization	184,541	160,022
Amortization of imputed interest	26,667	47,315
Deferred income taxes	(247,000)	(61,000)
Changes in operating assets and liabilities:		
Accounts receivable	166,049	1,480,482
Inventories	(357,514)	-
Prepaid expenses and sundry current assets	152,628	(53,584)
Accounts payable and accrued expenses	155,372	(1,514,991)
Security deposits	(73,000)	(4,900)
NET CASH (USED IN) PROVIDED BY CONTINUING OPERATIONS	**(628,562)**	**39,022**
NET CASH USED IN DISCONTINUED OPERATIONS	**-**	**(52,822)**
INVESTING ACTIVITIES:		
Acquisition of property and equipment, net	(127,899)	(48,564)
Purchase of marketable securities	(245)	(322)
NET CASH USED IN INVESTING ACTIVITIES	**(128,144)**	**(48,886)**
FINANCING ACTIVITIES:		
Proceeds from the sale of common stock	150,000	-
Dividend paid	(7,500)	(7,500)
Purchase of treasury stock	-	(37,625)
Borrowings under bank line of credit	350,000	-
Repayment of long-term debt	(49,581)	(83,333)
Repayment of loans receivable	47,889	3,457
Repayment of loans receivable (payable) – related party	-	(435,000)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**490,808**	**(560,001)**
DECREASE IN CASH AND CASH EQUIVALENTS	**(265,898)**	**(622,687)**
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	**504,829**	**1,354,912**
CASH AND CASH EQUIVALENTS – END OF PERIOD	**$ 238,931**	**$ 732,225**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 57,017	$ 25,471
Income taxes	$ 5,000	$ 322,493
Non-cash financing activities:		
Unrealized gain (loss) on marketable securities	$ 12,936	$ 8,429
Dividends declared to preferred stockholders	$ (7,500)	$ (7,500)
Acquisition of business:		
Intangible assets acquired		$ 1,840,000
Common stock issued		(600,000)
Long-term debt issued (net of imputed interest)		(1,240,000)
Effect on cash		$ -

See notes to financial statements

JANEL WORLD TRADE, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2012
(Unaudited)

1 BASIS OF PRESENTATION

The attached consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. As a result, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. The Company believes that the disclosures made are adequate to make the information presented not misleading. The consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's Form 10-K as filed with the Securities and Exchange Commission on or about January 13, 2012.

2 INVENTORIES

Inventories consisting of merchandise purchased for resale, are valued at the lower of cost (determined on the first in, first out basis) or market (replacement cost).

3 DEFERRED COMPENSATION

Deferred compensation of $78,568 represents compensation due to an officer of the Company upon termination, retirement or death. This amount has not changed since 1992 and was accrued during the years 1984 through 1992.

4 BUSINESS SEGMENT INFORMATION

For the three months ended March 31, 2012 the Company operated in two reportable segments which are full service cargo transportation logistics management and food sales. The computer software, support and maintenance segment was discontinued during the fiscal year ended September 30, 2011.

The following table presents financial information about the Company's reportable segments as of and for the six and three months ended March 31, 2012 and 2011.

Six Months Ended March 31, 2012	Consolidated	Transportation Logistics	Food Sales
Total revenues	$ 45,853,700	$ 45,440,236	$ 413,464
Operating loss	$ (995,319)	$ (567,270)	$ (428,049)
Identifiable assets	$ 12,385,973	$ 11,720,311	$ 665,662
Capital expenditures	$ 127,899	$ 125,545	$ 2,354
Depreciation and amortization	$ 184,541	$ 181,676	$ 2,865
Equity	$ 4,034,351	$ 4,794,389	$ (760,038)

Six Months Ended March 31, 2011	Consolidated	Transportation Logistics	Food Sales
Total revenues	$ 49,155,639	$ 49,155,639	$ -
Operating loss	$ (47,692)	$ (47,692)	$ -
Identifiable assets	$ 11,011,705	$ 11,011,705	$ -
Capital expenditures	$ 48,564	$ 48,564	$ -
Depreciation and amortization	$ 160,022	$ 160,022	$ -
Equity	$ 5,068,277	$ 5,068,277	$ -

Three Months Ended March 31, 2012	Consolidated	Transportation Logistics	Food Sales
Total revenues	$ 22,268,568	$ 22,091,101	$ 177,467
Operating loss	$ (618,840)	$ (417,012)	$ (201,828)
Identifiable assets	$ 12,385,973	$ 11,720,311	$ 665,662
Capital expenditures	$ 94,862	$ 94,298	$ 564
Depreciation and amortization	$ 104,610	$ 103,178	$ 1,432
Equity	$ 4,034,351	$ 4,794,389	$ (760,038)

Three Months Ended March 31, 2011	Consolidated	Transportation Logistics	Food Sales
Total revenues	$ 22,721,645	$ 22,721,645	$ -
Operating loss	$ (142,963)	$ (142,963)	$ -
Identifiable assets	$ 11,011,705	$ 11,011,705	$ -
Capital expenditures	$ 35,064	$ 35,064	$ -
Depreciation and amortization	$ 80,880	$ 80,880	$ -
Equity	$ 5,068,277	$ 5,068,277	$ -

5 LONG-TERM DEBT

Long-term debt consists of the following:

	March 31, 2012	September 30, 2011
Non-interest bearing note payable to a related party, net of imputed interest, due when earned (see Note 6 regarding the earn-out period).	$ 1,102,983	$ 1,076,285
Term loan payable in monthly installments of $7,735 including interest at 6% per annum due 2016. The loan is collateralized by substantially all assets of the Company.	335,403	371,095
Term loan payable in monthly installments of $13,889, plus interest at a bank's prime rate minus .50% per annum. The loan is collateralized by substantially all assets of a subsidiary of the Company.	-	13,889
	1,438,386	1,461,269
Less current portion	351,085	335,978
	$ 1,087,301	$ 1,125,291
These obligations mature as follows:		
2012	$ 351,085	
2013	492,654	
2014	497,546	
2015	89,405	
2016	7,696	
	$ 1,438,386	

6 ACQUISITIONS

On October 4, 2010, the Company acquired the international freight forwarding business of Ferrara International Logistics Inc. ("Ferrara") consisting of books, records, forms, access codes, goodwill, customer lists and contact information, telephone and advertising listings for the expansion of the Company's international freight forwarding business pursuant to the terms of an Asset Purchase Agreement (the "Purchase Agreement") between the Company and Ferrara.

The purchase price for the acquired assets was $1,840,000 and consists of $600,000 of common stock and $1,400,000 of future cash to be paid, net of imputed interest of $160,000. Under the terms of the Purchase Agreement, the purchase price consists of (i) cash in an amount equal to 70% of the annual actual earnings before interest, taxes, depreciation and amortization (EBITDA) achieved over the three 12-month periods following the Closing (the "Earn-Out Period") from revenues generated from the customers included in the purchased assets, and (ii) 1,714,286 restricted shares of the Company's Common Stock valued at $600,000 based on the closing market price of the stock on October 1, 2010 (the "Share Allocation"). The Share Allocation is subject to decrease if actual EBITDA from revenues generated from the customers included in the purchased assets during the Earn-Out Period is below $2 million, and will be issued in three installments on October 4, 2011, 2012 and 2013. No shares have been issued to date.

Purchase price allocation

In accordance with the acquisition method of accounting the Company has allocated the consideration to the net tangible and identifiable intangible assets, based on their estimated fair values. Goodwill represents the excess of the purchase price over the fair value of the underlying net tangible and identifiable intangible assets. The factors that contributed to the recognition of goodwill included securing buyer-specific synergies that increase revenue and profits and are not otherwise available to a marketplace participant, and the acquisition of a talented workforce.

The consideration has been allocated as follows:

Tangible assets:	
Furniture and equipment	$ -
Intangible assets:	
Identifiable intangibles, subject to amortization	1,220,000
Goodwill	620,000
	1,840,000
Purchase price	$ 1,840,000

7 SALE OF COMMON STOCK

On October 14, 2011, the Company sold 750,000 shares of the Company's Common Stock, par value $0.001 per share, at a purchase price of $0.20 per share, or an aggregate of $150,000, to an accredited investor in a private placement in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act of 1933 and Regulation D promulgated thereunder. The Company used the proceeds from the sale for general corporate purposes.

8 LEGAL PROCEEDINGS

(a) On August 22, 2011, Janel's former chief financial officer filed a civil suit in the United States District Court for the Eastern District of New York (Case No. CV-114041), against defendants Janel World Trade, Ltd., James N. Jannello, the Chief Executive Officer of the Company, and Stephen Cesarski, the former president of the Company. The complaint alleges among other things, discrimination and harassment.

On January 11, 2012 the Company entered into a settlement agreement and settled the lawsuit for $250,000. The settlement requires payments to be made on January 15, 2012, March 31, 2012, June 30, 2012 and September 30, 2012 in the amount of $50,000, $60,000, $60,000 and $80,000, respectively. To date, $110,000 has been paid. The settlement amount was fully reserved for at fiscal year ended September 30, 2011.

(b) Janel is occasionally subject to claims and lawsuits which typically arise in the normal course of business. While the outcome of these claims cannot be predicted with certainty, management does not believe that the outcome of any of these legal matters will have a material adverse effect on the Company's financial position or results of operations.

9 SUBSEQUENT EVENTS

The Company has reviewed its subsequent events through the date the financial statements were issued and has determined, other than below, that no additional material subsequent events have occurred through such date.

On May 1, 2012, the Company borrowed an additional $300,000 from its revolving line of credit with Community National Bank. Refer to page 14 "Community National Bank Borrowing Facility" for a description of the borrowing facility.

Also on May 1, 2012, as a result of the continuing losses in the food segment, the Company's Board of Directors determined that it is in the Company's best interests to divest the food segment and to refocus the Company's growth strategy on the transportation logistics business segment.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used throughout this Report, "we," "our," "Janel", "the Company" and similar words refers to Janel World Trade, Ltd.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain forward-looking statements reflecting our current expectations with respect to our operations, performance, financial condition, and other developments. These forward-looking statements may generally be identified by the use of the words "may", "will", "believes", "should", "expects", "anticipates", "estimates", and similar expressions. These statements are necessarily estimates reflecting management's best judgment based upon current information and involve a number of risks and uncertainties. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made, and readers are advised that various factors could affect our financial performance and could cause our actual results for future periods to differ materially from those anticipated or projected. While it is impossible to identify all such factors, such factors include, but are not limited to, those risks identified in our periodic reports filed with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K.

OVERVIEW

Janel operates its business as two reportable segments. Primarily we are a non-asset based third party logistics services company, engaged in full-service cargo transportation logistics management, including freight forwarding – via air, ocean and land-based carriers, customs brokerage services, and warehousing and distribution services. Our second, smaller segment, which we started during April 2011, is comprised of vertical sales and supply chain services primarily in the food industry and includes supplier selection, manufacturing, transportation, import, distribution, marketing and sales within the food industry. During our 2011 fiscal year we discontinued our computer software sales, support and maintenance business segment.

Our headquarters are in Jamaica, New York and we operate through a network which includes 5 company-owned offices in the United States and independent international agents in approximately 52 countries around the world.

As a non-asset based third party logistics provider, we do not own any transportation assets and fulfill our transportation needs by purchasing transportation services from direct (asset-based) carriers and from other transportation providers who generally provide us with favorable rates with priority handling of our shipments. By consolidating multiple shipments from our customers we are able to negotiate favorable pricing from these transportation providers and can offer lower rates to our customers than they could obtain on their own. This non-asset based approach provides us with a variable cost structure and allows for a high level of operating flexibility. Our investment in assets is limited to the purchase of office, warehouse and computer equipment and the leasing of office and warehouse space for our company owned offices.

Our new food sales segment is asset based as products are purchased from suppliers and held in inventory for the sale of the products at a future date. When selling to supermarket chains, the Company is required to prepay fees (commonly referred to as "slotting fees") for positioning of retail store shelf space. Slotting fees are accounted for as a direct reduction to revenue when paid.

Historically, Janel's quarterly operating results have been subject to seasonal trends. The fiscal first quarter has traditionally been the weakest and the fiscal third and fourth quarters have traditionally been the strongest. This pattern has been the result of, or influenced by, numerous factors including climate, national holidays, consumer demand, economic conditions and other similar and subtle forces. This historical seasonality has also been influenced by the growth and diversification of Janel's international network and service offerings.

A significant portion of Janel's revenues are derived from customers in industries with shipping patterns closely tied to consumer demand and from customers with shipping patterns dependent upon just-in-time production schedules. Many of Janel's customers may ship a significant portion of their goods at or near the end of a quarter. Therefore, the timing of Janel's revenues are, to a large degree, affected by factors beyond the Company's control, such as shifting consumer demand for retail goods and manufacturing production delays. The Company cannot accurately forecast many of these factors, nor can it estimate the relative impact of any particular factor and, as a result, there is no assurance that historical patterns will continue in the future.

RESULTS OF OPERATIONS

The following discussion and analysis addresses the results of operations for the three and six months ended March 31, 2012, as compared to the results of operations for the three and six months ended March 31, 2011. The discussion and analysis then addresses the liquidity and financial condition of the Company, and other matters.

Three months ended March 31, 2012 and 2011

Revenue. Total revenue for the three months ended March 31, 2012 was $22,268,568, as compared to $22,721,645 for the same period of fiscal 2011, a decrease of $453,077 (or 2.0%). For the three months ended March 31, 2012, revenue from the new food industry segment (which commenced in April 2011) was $177,467 (after a reduction from revenue of $28,000 for the payment of slotting fees – see above). When compared to the prior year, the Company's transportation logistics segment revenue decreased by 2.8% to $22,091,101 for the three months ended March 31, 2012, from $22,721,645 for the same period of 2011. This decrease is mainly the result of lower ocean freight shipping activity by our top two customers for the three months ended March 31, 2012 when compared to the prior year applicable period.

Cost of Sales. Cost of sales within the transportation logistics segment is primarily comprised of the fees paid by Janel directly to cargo carriers to handle and transport its actual freight shipments on behalf of its customers between initial and final terminal points, and includes any duties, trucking and warehousing charges related to the shipments. Cost of sales within the food industry segment is primarily comprised of the cost associated with the purchase of product from suppliers and includes all freight costs incurred to move the product from the suppliers to our warehouse for inventory staging.

For the three months ended March 31, 2012, total cost of sales decreased by $286,842 (or 1.4%) to $20,077,801, as compared to $20,364,643 for the same period of 2011. As a percentage of revenue, total cost of sales increased to 90.2% for the three months ended March 31, 2012, from 89.6% for the same period of 2011, an 0.6 percentage point increase. When compared to the prior year, the Company's transportation logistics segment cost of sales decreased by $514,122 (or 2.5%) to $19,850,521 from $20,364,643 for the same period of 2011, and as a percentage of revenue increased to 89.9% compared to 89.6% for the same period of 2011, a 0.3 percentage point increase. The changes are primarily a result of the decrease in revenue for the three months ended March 31, 2012 as compared to the prior year applicable period. Cost of sales within the food industry segment (which commenced in April 2011) were $233,280 for the three months ended March 31, 2012, while there were no such costs for the prior year applicable period.

Selling, General and Administrative Expense. For the three months ended March 31, 2012 and 2011, selling, general and administrative expenses were $2,704,997 (12.2% of revenue), and $2,419,085 (10.7% of revenue), respectively. This represents a year-over-year increase of $285,912, or 11.8%. The increases in amount and as a percentage of revenue are primarily the result of the selling, general and administrative expenses associated with the food industry segment (which commenced in April 2011) of approximately $152,014 for the three months ended March 31, 2012, while there were no such expenses for the prior year applicable period.

Depreciation and Amortization. For the three months ended March 31, 2012 and 2011, depreciation and amortization expenses were $104,610 and $80,880, respectively. This represents a year over year increase of $23,730, or 29.3%, and is mainly the result of the depreciation expenses associated with the new 15,000 square foot walk/drive-in freezer installed in our New Jersey warehouse for our traditional freight forwarding and logistics business segment.

Interest Expense. For the three months ended March 31, 2012 and 2011, interest expense was $44,050 and $25,742, respectively. This $18,308 increase is primarily the result of a higher interest rate and increased borrowings under our revolving line of credit with Community National Bank during the three months ended March 31, 2012 versus the same period of 2011.

Loss From Continuing Operations Before Taxes. For the reasons stated above, the Company incurred a loss before taxes from continuing operations of ($662,446) for the three months ended March 31, 2012, as compared to a loss before taxes from continuing operations of ($167,771) for the same period of 2011.

Income Taxes. The company recorded a net income tax benefit of ($264,615) and ($74,939) for the three months ended March 31, 2012 and 2011, respectively. Both fiscal periods reflect the U.S. federal statutory rate and applicable state income taxes.

Net Loss. For the three months ended March 31, 2012 and 2011 there was a net loss of ($397,831) and ($140,271), respectively. Net loss available to common shareholders for the three months ended March 31, 2012 and 2011 was ($401,581) or ($0.02) per diluted share and ($144,021) or ($0.01) per diluted share, respectively.

Six months ended March 31, 2012 and 2011

Revenue. Total revenue for the six months ended March 31, 2012 was $45,853,700, as compared to $49,155,639 for the same period of fiscal 2011, a decrease of $3,301,939 (or 6.7%). For the six months ended March 31, 2012, revenue from the new food industry segment (which commenced in April 2011) was $413,464 (after a reduction from revenue of $218,900 for the payment of slotting fees – see above). When compared to the prior year, the Company's transportation logistics segment revenue decreased by 7.6% to $45,440,236 for the six months ended March 31, 2012, from $49,155,639 for the same period of 2011. This decrease is mainly the result of lower ocean freight shipping activity by our top two customers for the six months ended March 31, 2012 when compared to the prior year applicable period.

Cost of Sales. Cost of sales within the transportation logistics segment is primarily comprised of the fees paid by Janel directly to cargo carriers to handle and transport its actual freight shipments on behalf of its customers between initial and final terminal points, and includes any duties, trucking and warehousing charges related to the shipments. Cost of sales within the food industry segment is primarily comprised of the cost associated with the purchase of product from suppliers and includes all freight costs incurred to move the product from the suppliers to our warehouse for inventory staging.

For the six months ended March 31, 2012, total cost of sales decreased by $2,875,345 (or 6.5%) to $41,323,335, as compared to $44,198,680 for the same period of 2011. As a percentage of revenue, total cost of sales increased to 90.1% for the six months ended March 31, 2012, from 89.9% for the same period of 2011, a 0.2 percentage point increase. When compared to the prior year, the Company's transportation logistics segment cost of sales decreased by $3,409,803 (or 7.7%) to $40,788,877 from $44,198,680 for the same period of 2011, and as a percentage of revenue decreased to 89.8% compared to 89.9% for the same period of 2011, a 0.1 percentage point decrease. The decrease is primarily a result of the decrease in revenue for the six months ended March 31, 2012 as compared to the prior year applicable period. Cost of sales within the food industry segment (which commenced in April 2011) were $534,458 for the six months ended March 31, 2012, while there were no such costs for the prior year applicable period.

Selling, General and Administrative Expense. For the six months ended March 31, 2012 and 2011, selling, general and administrative expenses were $5,341,143 (11.7% of revenue), and $4,844,629 (9.9% of revenue), respectively. This represents a year-over-year increase of $496,514, or 10.3%. The increases in amount and as a percentage of revenue are primarily the result of the selling, general and administrative expenses associated with the food industry segment (which commenced in April 2011) of approximately $307,054 for the six months ended March 31, 2012, while there were no such expenses for the prior year applicable period.

Depreciation and Amortization. For the six months ended March 31, 2012 and 2011, depreciation and amortization expenses were $184,541 and $160,022, respectively. This represents a year over year increase of $24,519, or 15.3%, and is mainly the result of the depreciation expenses associated with the new 15,000 square foot walk/drive-in freezer installed in our New Jersey warehouse for our traditional freight forwarding and logistics business segment.

Interest Expense. For the six months ended March 31, 2012 and 2011, interest expense was $83,683 and $72,785, respectively. This $10,898 increase is primarily the result of a higher interest rate and increased borrowings under our revolving line of credit with Community National Bank during the six months ended March 31, 2012 versus the same period of 2011.

Loss From Continuing Operations Before Taxes. For the reasons stated above, the Company incurred a loss before taxes from continuing operations of ($1,077,358) for the six months ended March 31, 2012, as compared to a loss before taxes from continuing operations of ($118,290) for the same period of 2011.

Income Taxes. The company recorded a net income tax benefit of ($432,615) and ($47,580) for the six months ended March 31, 2012 and 2011, respectively. Both fiscal periods reflect the U.S. federal statutory rate and applicable state income taxes.

Net Loss. For the six months ended March 31, 2012 and 2011 there was a net loss of ($644,743) and ($131,701), respectively. Net loss available to common shareholders for the three months ended March 31, 2012 and 2011 was ($652,243) or ($0.03) per diluted share and ($139,201) or ($0.01) per diluted share, respectively.

LIQUIDITY AND CAPITAL RESOURCES

General. Our ability to satisfy our liquidity requirements, which include satisfying our debt obligations and funding working capital, day-to-day operating expenses and capital expenditures depends upon our future performance, which is subject to general economic conditions, competition and other factors, some of which are beyond our control. If we achieve significant near-term revenue growth, we may experience a need for increased working capital financing as a result of the difference between our collection cycles and the timing of our payments to vendors. In addition, our food industry segment will require working capital for the purchase of products from suppliers to be held in inventory for the sale of the products at a future date and for the prepayment of slotting fees for positioning of retail store shelf space. Within our transportation logistics segment, generally we do not have a need for significant capital expenditure as we are a non-asset based freight forwarder.

Janel's cash flow performance for the six months ended March 31, 2012 fiscal is not necessarily indicative of future cash flow performance.

As of March 31, 2012, and compared with the prior fiscal year applicable period, the Company's cash and cash equivalents declined by $493,294, or 67.4%, to $238,931 from $732,225, respectively. During the six months ended March 31, 2012, Janel's net working capital (current assets minus current liabilities) decreased by $790,656, or 110.6%, from $714,716 at September 30, 2011, to a negative ($75,940) at March 31, 2012. This decrease is due to the net loss of ($644,743) for the six months ended March 31, 2012 and capital expenditures of $127,899 for the period.

Cash flows from continuing operating activities. Net cash used in continuing operating activities was ($628,562) for the six months ended March 31, 2012, compared to net cash provided by continuing operating activities of $39,022 for the six months ended March 31, 2011. The change was principally driven by a decrease in payments of outstanding accounts receivable, the net loss for the six months ended March 31, 2012, the purchase of inventory for the new food industry segment, an increase in security deposits, and a change in the deferred tax asset, which were partially offset by a decrease in payments of outstanding accounts payable and a decrease in prepaid expenses.

Cash flows from discontinued operating activities. There was no net cash used in discontinued operating activities for the six months ended March 31, 2012, compared to net cash used in discontinued operating activities of ($52,822) for the six months ended March 31, 2012.

Cash flows from investing activities. Net cash used for investing activities, primarily capital expenditures for property and equipment, were $128,144 and $48,886 for the six months ended March 31, 2012 and 2011, respectively.

Cash flows from financing activities. Net cash provided by financing activities was $490,808 for the six months ended March 31, 2012, compared to net cash used in financing activities of ($560,001) for the six months ended March 31, 2011. The cash provided by financing activities for the six months ended March 31, 2012, consisted primarily of an increase in the amount of $350,000 in borrowings under our bank line of credit, the sale on October 14, 2011 of 750,000 shares of the Company's common stock for $150,000 and the repayment of a loan receivable for $47,899. Net cash used in financing activities for the six months ended March 31, 2011 primarily consisted of the early repayment on October 4, 2010 of the $435,000 non-interest bearing note payable due under the July 2008 FIL asset purchase acquisition (refer to Note 2(B) of our consolidated audited financial statements included in the Company's Form 10-K for the fiscal year ended September 30, 2011), the purchase of treasury stock for $37,625 and the repayment of long-term debt in the amount of $83,333.

Community National Bank Borrowing Facility. On August 3, 2010, the Company's Janel Group of New York, Inc. ("Janel New York") subsidiary entered into a one year $3.5 million revolving line of credit agreement with Community National Bank ("CNB"). The new credit facility (the "CNB Facility") replaces Janel New York's previous term loan agreement with JPMorgan Chase Bank. The interest rate of the CNB Facility was the prime rate plus 1%, with a minimum rate of 5%. Under the CNB Facility, Janel New York may borrow up to $3.5 million limited to 80% of the Company's aggregate outstanding eligible accounts receivable. On August 3, 2010, $951,190 of the CNB Facility was used to pay off the outstanding balances under the term loan with JPMorgan Chase Bank. While the CNB Facility was initially for a one year term expiring on July 31, 2011, on August 1, 2011 the CNB Facility was renewed for an additional one year term. Obligations under the CNB Facility are secured by all of the assets of the Company, are guaranteed by the Company, and were originally guaranteed by James N. Jannello, the Company's Chief Executive Officer. Effective November 1, 2011, the terms of the CNB Facility were amended to release James N. Jannello from his personal guarantee of the Company's obligations to CNB, to increase the minimum interest rate from 5.0% per annum to 7.0% per annum, and an unused line fee equal to one-half of one percent per annum was instituted. All other terms of the CNB Facility remained unchanged. As of March 31, 2012, there were outstanding borrowings of $1,301,335 under the CNB Facility (which represented 59.8% of the amount available thereunder) out of a total amount available for borrowing under the CNB Facility of approximately $2,177,884.

Community National Bank Term Loan. On April 5, 2011 Janel New York entered into a term loan in the amount of $400,000 with CNB ("CNB Term Loan"). The interest rate of the CNB Term Loan is 6%. The CNB Term Loan is for a five year term, expiring April 5, 2016, with monthly installment payments of principal and interest totaling $7,735. Obligations under the CNB Term Loan are secured by all of the assets of the Company, and are guaranteed by the Company and until November 2, 2011 (see above) by James N. Jannello, the Company's Chief Executive Officer. The borrowings under the CNB Term Loan were used to construct a 15,000 square foot walk/drive-in freezer in our New Jersey warehouse for our traditional freight forwarding and logistics business segment.

Working Capital Requirements. The Company's cash needs are currently met by the CNB Facility and cash on hand. As of March 31, 2012, the Company had $876,549 available under its $3.5 million CNB Facility and $238,931 in cash from operations and cash on hand**.** On May 1, 2012, subsequent to the period covered by this report, we borrowed an additional $300,000 from our CNB Facility. We believe that our current financial resources will be sufficient to finance our operations and obligations (current and long-term liabilities) for the short term and are actively pursuing additional investment capital for the long term. However, our actual working capital needs for the short and long terms will depend upon numerous factors, including our operating results, the availability of a revolving line of credit, competition, and the cost associated with growing the Company either internally or through acquisition, none of which can be predicted with certainty.

CURRENT OUTLOOK

Our results of operations are affected by the general economic cycle, particularly as it influences global trade levels and specifically the import and export activities of Janel's various current and prospective customers. Historically, the Company's quarterly results of operations have been subject to seasonal trends which have been the result of, or influenced by, numerous factors including climate, national holidays, consumer demand, economic conditions, the growth and diversification of its international network and service offerings, and other similar and subtle forces. We cannot accurately forecast many of these factors nor can we estimate accurately the relative influence of any particular factor and, as a result, there can be no assurance that historical patterns, if any, will continue in future periods.

Our new food segment continues to incur losses and the Company's Board of Directors has determined that it is in the Company's best interests to divest the food segment and refocus our growth strategy on our transportation logistics business.

Janel is progressing with the implementation of its business plan and strategy to grow its revenue and profitability for fiscal 2012 and beyond through several avenues. During the quarter ended March 31, 2012, we placed in service a new 15,000 square foot walk/drive-in freezer in our New Jersey warehouse to compliment our traditional freight forwarding and logistics business, and we have realized expanded warehouse revenue with higher gross profit margins from this new service. The Company's strategy for further growth includes plans to: open, as warranted, additional branch offices domestically and/or outside the continental United States; introduce additional revenue streams for its existing headquarters and branch locations; expand its existing sales force by hiring additional commission-only sales representatives with established customer bases; increase its focus on growing revenue related to export activities; evaluate direct entry into the trucking and warehouse distribution business as a complement to the services already provided to existing customers; seek out and pursue privately held transportation-related firms which may ultimately lead to their acquisition by the Company; and continue its focus on containing current and prospective overhead and operating expenses, particularly with regard to the efficient integration of any additional offices or acquisitions.

Certain elements of our growth strategy, principally candidates for acquisition are contingent upon the availability of adequate financing on terms acceptable to the Company. We are continuing our efforts to secure long-term financing, but to date have been unable to complete any such long-term financing transactions at terms we deem acceptable, and we cannot presently anticipate when or if financing on acceptable terms will become available. We are also seeking to raise additional investment capital in order to implement our growth strategy. There can be no assurance that we will be successful in raising additional capital on terms acceptable to us. Therefore, the implementation of significant aspects of our strategic growth plan may be delayed.

Accordingly, our two key milestones in the short term are (i) the sale or divestiture of our food segment which to date continues to incur losses, and (ii) the successful raise of additional investment capital in order to grow our transportation logistics segment.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes. Since future events and their effects cannot be determined with absolute certainty, the determination of estimates requires the exercise of judgment. Actual results could differ from those estimates, and such difference may be material to the financial statements. The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources, primarily allowance for doubtful accounts, accruals for transportation and other direct costs, accruals for cargo insurance, and deferred income taxes. Management bases its estimates on historical experience and on various assumptions which are believed to be reasonable under the circumstances. We reevaluate these significant factors as facts and circumstances change. Historically, actual results have not differed significantly from our estimates. These accounting policies are more fully described in Note 1 of the Notes to the Consolidated Financial Statements.

Management believes that the nature of the Company's business is such that there are few, if any, complex challenges in accounting for operations. Revenue recognition is considered the critical accounting policy due to the complexity of arranging and managing global logistics and supply-chain management transactions.

Revenue Recognition

A. Full-Service Cargo Transportation Logistics Management

Revenues are derived from airfreight, ocean freight and custom brokerage services. The Company is a non-asset-based carrier and accordingly does not own transportation assets. The Company generates the major portion of its air and ocean freight revenues by purchasing transportation services from direct carriers (airlines, steam ship lines, etc.) and reselling those services to its customers. By consolidating shipments from multiple customers and availing itself of its buying power, the Company is able to negotiate favorable rates from the direct carriers, while offering to its customers lower rates than the customers could obtain themselves.

Airfreight revenues include the charges for carrying the shipments when the Company acts as a freight consolidator. Ocean freight revenues include the charges for carrying the shipments when the Company acts as a Non-Vessel Operating Common Carrier (NVOCC). In each case, the Company is acting as an indirect carrier. When acting as an indirect carrier, the Company will issue a House Airway Bill (HAWB) or a House Ocean Bill of Lading (HOBL) to customers as the contract of carriage. In turn, when the freight is physically tendered to a direct carrier, the Company receives a contract of carriage known as a Master Airway Bill for airfreight shipments and a Master Ocean Bill of Lading for ocean shipments. At this point the risk of loss passes to the carrier, however, in order to claim for any such loss, the customer is first obligated to pay the freight charges.

Based upon the terms in the contract of carriage, revenues related to shipments where the Company issues a HAWB or a HOBL are recognized at the time the freight is tendered to the direct carrier. Costs related to the shipments are recognized at the same time.

Revenues realized when the Company acts as an agent for the shipper and does not issue a HAWB or a HOBL include only the commission and fees earned for the services performed. These revenues are recognized upon completion of the services.

Customs brokerage and other services involves provide multiple services at destination including clearing shipments through customs by preparing required documentation, calculating and providing for payment of duties and other charges on behalf of the customers, arranging for any required inspections, and arranging for final delivery. These revenues are recognized upon completion of the services.

The movement of freight may require multiple services. In most instances the Company may perform multiple services including destination break bulk and value added services such as local transportation, distribution services and logistics management. Each of these services has separate fee that is recognized as revenue upon completion of the service.

Customers will frequently request an all-inclusive rate for a set of services that is known in the industry as “door-to-door services.” In these cases, the customer is billed a single rate for all services from pickup at origin to delivery. The allocation of revenue and expense among the components of services when provided under an all inclusive rate are done in an objective manner on a fair value basis in accordance with Emerging Issues Task Force (EITF) 00-21, “Revenue Arrangements with Multiple Deliverables.”

B. Food Sales

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery of products has occurred, the sales price is fixed or determinable, and collectability is reasonably assured. This generally means that we recognize revenue when title to our products is transferred to our customers. Title usually transfers upon shipment to or receipt at our customer’s locations, as determined by the specific sales terms of each transaction.

When selling to supermarket chains, the Company is required to prepay fees (commonly referred to as slotting fees) for positioning of retail store shelf space. These fees are charged as a reduction to revenue when paid.

Our customers can earn certain incentives, which are included as deductions from revenue in the consolidated statements of operations. To date, these incentives include, but are not limited to, cash discounts for early payment of our invoices.

Estimates

While judgments and estimates are a necessary component of any system of accounting, the Company’s material estimates are limited primarily to the following areas:

a. accounts receivable valuation;
b. the useful lives of long-term assets;
c. the accrual of costs related to ancillary services the Company provides; and
d. accrual of tax expense on an interim basis.

Management believes that the methods utilized in all of these areas are non-aggressive in approach and consistent in application. Management believes that there are limited, if any, alternative accounting principles or methods which could be applied to the Company’s transactions. While the use of estimates means that actual future results may be different from those contemplated by the estimates, the Company believes that alternative principles and methods used for making such estimates would not produce materially different results than those reported.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain a system of disclosure controls and procedures that is designed to provide reasonable assurance that information, which is required to be disclosed by us in the reports that we file or submit under the Securities and Exchange Act of 1934, as amended (“Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and is accumulated and communicated to management in a timely manner. Our Chief Executive Officer, Chief Operating Officer and Chief Financial Officer have evaluated this system of disclosure controls and procedures as of the end of the period covered by this quarterly report, and have concluded that the system is effective. There have been no changes in our internal control over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

As previously reported, on August 22, 2011, Janel's former chief financial officer filed a civil suit in the United States District Court for the Eastern District of New York (Case No. CV-114041), against defendants Janel World Trade, Ltd., James N. Jannello, the Chief Executive Officer of the Company, and Stephen Cesarski, the former president of the Company. The complaint alleges among other things, discrimination and harassment. On January 11, 2012 the Company entered into a settlement agreement and settled the lawsuit for $250,000. The settlement requires payments to be made on January 15, 2012, March 31, 2012, June 30, 2012 and September 30, 2012 in the amount of $50,000, $60,000, $60,000 and $80,000, respectively. To date, $110,000 has been paid. The settlement amount was fully reserved for at fiscal year ended September 30, 2011.

ITEM 6. EXHIBITS

Exhibit No.	
3.1	Articles of Incorporation of Wine Systems Design, Inc. (predecessor name) (incorporated by reference to Exhibit 3A to Wine Systems Design, Inc. (predecessor name) Registration Statement on Form SB-2 filed May 10, 2001, File No. 333-60608)
3.2	Restated and Amended By-Laws of Janel World Trade, Ltd. (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended September 30, 2010, File No. 333-60608)
3.3	Certificate of Designation of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed January 17, 2007 File No. 333-60608)
3.4	Certificate of Designations of Series B Convertible Stock (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed October 22, 2007, File No. 333-60608)
10.1	Janel Stock Option Incentive Plan adopted December 12, 2002 (incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended September 30, 2002, File No. 333-60608)
10.2	Asset Purchase Agreement between Janel World Trade, Ltd. and Ferrara International Logistics, Inc. dated October 4, 2010 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 8, 2010, File No. 333-60608)
10.3	Sales Agency and Service Agreement between Janel World Trade, Ltd. and Ferrara International Logistics, Inc. entered into May 19, 2008 (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed May 22, 2008, File No. 333-60608)
10.4	Revised Promissory Note dated November 1, 2011, made by Registrant's subsidiary, The Janel Group of New York, Inc., payable to Community National Bank, and Revised Business Loan Agreement dated November 1, 2011 between Registrant's subsidiary, The Janel Group of New York, Inc., and Community National Bank (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed November 7, 2011, File No. 333-60608)
10.5	Commercial Guaranty dated August 2, 2010 made by Registrant with respect to the obligation of Registrant's subsidiary, The Janel Group of New York, Inc., to Community National Bank (incorporated by reference to Exhibit 10.6 to the Company's Annual Report on Form 10-K for the year ended September 30, 2010, File No. 333-60608)
10.6	Commercial Security Agreement dated August 2, 2010 made by Registrant for the benefit of Community National Bank, securing Registrant's obligations under its guaranty of the obligation of Registrant's subsidiary, The Janel Group of New York, Inc., to Community National Bank (incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended September 30, 2010, File No. 333-60608)
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Operating Officer
31.3	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
32.1	Section 1350 Certifications
99.1	Press release dated May 15, 2012
101	Interactive data files providing financial information from the Registrant's Quarterly Report on Form 10-Q for the quarter ended December 31, 2011 in XBRL (eXtensible Business Reporting Language) pursuant to Rule 405 of Regulation S-T: (i) Consolidated Balance Sheets, March 31, 2012 and September 30, 2011, (ii) Consolidated Statements of Income for the three and six months ended March 31, 2012 and 2011, (iii) Consolidated Statements of Cash Flows for the six months ended March 31, 2012 and 2011, and (v) Notes to Unaudited Consolidated Financial Statements

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: May 15, 2012

JANEL WORLD TRADE, LTD.
Registrant

/s/ James N. Jannello
Executive Vice President and Chief Executive Officer (Principal Executive Officer)

/s/ Philip J. Dubato
Executive Vice President of Finance and Chief Financial Officer (Principal Financial Officer)

Exhibit 31.1

CERTIFICATION

I, James N. Jannello, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Janel World Trade, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of Registrant’s board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: May 15, 2012

/s/ James N. Jannello
Chief Executive Officer (Principal
Executive Officer)

Exhibit 31.2

CERTIFICATION

I, William J. Lally, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Janel World Trade, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 15, 2012

/s/ William J. Lally
Chief Operating Officer (Principal
Executive Officer)

Exhibit 31.3

CERTIFICATION

I, Philip J. Dubato, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Janel World Trade, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 15, 2012

/s/ Philip J. Dubato
Chief Financial Officer (Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION
PURSUANT TO 18 U.S.C. §1350

In connection with the report on Form 10-Q of Janel World Trade, Ltd. for the quarter ended March 31, 2012, as filed with the SEC on the date hereof (the “Report”), each of the undersigned officers of the registrant certifies pursuant to 18 U.S.C. Section 1350 that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Dated: May 15, 2012

/s/ James N. Jannello
James N. Jannello
Executive Vice President and Chief Executive Officer (Principal Executive Officer)

/s/ William J. Lally
William J. Lally
President and Chief Operating Officer
(Principal Executive Officer)

/s/ Philip J. Dubato
Philip J. Dubato
Executive Vice President of Finance and Chief Financial Officer (Principal Financial Officer)

Exhibit 99.1

World Trade, Ltd. News Release

For Immediate Release

Contact: Investor Relations at
Janel World Trade
(404) 261-1196
IR_Janelgroup.net

JANEL WORLD TRADE LTD. REPORTS FISCAL SECOND QUARTER 2012 RESULTS

COMPANY TO DISCONTINUE FOOD SEGMENT AND FOCUS ON TRANSPORTATION LOGISTICS

JAMAICA, NY – May 15, 2012 -- Janel World Trade, Ltd. (OTC BB: JLWT), a full-service global provider of integrated transportation logistics, announced today the financial results for its three and six months ending March 31, 2012.

Second Quarter Results

For the three months ending March 31, 2012, Janel reported revenue of $22,268,568 a decrease of $453,077 or down 2.0% compared to the three months ended March 31, 2011.

For the three months ending March 31, 2012, the Company reported a net loss of $(397,831) or $(0.02) per fully diluted share, compared to the prior year reported net loss of $(140,271), or $(0.01) per fully diluted share.

Fiscal Year to Date Six Month Results

For the six months ending March 31, 2012, Janel reported revenue of $45,853,700 a decrease of $3,301,939 or down 6.7% compared to the six months ended March 31, 2011.

For the six months ending March 31, 2012, the Company reported a net loss of $(644,743) or $(0.03) per fully diluted share, compared to the prior year reported net loss of $(131,701), or $(0.01) per fully diluted share.

Review and Outlook

"For the quarter ended March 31, 2012, the results were extremely disappointing" said James N. Jannello, Executive Vice President and Chief Executive Officer. "We experienced weaker than expected freight volumes from our customers within our transportation logistics segment when compared to the prior year, resulting in a $417,012 operating loss for the three months in this segment. And within our food industry segment we incurred a $201,828 operating loss primarily due to the sale of inventory at a discount in order to reduce inventory levels and the ongoing operating expenses."

Jannello continued, “The Company expanded into the food segment which offered higher gross profit margins after significant investment at the same time that the logistics industry as a whole was weakening. We have made the strategic decision to cut our operating losses in the food segment which would have continued to require more capital investment in order to focus all of management’s attention on our core transportation and logistics segment. On a positive note, one of the areas within the transportation logistics segment that is contributing positively to our results is the investment we made last year to build the 15,000 square foot drive-in freezer in our New Jersey operation where we have attracted new warehouse revenue with higher gross profit margins. Looking ahead, and in the short term, we are seeking to raise additional capital in order to grow the transportation logistics segment to profitability.”

Jannello concluded, “We are focused on the above short term efforts of returning our core transportation logistics segment to profitability, raising additional capital to grow this core segment, and divesting ourselves of the food segment that negatively impacted our results.”

To be included in Janel’s database for Corporate Press Releases and industry updates, investors are invited to send their e-mail address to: **IRInfo@janelgroup.net**.

About Janel World Trade, Ltd.

Janel World Trade, Ltd. is a global provider of integrated logistics; including domestic and international freight forwarding via multi-modal carriers, leading-edge, end-to-end, supply-chain technology, customs brokerage, warehousing and distribution, and other transportation-related services; and a provider of vertically integrated supply chain services in the food industry. With offices throughout the U.S. (New York, Chicago, Los Angeles, and Atlanta) and a network of independent international agents in approximately 52 countries, the Company provides the comprehensive logistics services and technology necessary to handle its customers' shipping needs throughout the world. Cargo can be transported via air, sea or land, and Janel's national network of locations can manage the shipment and/or receipt of cargo into or out of any location in the United States. Janel is registered as an Ocean Transportation Intermediary and licensed as a FMC Licensed Freight Forwarder by the Federal Maritime Commission.

Janel World Trade, Ltd.'s headquarters is located in Jamaica, New York, adjacent to the JFK International Airport, and its common stock is listed on the OTC Bulletin Board under the symbol "JLWT". Additional information on the Company is available on its website at http://www.janelgroup.net

Forward-Looking Statements

This press release includes statements that may constitute "forward-looking" statements, usually containing the words "believe," "estimate," "project," "intend," "expect" or similar expressions. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, the Company's dependence upon conditions in the air, ocean and land-based freight forwarding industry, the size and resources of many competitors, the need for the Company to effectively integrate acquired businesses and to successfully deliver its primary services, and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission, including its most recent Form 8-K, Form 10-Q and Form 10-K filings. By making these forward-looking statements, the Company undertakes no obligation to update these statements for revisions or changes after the date of this release.

Contact:
Investor Relations
Janel World Trade
(404) 261-1196
IR_Janelgroup.net

JANEL WORLD TRADE LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED March 31,		SIX MONTHS ENDED March 31,	
	2012 (unaudited)	2011 (unaudited)	2012 (unaudited)	2011 (unaudited)
REVENUES	$ 22,268,568	$ 22,721,645	$ 45,853,700	$ 49,155,639
COST AND EXPENSES:				
Cost of sales	20,077,801	20,364,643	41,323,335	44,198,680
Selling, general and administrative	2,704,997	2,419,085	5,341,143	4,844,629
Depreciation and amortization	104,610	80,880	184,541	160,022
TOTAL COSTS AND EXPENSES	22,887,408	22,864,608	46,849,019	49,203,331
LOSS FROM OPERATIONS	(618,840)	(142,963)	(995,319)	(47,692)
OTHER ITEMS:				
Interest and dividend income	444	934	1,644	2,187
Interest expense	(44,050)	(25,742)	(83,683)	(72,785)
TOTAL OTHER ITEMS	(43,606)	(24,808)	(82,039)	(70,598)
LOSS BEFORE INCOME TAXES	(662,446)	(167,771)	(1,077,358)	(118,290)
Income taxes (credits)	(264,615)	(74,939)	(432,615)	(47,580)
NET LOSS FROM CONTINUING OPERATIONS	$ (397,831)	$ (92,832)	$ (644,743)	$ (70,710)
Loss from discontinued operations, net of tax	-	(47,439)	-	(60,991)
NET LOSS	$ (397,831)	$ (140,271)	$ (644,743)	$ (131,701)
OTHER COMPREHENSIVE INCOME NET OF TAX:				
Unrealized gain (loss) from available for sale securities	$ 8,857	$ 2,869	$ 12,935	$ 8,429
TOTAL COMPREHENSIVE LOSS	$ (388,974)	$ (137,402)	$ (631,808)	$ (123,272)
Basic earnings (loss) per share:				
Continuing operations	$ (0.02)	$ -	$ (0.03)	$ -
Discontinued operations	$ -	$ -	$ -	$ -
Total	$ (0.02)	$ (0.01)	$ (0.03)	$ (0.01)
Diluted earnings (loss) per share:				
Continuing operations	$ (0.01)	$ -	$ (0.01)	$ -
Discontinued operations	$ -	$ -	$ -	$ -
Total	$ (0.01)	$ -	$ (0.01)	$ -
Basic weighted average number of shares outstanding	21,626,214	20,559,946	21,626,214	20,559,946
Fully diluted weighted average number of shares outstanding	23,261,464	22,993,592	23,261,464	22,993,592

See notes to these consolidated financial statements included in the Company's Form 10-Q

JANEL WORLD TRADE LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 2012 (unaudited)	September 30, 2011 (audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 238,931	$ 504,829
Accounts receivable, net of allowance for doubtful accounts of $281,109 and $289,547, respectively	5,711,767	5,886,255
Inventories	773,448	415,934
Marketable securities	65,532	52,352
Loans receivable - officers	44,928	92,817
Prepaid expenses and sundry current assets	127,207	279,835
Tax refund receivable	148,000	148,000
TOTAL CURRENT ASSETS	**7,109,813**	**7,380,022**
PROPERTY AND EQUIPMENT, NET	**544,735**	**459,850**
OTHER ASSETS:		
Intangible assets, net	3,130,123	3,271,649
Security deposits	170,299	97,299
Deferred income taxes	1,431,003	1,184,003
TOTAL OTHER ASSETS	**4,731,425**	**4,552,951**
TOTAL ASSETS	**$ 12,385,973**	**$ 12,392,823**
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Note payable - bank	$ 1,301,335	$ 951,335
Note payable - other	100,000	100,000
Accounts payable - trade	5,067,290	4,858,344
Accrued expenses and taxes payable	366,043	419,649
Current portion of long-term debt - bank	74,768	86,360
Current portion of long-term debt - related party	276,317	249,618
TOTAL CURRENT LIABILITIES	**7,185,753**	**6,665,306**
LONG-TERM DEBT - BANK	260,635	298,625
LONG-TERM DEBT - RELATED PARTY	826,666	826,666
DEFERRED COMPENSATION	78,568	78,568
TOTAL OTHER LIABILITIES	**1,165,869**	**1,203,859**
STOCKHOLDERS' EQUITY	**4,034,351**	**4,523,658**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 12,385,973**	**$ 12,392,823**

See notes to these consolidated financial statements included in the Company's Form 10-Q