



Consolidated Bakeries Jamaica Limited
Six months ended June 30, 2015
Report to Stockholders



In the first six months of the year we achieved a 15% increase in comprehensive income when compared to the same time period last year; rising to \$16.9 million from \$14.6 million. In this same interval net income from operations increased to \$14.7 million from \$8.9 million and profit from operations increased to \$17.9 million from \$11.2 million.

This quarter does not reflect the seasonal Easter sales as these sales were reflected in our previous quarter. It should be noted that in 2014 Easter sales were reflected in quarter 2 while this year the majority of Easter sales were seen in quarter 1; due to the changing date of the holiday. Furthermore in our efforts to streamline the company we initiated product rationalization this quarter, thus reducing non profitable items thereby contributing to gross profit increases. This initiative slowed sales growth, which we intend to grow in the coming months.

During the second quarter gross profit increased to \$68.4 million compared to \$61.2 million for the same period in 2014. It should also be noted that increased expenses impacted profit from operations. The majority of these expenses can be attributed to our increased marketing activities. We deliberately planned these activities to aggressively reposition our brands against other major players in the market. Our merchandising and promotional teams were expanded to support this new thrust. We believe these expenses are worthwhile for the long term growth of the business.

Cash and cash equivalents included investments with settlement dates less than ninety days. During the quarter additional equipment was ordered. The team is excited about the new equipment as it will increase our capabilities to make innovative new items. For this quarter, \$1.1 million was written off from receivables. This represents amounts we feel are uncollectible at this time.

The company continued its support for the Jamaican Netball Team and other sports groups like the National Water Polo team and we wish them continued success. We believe it is important to invest in our nation's future and to this end the company supported inner city youths via the Tredgar Park Summer Camp.

In the coming months we will continue to focus on rationalization of our products while simultaneously strengthening our speed to market. Without a doubt we expect the market to have increased competitive activity. The Company will respond proactively by focusing on aggressive marketing and distribution to drive our growth.



Anthony V Chang
Managing Director

Consolidated Bakeries (Jamaica) Limited

Financial Statements

For the six months ended 30 June 2015

(Unaudited)

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2015

(Unaudited)

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CONSOLIDATED BAKERIES (JAMAICA) LIMITED
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED 30 JUNE 2015
(Unaudited)

Expressed in whole \$	Notes	Qtr Ended 30-Jun-15	Qtr Ended 30-Jun-14	YTD Ended 30-Jun-15	YTD Ended 30-Jun-14
Revenue		170,147,672	190,646,325	394,917,753	387,234,797
Cost of sales		101,679,880	129,432,722	249,628,710	265,787,608
Gross profit		68,467,792	61,213,603	145,289,043	121,447,189
Other (income)		(1,980,806)	(1,401,284)	(2,766,805)	(2,382,924)
Administrative and Other Expenses		41,464,784	35,174,513	79,826,847	72,044,768
Selling and Distribution Expenses		26,407,321	21,820,983	50,233,730	40,556,458
Profit from operations		2,576,493	5,619,391	17,995,271	11,228,887
Finance costs		1,695,859	1,298,114	3,205,143	2,326,155
Net income		880,634	4,321,277	14,790,128	8,902,732
Other comprehensive income					
Fair value appreciation of available for sale					
Investments		1,961,429	2,973,895	2,186,823	5,769,792
Total comprehensive income		2,842,063	7,295,172	16,976,951	14,672,524
Earnings per share	2f	\$0.004	\$0.019	\$0.066	\$0.040

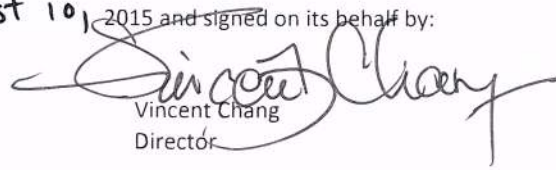
CONSOLIDATED BAKERIES (JAMAICA) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015
(Unaudited)

Expressed in whole \$	Notes	As at 30-Jun-15	As at 30-Jun-14	Audited 31-Dec-14
ASSETS:				
Property, plant and equipment	2d	422,296,578	401,116,152	407,460,355
Current assets:				
Inventories		22,889,257	26,495,018	32,791,618
Accounts Receivable net of allowances		53,847,254	59,653,863	55,962,773
Owed by related parties		22,112,330	21,451,578	24,892,194
Investments		58,757,275	77,962,023	56,888,079
Cash and cash equivalent	2e	62,968,917	33,219,463	50,501,972
Total current assets		220,575,033	218,781,945	221,036,636
Total Assets		642,871,611	619,898,097	628,496,991
EQUITY:				
Share capital		90,726,664	90,726,664	90,726,664
Capital reserve		20,825,532	20,825,532	20,825,532
Revaluation reserves		330,854,047	330,854,047	330,854,047
Accumulated appreciation of available for sale investments		7,796,277	9,066,795	5,609,455
Retained earnings		92,399,738	67,296,377	77,609,609
Total Equity		542,602,258	518,769,415	525,625,307
LIABILITIES:				
Non-Current Liabilities:				
Long term loan		38,580,105	42,072,716	41,280,240
Current Liabilities:				
Current portion of long term loan		15,798,860	14,904,460	16,258,282
Accounts payable and accruals		43,985,152	42,673,922	32,933,445
Bank overdraft		1,905,236	1,477,584	12,399,717
		61,689,248	59,055,966	61,591,444
Total Liabilities		100,269,353	101,128,682	102,871,684
Total Equity and Liabilities		642,871,611	619,898,097	628,496,991

Approved by the Board of Directors on


 Anthony Chang
 Director

August 10, 2015 and signed on its behalf by:


 Vincent Chang
 Director

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

STATEMENT OF CHANGES IN EQUITY

SIX MONTHS ENDED 30 JUNE 2015

(Unaudited)

Expressed in whole \$	Share Capital	Revaluation Reserve	Capital Reserve	Other Comp Income	Retained Earnings	Total
Balance at 1 January 2014	90,726,664	330,854,047	20,825,532	3,297,003	58,393,645	504,096,891
Total Comprehensive Income	-	-	-	5,769,792	8,902,732	14,672,524
Balance at 30 June 2014	90,726,664	330,854,047	20,825,532	9,066,795	67,296,377	518,769,415
Balance at 1 January 2015	90,726,664	330,854,047	20,825,532	5,609,455	77,609,609	525,625,307
Total Comprehensive Income	-	-	-	2,186,823	14,790,128	16,976,951
Balance at 30 June 2015	90,726,664	330,854,047	20,825,532	7,796,278	92,399,737	542,602,258

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

STATEMENT OF CASH FLOW

SIX MONTHS ENDED 30 JUNE 2015

(Unaudited)

Expressed in whole \$	Notes	YTD Ended 30-Jun-15	YTD Ended 30-Jun-14	Audited 31-Dec-14
SOURCES/(USES) OF CASH				
Operating Activities				
Profit for the period		14,790,128	8,902,732	19,215,964
Adjustments for:				
Depreciation		4,898,661	6,723,330	15,926,662
Gain on disposal of plant and equipment				62,970
		19,688,789	15,626,062	35,205,596
Change in working capital				
Inventories		9,902,361	(837,846)	(7,134,446)
Receivables		2,115,519	(7,011,223)	468,086
Related parties		2,779,864	997,667	(2,442,949)
Deposit on Equipment			820,000	(3,788,219)
Payables		11,051,708	16,618,813	6,878,339
Tax			(2,082,077)	(2,082,077)
		45,538,241	24,131,396	27,104,330
Net cash from operating activities				
Investing Activities				
Investments		(1,869,196)	(77,962,023)	(8,336,065)
Plant and equipment		(19,734,884)	(16,787,583)	(31,578,089)
Other comprehensive income		2,186,822	5,769,792	2,312,452
		(19,417,258)	(88,979,814)	(37,601,702)
Net cash from investing activities				
Financing Activities				
Loan		(3,159,557)	(5,585,185)	(5,023,841)
		(3,159,557)	(5,585,185)	(5,023,841)
Net cash from financing activities				
Net cash and cash equivalents		22,961,426	(70,433,603)	(15,521,213)
Net cash and cash equivalents at beginning of year		38,102,255	102,175,482	53,623,468
Net cash and cash equivalents at end of the period		61,063,681	31,741,879	38,102,255
Represented by:				
Cash and cash equivalents		62,968,917	33,219,463	50,501,972
Bank overdraft		(1,905,236)	(1,477,584)	(12,399,717)
Net cash and cash equivalents at end of the period		61,063,680	31,741,879	38,102,255

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2015

(Unaudited)

1. GENERAL INFORMATION

Consolidated Bakeries (Jamaica) Limited (the 'Company') is incorporated under the Jamaican Companies Act and is a subsidiary of Chang Brothers Limited, a Jamaican company incorporated under the Jamaican Companies Act.

The Company had its application to the Junior Stock Exchange approved after its successful public share offer of ordinary shares in December 2012.

The main activities of the Company are the manufacture, wholesale and retail sale of edible baked products.

2. ACCOUNTING POLICIES

(a) Statements of Compliance

These interim financial statements are for the period ended 30 June 2015. These interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the provisions of the Jamaican Companies Act.

(b) Reporting Currency

These financial statements are presented in Jamaican dollars unless otherwise indicated.

(c) Tax Status

Under the Income Tax Act (Jamaica Stock Junior Market Remission Notice 2010), 100% of the Company's income tax liability is relieved for 5 years (2013 to 2018), then 50% for another 5 years, provided the Company remains on the Stock Exchange for a total of 15 years.

(d) Property, Plant and Equipment

All property, plant and equipment are initially recorded at cost. Freehold land and buildings are subsequently shown at market valuation by external independent values, less subsequent depreciation of buildings. All other fixed assets are carried at cost less accumulated depreciation.

Expressed in whole \$	YTD Ended 30-Jun-15	YTD Ended 30-Jun-14	Audited 31-Dec-14
NBV as at January 1	407,460,355	391,871,899	391,871,899
Acquisitions	19,734,884	16,787,583	31,578,089
Disposals net of accumulated depreciation	-	(820,000)	(62,971)
Depreciation charge for the period	(4,898,661)	(6,723,330)	(15,926,662)
NBV as at end of period	<u>422,296,578</u>	<u>401,116,152</u>	<u>407,460,355</u>

CONSOLIDATED BAKERIES (JAMAICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'n)

SIX MONTHS ENDED 30 JUNE 2015

(Unaudited)

2. ACCOUNTING POLICIES (Cont'd)

(e) Cash & Cash Equivalent

Cash & cash equivalent includes investments with settlement date of 90 days or less.

(f) Earnings per Share

Earnings per share have been calculated by dividing the Net Income by the total number of shares at the end of the respective period 222,709,171 (2014 - 222,709,171).

3. SHAREHOLDERS' INFORMATION at 30 June 2015

(a) Top Ten Shareholders

Chang Brothers Limited	136,496,956
Anthony Chang	19,178,330
General Accident Insurance Company Ja. Ltd.	12,000,000
Everton J Smith	3,942,019
P.A.M. Ltd - Pooled Pension Equity Fund	2,481,241
National Supply	2,380,000
David Chang	2,200,000
Crissa Group Ltd	1,648,358
Prakash Vaswani	1,506,000
JMMB Retirement Scheme	1,394,328

(b) Shareholdings of Directors and Senior Managers

Vincent Chang *	-
Anthony Chang *	19,178,330
Nicola Chang Murphy *	89,000
Noel daCosta	800,000
Philmore Ogle	800,000
Keith Collister	800,000
Victor Salazar-Chang	374,200
Thomas Chin	256,636

* Directors are major shareholders in Chang Brothers Limited.