CONSOLIDATED BAKERIES (JAMAICA) LTD

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FOR IMMEDIATE RELEASE

CONSOLIDATED BAKERIES LTD- MANAGEMENT COMMENTS ON AUDITED YEAR END RESULTS, DEC 31, 2015

Kingston, Jamaica…March 17, 2016 –

Management is pleased to report that increased marketing efforts, company reorganization and our decision to strategically focus on products with growth potential have yielded encouraging results.

Our process began in earnest in 2013, resulting in a considerable growth in sales, despite having been met with strong competition. Our activities over the last few years were focused on strengthening our positions and building sustainable growth, which were substantiated by the growth we witnessed of 30% and 9% in 2013 over 2012 and 2014 over 2013, respectively. Continuing the growth incline, in 2015, the company registered an overall growth of 3%, but witnessed double digit growth in some key product areas. Furthermore, during the last quarter of 2015, sales grew by 11% over the same period in 2014.

In the year under review, we decided to centre our attention on market spaces, in which we made gains. In order to effectively execute on such a strategy, we discontinued several products which we deemed to have the least growth potential with the end goal being to maximize our returns, while placing the organization on a more competitive growth path. Furthermore, in certain product categories, the company chose not to respond to certain competitive price discounts and other activities.

The deletion of certain SKUs from our system came with a one-off cost of $21m to revenues. The addition of technical personnel, reorganization of staff and increased sales staff to service our accounts aggressively positioned our brand in the market place, but resulted in additional staff costs. We also doubled our spending on advertising and promotions from $8.5m to $16.8m, which in 2015, was a strategy utilized to strengthen the brand platform for future growth. Additionally, we continued to spend on fleet and trucks, spending $19m on motor vehicles. These additions, plus the cost associated with machinery acquisitions accounted for most of the increased cost for travelling and motor vehicle expenses. Delays in new equipment installation and in the introduction of new products also impacted our revenues and cost of goods sold.

Although profits declined for the above stated reasons, our capital base remains strong with total equity of $533 million as at December 31, 2015. Our current assets exceed our current liabilities by $128 million, or by more than 140%. And our cash and investment position stood at $118 million at the end of 2015. We continued to maintain 38% of those cash and cash equivalents in US currency to hedge against depreciation of the Jamaican dollar, particularly as we continue to roll out more capital expansion. Last year, our capital expenditure totalled $52 million, up from $32 million the year before. Our strong cash position also enables us to easily cover debt payments, such as the $22 million portion of long-term debt due in 2016. Additionally, the company's gross margin improved from 34.2% in 2014 to 35% last year.

March 17, 2016