

Montego Bay Ice Company 1996

DIRECTORS' REPORT

The Directors take pleasure in presenting their Annual Report and Audited Financial Statements for the year ended December 31, 1996. Please find attached a summary of the operations of the Company for the same period.

RESULT OF OPERATIONS

Earnings for the year before Taxes and Dividends for the Company amounted to \$50,553, a decrease from the previous year. The decrease is due to the following:

1. Industrial action taken by staff at the Deans Valley Plant on September 06 lead to the closure of the plant. This resulted in the reduction of sales of approximately three million dollars.
2. Significant increases in the factory wages as a result of the retroactive payments from the union negotiations.
3. The revaluation of the dollar contributed to the loss on our US\$ investments.
4. The removal of cart vendors on the streets has affected our income close to 4.5 million dollars.

Production of Ice in tons was as follows

	1996	1995	Changes
Montego Bay Plant	7,533.15	9,199.80	-1,666.65
Deans Valley Plant	4,559.15	6,118.35	-1,559.20
Total	12,092.30	15,318.15	-3,225.85

CAPITAL EXPENDITURE

The purchase of a condenser and a compressor in April is to assist in increasing the efficiency of the plants.

MONTEGO COLD STORAGE LIMITED

Grace Kennedy has exercised its option to renew its lease for another six years.

There were (9) Directors Meetings during the year with attendance as follows:

Mr. Mark Hart J.P.	Re-appointed June 27, 1996	4
Mr. H. Alvaranga		7
Mr. H.G. Anderson J.P.		3
Mr. K. Armstrong		9
Mr. A. Brennan	Re-appointed June 27, 1996	7
Ms. T. Chin		9
Mr. P. Hart		3
Mr. C. Sinclair O.D. J.P.		2
Mr. R.O. Cooke	Re-appointed June 27, 1996	9
Mr. P. Nassief		-

Messrs KPMG Peat Marwick have indicated their willingness to continue as Auditors.

Your directors wish to place on record their appreciation of the good work of the Management and staff during the year under review.

On behalf of the Board

Mr. Mark Hart, J.P.
Dated June 09, 1997
