

# BERGER PAINTS JAMAICA LIMITED 1998

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## Chairman's Statement

Berger Paints Jamaica Limited continues to achieve positive growth and increase its market share, and I am pleased to report that the Company recorded another profitable year of operation in 1998.

This achievement is especially commendable in light of the continued negative trends in the Jamaican economy, reflected in a decline in the paint market and significantly reduced activity in the construction sector.

The year under review was the most profitable in the history of Berger Jamaica. The Company posted Profit After Tax of J\$50.991 million, which represented an increase of approximately 15.75%, compared to the J\$44 million recorded in 1997. Net Sales of J\$627.4 million reflected a modest 2.2% improvement on the J\$614.1 million achieved in the previous year.

I am pleased to report continued growth in Gross Dividend, which increased from J\$24.7 million in 1997 to J\$25.7 million. Over the years, Berger Jamaica has consistently paid dividends of between 49% and 60% of Profit After Tax; and, in the challenging economic climate which prevailed in 1998, our 14% dividend yield was the best for any company quoted on the Jamaica Stock Exchange.

Towards year-end, the Company's Authorised Capital was increased from J\$53.58 million to J\$71.44 million, and a bonus issue of 35,720,400 shares was completed. Shareholders received 1 bonus share for every 3 shares held at December 18, 1998; and, at the same time, the company saved J\$4.47 million in corporate taxes.

I thank all our shareholders for their unwavering confidence, which has assured the continued growth and success of our organisation.

The financial achievements of Berger Jamaica were complemented with the attainment of ISO 9002 Certification on August 24, 1998. This makes our Company the first and only local paint manufacturer to have its operations endorsed by the International Standards Organization; and the award represents a major step forward as the Company seeks to address the challenges of the liberalised world.

The Management and Staff of Berger Jamaica have played a major role in the Company's success during the past year. I commend them on the commitment and drive which they have displayed in fulfilling our corporate objectives, despite the many challenges which continue to affect the manufacturing sector.

In the year ahead, we will continue to capitalise on growth opportunities in our local and international markets; while at the same time, pursuing a structured product development programme and ongoing improvement in our operations. Human resource development will also remain an integral component of our strategy to maintain cutting-edge performance in the competitive globalised environment.

We are confident that, with the support of employees, business associates, customers and shareholders, Berger Jamaica will further strengthen its reputation as a market leader in paint technology, service and customer satisfaction.

Dato' Abdul Ghani Bin Yusof  
Chairman

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