



Salada

SALADA FOODS JAMAICA LIMITED

UNAUDITED FINANCIAL STATEMENTS TO STOCKHOLDERS

The Directors are pleased to present the unaudited financial statements of the Group for the second quarter ended March 31, 2008.

Profit before tax was \$38.2 million versus \$21.5 million for the same period of 2006/07, a 77.7% increase. The year to date (YTD) was \$56 million compared to \$40.6 million, that is, an increase of 37.9% over the prior year. This significant increase in profit before tax resulted from our recovery from the bottle shortage of the previous reporting period whilst maintaining expenses.

The turnover for the period was \$112 million, a \$28.5 million or 34.1% increase over the prior year's \$83.5 million. The YTD turnover of \$185.1 million was \$25.1 million or 15.7% above the \$160 million at this juncture in the previous year. The Cost of Sales of 54.3% is 5.6% below the 59.9% for the quarter ended March 31, 2007. The YTD is 55.4% as against the 59.1% in the prior corresponding period. There was also an increase in efficiency of production which led to greater yields from certain raw material inputs and the resulting reduction in cost of sales. This resulted in the gross profit for the quarter being \$51.2 million, that is, \$17.7 million or 52.8% greater than the corresponding prior quarter's \$33.5 million. The YTD \$82.5 million is \$17.0 million or 26.0% above that of \$65.5 million for March 2007. When expressed as a percentage of turnover, there was a 5.6% increase in the gross profit margin for the quarter from 40.1% at March 2007 to 45.7% at March 2008. There was, however, a 3.7% increase in the YTD gross profit percentage from 40.9% at March 2007 to 44.6% at March 2008.

Selling & Promotional Expenses of \$4 million were more than the previous comparative period of \$3.1 million. The YTD of \$7.4 million was \$1.7 million over the prior year \$5.7 million. This resulted mainly from expenditure related to marketing, as there was an increase in advertising for special promotions during the second quarter. Administrative Expenses of \$14.7 million increased by \$2.2 million or 17.6% more than the previous year of \$12.5 million. The YTD of \$30.1 million was \$3.4 million or 12.7% above the \$26.7 million expended in the prior year. This increase resulted mainly from inflation. As a percentage of sales these expenses combined were approximately 16.8% compared to 18.8% in the comparative period, an overall decrease of 2.0% for the quarter ended March 31, 2008.

The Group earned interest income of \$4.6 million compared to \$3.3 million in the comparative quarter March 31, 2007. The YTD of \$9.3 million was \$3.6 million or 63.2% greater than the \$5.7 at March 2007. Increased sales and improved collection of receivables resulted in an increased amount of funds invested in money market instruments.

As a result of the foregoing, for the quarter the Group made a pre-tax profit of \$38.2 million compared to \$21.5 million for the previous corresponding period. The YTD of \$56.0 million was \$15.4 million or 37.9% above the \$40.6 million in the prior year. Net profit attributable to stockholders was \$37.3 million for the period ended March 31, 2008 as compared with \$27.1 million for the corresponding prior period. This equates to earnings per stock unit (EPS) of \$2.45 for the quarter ended March 31, 2008 versus \$1.38 for the quarter ended March 31, 2007. The YTD earnings per stock unit was \$3.59 for the period ended March 31, 2008 in contrast to \$2.61 per stock unit for the corresponding prior period, an increase of 37.5%.

SALADA FOODS JAMAICA LIMITED
Group Profit and Loss Account
For 6 months ended March 31, 2008



	THIS QUARTER		YEAR TO DATE	
	Unaudited \$'000	Unaudited \$'000	Unaudited \$'000	Unaudited \$'000
Turnover	Mar-08	Mar-07	Mar-08	Mar-07
Cost of Sales	112,006	83,537	185,125	160,034
Gross Profit	<u>(60,817)</u>	<u>(50,074)</u>	<u>(102,624)</u>	<u>(94,564)</u>
Other Operating Income	51,189	33,463	82,501	65,470
Selling and Promotional Expenses	1,194	3,257	1,736	5,651
Administrative Expenses	(4,054)	(3,125)	(7,423)	(5,673)
Operating Profit	<u>(14,708)</u>	<u>(12,542)</u>	<u>(30,095)</u>	<u>(28,670)</u>
Interest Income	33,621	21,053	46,719	38,778
Profit before Taxation	4,588	422	9,281	1,821
Taxation	<u>38,209</u>	<u>21,475</u>	<u>56,000</u>	<u>40,599</u>
Net Profit Attributable to Stockholders	(12,738)	(7,158)	(18,967)	(13,533)
	<u>25,473</u>	<u>14,317</u>	<u>37,333</u>	<u>27,066</u>
Earnings per stock unit	\$2.45	\$1.38	\$3.59	\$2.61
No. of stock unit issued	10,388,330	10,388,330	10,388,330	10,388,330

SALADA FOODS JAMAICA LIMITED
Group Balance Sheet



	Unaudited 31 Mar 2008	Unaudited 31 Mar 2007	Audited 30 September 2007
	\$'000	\$'000	\$'000
NET CAPITAL EMPLOYED			
FIXED ASSETS	34,716	38,805	35,602
INVESTMENT IN SUBSIDIARIES	-	-	-
DEFERRED TAX ASSET	-	503	-
RETIREMENT BENEFIT ASSET	25,085	20,289	25,085
CURRENT ASSETS			
INVENTORIES	78,590	58,160	54,153
TAXATION RECOVERABLE	-	9,090	-
RECEIVABLES	46,388	36,850	49,988
CASH AND DEPOSITS	166,836	118,983	162,833
TOTAL CURRENT ASSETS	291,814	223,083	286,974
CURRENT LIABILITIES:			
PAYABLES	24,218	22,920	27,222
TAXATION PAYABLE	1,135	9,023	8,565
BANK OVERDRAFT	-	-	138
CURRENT PORTION LONG TERM LOANS	5,354	5,354	5,534
TOTAL CURRENT LIABILITIES	30,707	37,297	41,459
NET CURRENT ASSETS	261,107	185,786	225,515
TOTAL NET ASSETS	<u>320,908</u>	<u>246,383</u>	<u>286,202</u>
REPRESENTED BY			
SHARE CAPITAL	5,194	5,194	5,194
SHARE PREMIUM	88,022	88,022	88,022
CAPITAL RESERVES	16,275	16,275	16,275
RETAINED EARNINGS	221,458	143,024	184,123
	<u>310,947</u>	<u>232,515</u>	<u>273,614</u>
LONG TERM LIABILITIES	4,584	9,901	7,211
DEFERRED TAX LIABILITY	5,377	3,967	5,377
CAPITAL EMPLOYED	<u>320,908</u>	<u>246,383</u>	<u>286,202</u>

Approved for issue by the Board of Directors and signed on its behalf by:

Chairman

John Bell

Director

Jeffrey Cobham

SALADA FOODS JAMAICA LIMITED
Group Statement of Changes in Equity
For 6 months ended 31 March, 2008



	No. of Shares	Share Capital	Share Premium	Capital Reserve	Retained Earnings	Total
	000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2007	10,388	5,194	68,022	16,275	184,123	273,614
Net profit	-	-	-	-	37,333	37,333
Balance at 31 March 2008	10,388	5,194	68,022	16,275	221,456	310,947
	No. of Shares	Share Capital	Share Premium	Capital Reserve	Retained Earnings	Total
	000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2006	10,388	5,194	68,022	16,275	115,958	205,449
Net profit	-	-	-	-	27,066	27,066
Balance at 31 March 2007	10,388	5,194	68,022	16,275	143,024	232,515



SALADA FOODS JAMAICA LIMITED

Group statement of cash flows

For 6 months ended 31 March, 2006

	Unaudited 31-Mar 2006	Unaudited 31-Mar 2007
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) after taxation	37,333	27,066
Adjustment for items not involving cash	4,734	4,639
Depreciation	78	261
Foreign Exchange (gains)/losses on long term loans	42,145	31,966
Changes in non-cash working capital components:		
Inventories	(24,437)	7,440
Receivables	3,600	(7,590)
Payables and accruals	(3,003)	3,565
Taxation	(7,430)	(9,041)
CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	<u>10,875</u>	<u>26,330</u>
INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	(3,849)	(712)
Purchase of fixed assets	(3,849)	(712)
CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	<u>(7,698)</u>	<u>(1,424)</u>
FINANCING ACTIVITIES		
Long term loans - net	(2,885)	(2,780)
CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES	<u>(2,885)</u>	<u>(2,780)</u>
INCREASE IN NET CASH BALANCES	4,141	22,838
Net cash balances at the beginning of the period	162,695	96,145
CASH BALANCE AT END OF PERIOD	<u>166,836</u>	<u>118,983</u>

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements
Period ended March 31, 2008

1. Identification and Basis of preparation

Salada Foods Jamaica Limited ("the company") is incorporated and domiciled in Jamaica. Its principal activity is the manufacture and sale of instant coffee and roasted and ground coffee beans. The company has two wholly-owned subsidiaries, Coffee Company of Jamaica Limited and Shriff's (Jamaica) Limited. The company's registered office is located at 20 Bell Road, Kingston 11 Jamaica, W.I.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB), and comply with the provisions of the Companies Act.

The financial statements are presented in Jamaica dollars (\$), which is the company's functional currency.

The financial statements are prepared on the historical cost basis.

Where necessary, prior period comparatives have been reclassified.

2.

Significant accounting policies and compliance

(a) Property, plant & equipment:

- (i)* Property, plant & equipment are stated at historical cost or deemed cost, less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The cost of day-to-day servicing of property, plant and equipment is recognised in the income statement.

Depreciation:

- (ii)* Depreciation is computed on a straight-line basis at annual rates estimated to write down the property, plant & equipment to their estimated residual values at the end of their expected useful lives. No depreciation is charged on freehold land or capital work-in-progress. Annual depreciation rates are as follows:

Buildings	2.5 - 6.5%
Machinery and equipment	2.5 - 20%
Motor vehicles	20%



SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Period ended March 31, 2008

The depreciation methods, useful lives and residual values are reassessed periodically.

(b) Inventories:

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis. The cost of finished goods and work-in-progress comprises raw and packaging materials, direct labour, other direct costs and a proportion of related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of other inventories is based on the FIFO principle and includes expenses incurred in acquiring and bringing them to their existing location and condition.

(c) Accounts receivable:

Trade and other receivables are stated at amortised cost, less impairment losses.

(d) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances, short-term deposits and other monetary instruments with maturities ranging between one and three months from balance sheet date.

Bank overdrafts, repayable on demand and forming an integral part of the group's cash management activities, are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(e) Long-term loan:

Long-term loan is recognised, initially at cost. Subsequent to initial recognition, long-term loan is recorded at amortised cost, with any difference between cost and redemption value being recognised in the income statement over the period of the loan on an effective rate basis.

(f) Accounts payable:

Trade and other payables are stated at amortised cost.



SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Period ended March 31, 2008

(g) Income tax:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

(h) Segment reporting:

A segment is a distinguishable component of the group that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

More than 90% of the group's sales represent coffee products, almost all of which are sold locally. As such, the group has no separable segments for reporting.

