



SALADA FOODS JAMAICA LIMITED

UNAUDITED FINANCIAL STATEMENTS TO STOCKHOLDERS

The Directors are pleased to present the unaudited financial statements of the Group for the third quarter ended June 30, 2008.

Profit before tax was \$27.1 million versus \$32.3 million for the same period of 2006/07, a 16.1% decrease. This decrease in profit before tax for the quarter resulted from the increases in certain input costs. The year to date (YTD), profit for the nine months was \$83.1 million compared to \$72.9 million for, that is, an increase of 14% over the prior year.

The turnover for the quarter was \$111.7 million, a \$14.2 million or 14.6% increase over the prior year's \$97.5 million. The YTD turnover of \$296.9 million was \$39.3 million or 15.3% above the \$257.6 million at this point in the previous year. The Cost of Sales of 63.7% for the June 2008 quarter is 5.2% above the 58.5% for the quarter ended June 30, 2007. The YTD Cost of Sales ratio was 58.5% as compared with, 58.9% in the prior year nine months period. During the quarter there was a decrease in the productivity yields from certain raw material inputs. There was also an increase in the price of coffee beans on the world market coupled with increases in fuel and other costs. These were the main drivers of the increase in the cost of sales. This resulted in the gross profit for the quarter being \$40.7 million, marginally above the prior year quarter's \$40.5 million. The YTD Gross Profit of \$123.2 million was however, \$17.2 million or 16.2% above that of \$106.0 million at June 2007. When expressed as a percentage of turnover, there was a 5.1% decrease in the gross profit margin for the quarter from 41.5% at June 2007 to 36.4% at June 2008. The YTD gross profit percentage was marginally above that of the prior year moving from 41.1% at June 2007 to 41.5% at June 2008.

Selling & Promotional Expenses for the quarter of \$6.6 million were \$4.0 million more than the previous comparative quarter of \$2.6 million. The YTD of \$14 million was \$5.8 million over the prior year \$8.2 million. This resulted mainly from expenditure related to marketing. There was an increase in advertising and special promotions during this the third quarter which was done with an expectation of an increase in sales in certain niche markets in the future. Administrative Expenses of \$13.1 million for the quarter increased by \$2.5 million over the same period last year of \$10.6 million. The YTD of \$43.1 million was \$5.8 million above the \$37.3 million expended in the same period last year. These increases largely reflect the prevailing inflationary environment.

The Group earned interest income of \$5.5 million compared to \$3.6 million in the comparative quarter June 30, 2007. The YTD of \$14.8 million was \$5.5 million or 59.1% greater than the \$9.3 at June 2007. Increased sales and timely collection of receivables resulted in an increased amount of funds invested in money market instruments.

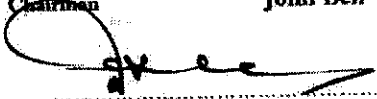
As a result of the foregoing, for the quarter the Group made a pre-tax profit of \$27.1 million compared to \$32.3 million for the previous corresponding period. The YTD profit before taxation of \$83.1 million was \$10.2 million or 14% above the \$72.9 million in the same period last year. Net profit attributable to stockholders was \$18.1 million for the quarter ended June 30, 2008 as compared with \$21.5 million for the corresponding prior period. This equates to earnings per stock unit (EPS) of \$1.74 for the quarter ended June 30, 2008 versus \$2.07 for the quarter ended June 30, 2007. The YTD earnings per stock unit was however, \$5.33 for the period ended June 30, 2008 in contrast to \$4.68 per stock unit for the corresponding prior period, an increase of 13.9%.

SALADA FOODS JAMAICA LIMITED
Group Balance Sheet

	Unaudited		Audited
	30 Jun	30 Jun	30 September
	2008	2007	2007
	\$'000	\$'000	\$'000
NET CAPITAL EMPLOYED			
FIXED ASSETS	34,702	37,288	35,602
DEFERRED TAX ASSET	0	503	0
RETIREMENT BENEFIT ASSET	25,085	20,289	25,085
CURRENT ASSETS			
INVENTORIES	94,768	43,386	54,153
TAXATION RECOVERABLE	0	9,997	0
RECEIVABLES	66,703	63,371	49,988
CASH AND DEPOSITS	161,608	130,608	162,833
TOTAL CURRENT ASSETS	323,079	247,362	266,974
CURRENT LIABILITIES:			
PAYABLES	33,540	18,123	27,222
TAXATION PAYABLE	1,262	15,384	8,565
BANK OVERDRAFT	0	0	138
CURRENT PORTION LONG TERM LOANS	5,354	5,354	5,534
TOTAL CURRENT LIABILITIES	40,156	38,861	41,459
NET CURRENT ASSETS	282,923	208,501	225,515
TOTAL NET ASSETS	342,710	266,581	286,202
REPRESENTED BY			
SHARE CAPITAL	5,194	5,194	5,194
SHARE PREMIUM	68,022	68,022	68,022
CAPITAL RESERVES	16,275	16,275	16,275
RETAINED EARNINGS	239,516	164,527	184,123
	329,007	254,018	273,614
SHORT TERM LOAN	5,125	0	0
LONG TERM LIABILITIES	3,201	8,596	7,211
DEFERRED TAX LIABILITY	5,377	3,967	5,377
CAPITAL EMPLOYED	342,710	266,581	286,202

Approved:


Chairman **John Bell**


Director **Oliver Holmes**

SALADA FOODS JAMAICA LIMITED
Group Profit and Loss Account
For 9 months ended June 30, 2008

	THIS QUARTER		YEAR TO DATE	
	Unaudited \$'000 Jun-08	Unaudited \$'000 Jun-07	Unaudited \$'000 Jun-08	Unaudited \$'000 Jun-07
Turnover	111,748	97,526	296,873	257,560
Cost of Sales	<u>(71,081)</u>	<u>(57,018)</u>	<u>(173,705)</u>	<u>(151,582)</u>
Gross Profit	40,667	40,508	123,168	105,978
Other Operating Income	556	1,282	2,292	3,103
Selling and Promotional Expenses	(6,564)	(2,551)	(13,987)	(8,224)
Administrative Expenses	<u>(13,054)</u>	<u>(10,611)</u>	<u>(43,149)</u>	<u>(37,281)</u>
Operating Profit	21,605	28,628	68,324	63,576
Interest income	5,485	3,623	14,766	9,274
Profit before Taxation	<u>27,090</u>	<u>32,251</u>	<u>83,090</u>	<u>72,850</u>
Taxation	(9,030)	(10,748)	(27,697)	(24,281)
Net Profit Attributable to Stockholders	<u>18,060</u>	<u>21,503</u>	<u>55,393</u>	<u>48,569</u>
Earnings per stock unit	\$1.74	\$2.07	\$5.33	\$4.68
No. of stock unit issued	10,388,330	10,388,330	10,388,330	10,388,330

SALADA FOODS JAMAICA LIMITED
Group Statement of Changes in Equity
For 9 months ended 30 June, 2008

	No. of Shares	Share Capital	Unaudited 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	-	-	-	-	55,393	55,393
Balance at 30 June 2008	<u>10,388</u>	<u>5,194</u>	<u>68,022</u>	<u>16,275</u>	<u>239,516</u>	<u>329,007</u>

For 9 months ended 30 June, 2007

	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	-	-	-	-	48,569	48,569
Balance at 30 June 2007	<u>10,388</u>	<u>5,194</u>	<u>68,022</u>	<u>16,275</u>	<u>164,527</u>	<u>254,018</u>

SALADA FOODS JAMAICA LIMITED
Group statement of cash flows

For 9 months ended 30 June, 2008

	Unaudited	Unaudited
	30-Jun 2008	30-Jun 2007
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) after taxation	55,393	48,569
Adjustment for items not involving cash		
Gain on disposal of assets		(580)
Depreciation	5,678	6,979
Foreign Exchange (gains)/losses on long term loans	139	361
	<u>61,210</u>	<u>55,329</u>
Changes in non-cash working capital components:		
Inventories	(40,615)	22,214
Receivables	(16,715)	(34,111)
Payables and accruals	6,317	(1,243)
Taxation	(7,303)	(3,586)
CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	<u>2,894</u>	<u>38,603</u>
INVESTING ACTIVITIES		
Proceeds from sale of fixed assets		760
Purchase of fixed assets	(4,778)	(715)
CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	<u>(4,778)</u>	<u>45</u>
FINANCING ACTIVITIES		
Short term loan	5,125	
Long term loans - net	(4,328)	(4,185)
CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES	<u>797</u>	<u>(4,185)</u>
INCREASE IN NET CASH BALANCES	(1,087)	34,463
Net cash balances at the beginning of the period	162,695	96,145
CASH BALANCE AT END OF PERIOD	<u>161,608</u>	<u>130,608</u>

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements
Period ended June 30, 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 Shirriff'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 June 30, 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 June 30, 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.

