

Jamaican Teas Limited

Release of 2012 audited report

Jamaican Teas audited financial statement reflect earnings for 2012 \$74.7m. This is lower than \$82.2 million reported in 2011. The figure is also lower than the amount reported in our 4th quarter report. The main reasons for the lower figure compared with the quarterly report are: The investment property was valued during the year, resulting in an impairment to the cost that was carried on the books, subsequent to the year end and the reporting of the 4th quarter results we learnt of an impairment to one of our investments requiring that the amount of the impairment be provided for. There were also changes in the way in which interest expense is reported as some of the cost relating to the development property was capitalized directly, and some inventory adjustments were made subsequent to the year end.

The group can report that since the close of the 2012 fiscal year we enjoyed commendable sales in all our operations compared to the prior year's quarter. Sales at Jamaican Teas, is up by 47 percent and for our Kingston supermarket 12.8% and Montego Bay 9.8%. The surge in sales in the manufacturing operations is partly due to a new product that is exported which was not being sold in 2011. Excluding this new product, sales would be up by 14%. The margin on this item is much lower than the average for the manufacturing operation. We expect profits for the December quarter to be ahead of that for December 2011.

Subsequent to the year end the company made an offer which has been accepted subject to a written contract to acquire a property with a factory building thereon.

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