



**Caribbean Producers (Jamaica) Limited
Report to Shareholders
Nine Months ended March 31, 2014**



Report to the Shareholders

Unaudited Results for 3rd Quarter Ended March 31, 2014

Balance Sheet

Total assets in 2014 grew by 12% to US\$47.1 million for the period compared to the corresponding period last year 2013. Financing these assets were liabilities of US\$31.6 million and equity of US\$15.4 million, both showing growth year on year of 3% and 33% respectively. Current assets rose by US\$4.9 million or 16% over the same period last year. Accounts receivable increased by US\$319 thousand and Inventory by US\$3.3 million or 19%. Current Liabilities increased by 9%. Long Term promissory notes reduced by 2%

Future Outlook

The outlook for the remainder of FY 2013/2014 remains encouraging. On May 1st, 2014 the company started distribution for Sealed Air Diversy Care products to support their ongoing institutional business on the North coast.

CPJ St. Lucia will begin its food service operations by 1st quarter of next fiscal year.

YTD Quarter 3 Financial Highlights (JA\$) March 2014 vs. March 2013

"000" Omitted

	Mar 2014 YTD	Mar 2013 YTD	Change YTD	% Change
Gross Revenue	6,096,936	4,623,359	1,473,577	32%
Gross Profit	1,804,487	1,338,347	466,140	35%
Gross Profit %	30%	29%	-	1%
Less: Expenses	1,235,534	941,485	294,049	31%
EBIDTA	568,953	396,862	172,091	43%
Interest & Depreciation	281,301	230,755	50,546	22%
Net Profit Year to Date (3rd Qtr)	287,652	166,107	121,545	73%

**Exchange rates based on weighted average to US\$1.00
Qtr 3, 2013 JMS\$92.1927 & Qtr 3, 2014 JMS\$105.1442*

Solid performance for 9 months ending March 31, 2014

The Board of Directors is pleased to present the company's unaudited results for the 9 months ending March 31, 2014.

Profit and Loss Statement

The year to date net profit attributable to shareholders for the quarter ending March 31, 2014 was US\$2.7 million compared to US\$1.8M, an impressive increase of 52% year on year. Accordingly, the earnings per stock increased from USD 0.164 cents to USD 0.249 cents.

Gross revenues to date are US\$57.99 million versus US\$50.15 million over the corresponding period last year, an increase of US\$7.84 million or 15.6% due to rising sales in the CPJ heritage products produced by the manufacturing operations and CPJ retail divisions in Kingston. Gross Profit increased by US\$2.64 million or 18.2% compared to last year (US\$17.16 million in 2014 versus US\$14.52 million in 2013).

Selling and Administrative expenses for the year increased by US\$1.54 million compared to last year relating to increased marketing of our retail distribution portfolio and increased costs in utilities. The depreciation charge (2014: US\$1.33M; 2013: US\$1.14M.) increased by US\$188 thousand or 16.5% compared to the corresponding period in 2013 due to further capital expenditure in manufacturing and investments in operational assets. Finance costs rose by 13% due to an increase in short term borrowings for higher inventory levels and trade receivables, triggered by increased sales during the Winter Season. The operations of the joint venture, Caribbean Egg Processors have been impaired by a market shortfall of available shell egg supply resulting in a loss of US\$46.2 thousand.

Company continues growth in the Quarter

The company concluded the third quarter positively as gross revenues increased year over year by US\$1.07 million or 5.5%; revenues for the period were US\$20.48 million (2013: US\$19.41 million). The hospitality sales team focused on maintaining high service levels and ensuring consistent product fulfillment throughout the quarter. Further growth in the retail trade was driven by introduction of new products and more effective customer engagement. Gross profit increased by 3.8% over the corresponding period last year, moving from US\$5.77 million to US\$5.99 million this year, an increase of US\$220 thousand. Selling and Administrative expenses increased by US\$340 thousand or 9.4% from US\$3.60 million to US\$3.95 million primarily due to higher staffing and utility costs. Net profit attributable to shareholders was US\$1.11 million compared with US\$1.26 million for the comparative period in 2013, a decrease of US\$151.8 thousand. This was due in part to the losses incurred in the operations of the joint venture Caribbean Egg Processors and increased operating costs.

Community Relations

During the quarter the company engaged in a number of initiatives that focused on children. We sponsored the Care Protect Jamaica Project in association with the Montego Bay Marine Park Trust. This project was created to influence better solid waste management within schools located near to rivers and gullies that lead into the Montego Bay Marine Park. The program is endorsed by the National Environment and Planning Agency and seeks to encourage students to recognize the importance of proper garbage disposal in an environmentally responsible way. As part of our education initiative we participated in the Junior Achievement Program conducted at the Saint Mary's Primary School and Bogue Hill Primary in St. James. Several CPJ team members instructed students each week on the importance of city planning to local economic development. We continued to support several fundraising activities including the sponsorship of the Shaggy and Friends concert held in January proceeds of which were donated to the Bustamante Hospital for Children.

We thank our customers, employees, shareholders, suppliers and other stakeholders for their continued commitment and support throughout the year.

Mark Hart, Executive Chairman

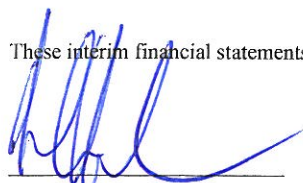


Certificates Earned by Bogue Hill Primary

Interim Statement of Financial Position


	Unaudited March 31, 2014	Unaudited March 31, 2013	Audited June 30, 2013
CURRENT ASSETS			
Cash and cash equivalents	1,978,566	708,687	3,127,306
Accounts receivable	13,302,396	12,983,833	11,092,195
Inventories	20,441,456	17,137,165	17,956,774
	<u>35,722,418</u>	<u>30,829,685</u>	<u>32,176,275</u>
CURRENT LIABILITIES			
Short-term loans	6,325,000	5,100,000	5,100,000
Accounts payable	6,128,694	6,502,067	5,481,644
Short term promissory notes	4,320,182	3,746,667	3,746,667
Current portion long-term borrowings	343,688	337,610	451,268
Tax payable	177,471	177,543	177,560
	<u>17,295,035</u>	<u>15,863,887</u>	<u>14,957,139</u>
NET CURRENT ASSETS	18,427,383	14,965,798	17,219,136
NON-CURRENT ASSETS			
Interest in joint venture	196,894	270,265	221,931
Deferred tax asset	88,453	-	88,453
Property, plant and equipment	11,089,030	11,106,563	11,008,541
	<u>11,374,377</u>	<u>11,376,828</u>	<u>11,318,925</u>
US\$	<u>29,801,760</u>	<u>26,342,626</u>	<u>28,538,061</u>
SHAREHOLDERS' EQUITY			
Share capital	4,898,430	4,898,430	4,898,430
Accumulated surplus	10,566,357	6,752,559	8,141,904
	<u>15,464,787</u>	<u>11,650,989</u>	<u>13,040,334</u>
NON-CURRENT LIABILITIES			
Deferred tax liability	-	17,599	-
Long-term promissory notes	9,514,532	12,265,833	10,213,266
Long-term borrowings	4,822,441	2,408,205	5,284,461
	<u>14,336,973</u>	<u>14,691,637</u>	<u>15,497,727</u>
US\$	<u>29,801,760</u>	<u>26,342,626</u>	<u>28,538,061</u>

These interim financial statements were approved by the Board of Directors and signed on its behalf by:



 Mark Hart

Director



 Jan Polack

Director

The accompanying notes form an integral part of the interim financial statements.

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Period ended March 31, 2014

Interim Statement of Comprehensive Income - Unaudited

	Three months ended <u>March 31, 2014</u>	Three months ended <u>March 31, 2013</u>	Nine months ended <u>March 31, 2014</u>	Nine months ended <u>March 31, 2013</u>
Gross operating revenue	20,483,030	19,412,828	57,986,422	50,148,864
Cost of operating revenue	<u>(14,492,884)</u>	<u>(13,642,532)</u>	<u>(40,824,398)</u>	<u>(35,632,022)</u>
Gross profit	5,990,146	5,770,296	17,162,024	14,516,842
Selling and administration expenses	(3,945,058)	(3,604,960)	(11,750,857)	(10,212,138)
Depreciation	(444,530)	(442,633)	(1,328,860)	(1,140,749)
Other operating income/(expenses), net	<u>32,726</u>	<u>6,593</u>	<u>189,189</u>	<u>(33,087)</u>
Operating profit	1,633,284	1,729,296	4,271,496	3,130,868
Finance income	127	259	591	883
Finance costs	(508,677)	(461,287)	(1,490,124)	(1,318,671)
Share of (loss)/profit in joint venture	<u>(13,578)</u>	<u>(5,264)</u>	<u>(46,175)</u>	<u>(11,344)</u>
Profit for the period, being total comprehensive income	<u>US\$ 1,111,156</u>	<u>1,263,004</u>	<u>2,735,788</u>	<u>1,801,736</u>
Earnings per stock unit	<u>0.101¢</u>	<u>0.115¢</u>	<u>0.249¢</u>	<u>0.164¢</u>

Interim Statement of Changes in Equity - Unaudited

	<u>Share capital</u>	<u>Accumulated surplus</u>	<u>Total</u>
Nine months ended March 31, 2013			
Balances at June 30, 2012	4,898,430	5,457,709	10,356,139
Profit for the period, being total comprehensive income	-	1,801,736	1,801,736
Dividends Paid	<u>-</u>	<u>(506,886)</u>	<u>(506,886)</u>
Unaudited balances at March 31, 2013	US\$ <u>4,898,430</u>	<u>6,752,559</u>	<u>11,650,989</u>
Nine months ended March 31, 2014			
Balances at June 30, 2013	4,898,430	8,141,904	13,040,334
Profit for the period, being total comprehensive income	-	2,735,788	2,735,788
Dividends Paid	<u>-</u>	<u>(311,335)</u>	<u>(311,335)</u>
Unaudited balances at March 31, 2014	US\$ <u>4,898,430</u>	<u>10,566,357</u>	<u>15,464,787</u>

Interim Statement of Cash Flows - Unaudited

	Nine months ended March 31, <u>2014</u>	Nine months ended March 31, <u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	2,735,788	1,801,736
Adjustments for:		
Depreciation	1,328,860	1,140,749
Share of Loss in Joint Venture	46,175	-
Loss/(gain) on disposal of property, plant and equipment	17,969	(17,751)
Interest income	(591)	(883)
Interest expense	<u>1,490,124</u>	<u>1,318,671</u>
	5,618,325	4,242,522
Increase in current assets:		
Accounts receivable	(2,210,201)	(1,483,916)
Inventories	(2,484,682)	(1,414,753)
Increase in current liability:		
Accounts payable	<u>685,280</u>	<u>1,747,207</u>
Cash generated by operations	1,608,722	3,091,060
Interest paid	(1,528,354)	(1,135,740)
Tax paid	<u>(89)</u>	<u>(40,838)</u>
Net cash provided by operating activities	<u>80,279</u>	<u>1,914,482</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	591	883
Interest in joint venture	(21,138)	(1,622)
Additions to property, plant and equipment	(1,452,201)	(3,676,600)
Proceeds from disposal of property, plant and equipment	<u>24,883</u>	<u>23,115</u>
Net cash used by investing activities	<u>(1,447,865)</u>	<u>(3,654,224)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends Paid	(311,335)	(506,886)
Promissory notes received	674,781	3,631,340
Promissory notes repaid	(800,000)	(150,000)
Long-term/short-term borrowings repaid	(7,264,446)	(1,199,498)
Long-term/short-term borrowings received	<u>7,919,846</u>	<u>-</u>
Net cash provided by financing activities	<u>218,846</u>	<u>1,774,956</u>
Net (decrease)/increase in cash and cash equivalents for the period	(1,148,740)	35,214
Cash and cash equivalents at beginning of the period	<u>3,127,306</u>	<u>673,473</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	US\$ <u>1,978,566</u>	<u>708,687</u>

Selected explanatory notes

1 Basis of preparation

These interim financial statements for the period ended March 31, 2014, have been prepared in accordance with accounting policies set out in note 2 to the audited financial statements for the year ended June 30, 2013, which have been consistently applied from period to period and are in accordance with IAS 34, Interim Financial Reporting.

2 Issue of shares

In July 2011, the company issued 220,000,000 new shares to the public. The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on July 20, 2011.

3 Operating segments

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

Based on the nature of the company's products, processes, customers and distribution systems, management has determined that disclosure of segment information is not applicable to the company.

4 Taxation

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on July 20, 2011. Consequently, the company is entitled to a remission of taxes for 10 years in the proportions set out below, provided the shares remain listed for at least 15 years:

Years 1 to 5 100%
 Years 6 to 10 50%

5 Earnings per stock unit

Earnings per stock unit is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue for the period. The weighted average number of shares for the period was calculated as follows:

	<u>Three months ended</u> <u>March 31, 2014</u>	<u>Three months ended</u> <u>March 31, 2013</u>	<u>Nine months ended</u> <u>March 31, 2014</u>	<u>Nine months ended</u> <u>March 31, 2013</u>
Issued ordinary shares at beginning of period	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
Effect of shares issued during the period	-	-	-	-
Weighted average number of ordinary shares held during the period	<u>1,100,000,000</u>	<u>1,100,000,000</u>	<u>1,100,000,000</u>	<u>1,100,000,000</u>

- 6 During the period, the company acquired 100% interest in a subsidiary called CPJ Investments Limited, which owns 51% interest in CPJ St. Lucia Limited. Both companies are incorporated in St. Lucia. The Board of Directors have determined that the transactions for the period ended March 31, 2014 are not material to the results of the company, hence consolidated financial statements have not been prepared.



TOP TEN (10) SHAREHOLDERS

As at 31 March 2014

<u>NAME</u>	<u>SHARES</u>
Wave Trading Limited	440,000,000
Sportswear Producers Limited	440,000,000
Mayberry West Indies Limited	24,571,488
JCSD Trustee Services Ltd. A/C#76579-02	13,679,900
ATL Group Pension Fund Trustees Nom. Ltd.	12,982,044
SJIML A/C 3119	11,906,171
Huixiong, Liao	9,971,710
JCSD Trustee Services Ltd. - Sigma Venture	6,270,084
SJLIC for Scotiabridge Retirement Scheme	6,070,917
SJIML A/C 831	5,975,229

DIRECTORS' AND SENIOR OFFICERS' INTERESTS

The interests of the Directors and Senior Officers, holding office at the end of the quarter, along with their connected persons*, in the ordinary stock units of the Company were as follows:

Directors

Mark Hart ^{1,2}	
Antony Hart ¹	
Ronald Schrager ³	
Jan Polack	2,790,185
Theresa Chin	760,900
Richard Mark Hall	828,769
Sandra Glasgow (Mentor)	100,000

Senior Officers

Hugh Logan	575,743
Radcliffe Murray	567,098
Petra-Ann Williamson	285,467
Sandrene Weichenberger	148,763

¹ *Interests in Sportswear Producers Limited* 440,000,000

² *Interests in Wave Trading Limited* 440,000,000

³ *Interests in Alpine Endeavors Limited* 2,636,324

*Persons deemed to be connected with a director/senior manager are:

- i. The director's/senior manager's husband or wife.
- ii. The director's/senior manager's minor children (these include step-children) and dependants and their spouses.
- iii. The director's/senior manager's partners.
- iv. Bodies corporate of which the director/senior manager and or persons connected with him together

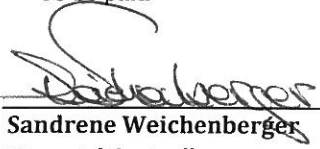


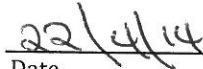
Compliance Statement for Statutory Obligations

Reporting Period: 3rd Quarter Ending March 31, 2014

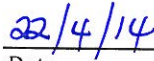
Statutory Liability	Jan-14	Date of Pmt	Feb-14	Date of Pmt	Mar-14	Date of Pmt
P.A.Y.E.	88,083.13	14-Feb-14	76,250.90	14-Mar-14	94,085.54	14-Apr-14
N.H.T.	24,547.51	14-Feb-14	22,314.84	14-Mar-14	28,854.40	14-Apr-14
Education Tax	27,755.20	14-Feb-14	25,198.54	14-Mar-14	32,571.16	14-Apr-14
HEART	14,757.40	14-Feb-14	13,418.18	14-Mar-14	17,355.16	14-Apr-14
NIS	14,067.21	14-Feb-14	13,712.20	14-Mar-14	19,455.72	14-Apr-14
GCT	- 72,415.13	27-Feb-14	-	27-Mar-14		15-Apr-14 *

* - To be paid


 Sandrene Weichenberger
 Financial Controller


 Date


 Jan Polack
 Chief Operating Officer


 Date