



SALADA FOODS JAMAICA LIMITED
UNAUDITED FINANCIAL STATEMENTS TO STOCKHOLDERS
Directors' Statement

The Directors hereby present the unaudited financial statements of the Group for the third quarter ended June 30, 2014.

	Quarter (\$ Millions)			Year-todate (\$ Millions)		
	Current	Prior	% Chg	Current	Prior	% Chg
Sales	188.1	197.7	-4.9%	439.7	491.3	-10.5%
Gross Profit	66.1	96.6	-31.6%	160.7	220.2	-27.0%
Selling & Promotional Expenses	12.7	15.5	18.1%	28.9	29.5	2.0%
Administrative Expenses	26.6	25.3	5.1%	75.7	77.6	2.4%
Interest Income	1.4	2.9	-51.7%	5.4	11.2	-51.8%
Profit Before Tax	28.8	62.0	-53.5%	68.9	141.0	-51.1%
Profit After Tax	21.6	43.2	-50.0%	51.8	97.6	-46.9%
EPS Unit Cents	0.21	0.41	-48.8%	0.50	0.94	-46.8%

The year-to-date (YTD) profit before tax was \$68.9million versus \$141.0 million for the corresponding prior year period. Profit before tax for the quarter was \$28.8 million compared to \$62.0 million for the corresponding quarter of 2013. This decrease resulted from a reduction in sales, other operating income and interest income, while there were increases in input costs which were partially offset by the YTD reduction in Administration expenses and Selling and Promotional expenses.

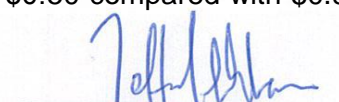
Turnover for the nine months was \$439.7 million, a \$51.6 million or 10.5% decrease when compared with the prior year's \$491.3 million. The turnover for the quarter decreased from \$197.7 million to \$188.1 million, a 4.9% decrease over the corresponding prior year's period. This resulted from the continued process of transition with the new distributor and the slow shelf off-take in the local retail trade; however, exports remained on target. The cost of sales ratio YTD was 63.4% compared with 55.2% in the prior year while for the quarter the ratio was 64.8% compared with 51.1% for the prior year's quarter ended June 30, 2013. The year to date gross profit was \$160.7 million, a \$59.5 million or 27.0% decrease over the prior year's result of \$220.2 million. The quarter's gross profit reflected a 31.6% decrease, moving from \$96.6 million to \$66.1 million. These results continue to be adversely affected by the subsidiary Mountain Peak Food Processors Limited which has not yet reached a break even position and incurred a loss of \$7.3 million for the quarter and \$17.8 million year to date period ended.

Selling & Promotional expenses YTD of \$28.9 million was 2% below the prior year's \$29.5 million, while the quarter's expenses of \$12.7 million were \$2.8 million less than the previous comparative quarter's \$15.5 million which also is as a result of the changes effected with the move in local distribution. Administrative expenses of \$75.7 million YTD were 2.4% below the prior year's \$77.6 million; the quarter's expenses of \$26.6 million were 5.1% above the prior year's comparative quarter's expenses.

The Group earned interest income of \$5.4 million YTD compared to \$11.2 million in the prior year, while for the quarter it earned interest income of \$1.4 million in comparison to \$2.9 million in the corresponding prior year's period. This resulted from reduced interest rates and fewer investments on short term deposits.

Net profit attributable to stockholders was \$21.6 million for the quarter ended June 30, 2014 compared with \$43.2 million for the corresponding prior year's quarter. This equates to earnings per stock unit (EPS) of \$0.21 for the quarter versus \$0.41 per stock unit for the corresponding prior year's quarter. Net profit attributable to stockholders for the nine months ended June 30, 2014 was \$51.8 million compared with \$97.6 million for the corresponding prior year's period. The YTD earnings per stock unit were \$0.50 compared with \$0.94 for the nine months ended June 30, 2013.


 John Bell - Chairman


 Jeffrey Cobham - Director

SALADA FOODS JAMAICA LIMITED
Consolidated Statement of Comprehensive Income
For Nine Months ended June 30, 2014

	THIS QUARTER		YEAR TO DATE	
	Unaudited \$'000 Jun-14	Unaudited \$'000 Jun-13	Unaudited \$'000 Jun-14	Unaudited \$'000 Jun-13
Continuing operations				
Turnover	188,083	197,738	439,705	491,289
Cost of Sales	(121,958)	(101,102)	(279,018)	(271,094)
Gross Profit	<u>66,125</u>	<u>96,636</u>	<u>160,687</u>	<u>220,195</u>
Other Operating Income	593	3,263	7,315	16,762
Selling and Promotional Expenses	(12,764)	(15,555)	(28,865)	(29,562)
Administrative Expenses	(26,577)	(25,334)	(75,703)	(77,604)
Results from operating activities	<u>27,377</u>	<u>59,010</u>	<u>63,434</u>	<u>129,791</u>
Interest income	1,424	2,960	5,450	11,238
Profit before tax	<u>28,801</u>	<u>61,970</u>	<u>68,884</u>	<u>141,029</u>
Taxation	(8,640)	(19,361)	(20,663)	(45,619)
Total comprehensive income for the period	<u><u>20,161</u></u>	<u><u>42,609</u></u>	<u><u>48,221</u></u>	<u><u>95,410</u></u>
Attributable to:				
Stockholders of the company	21,620	43,250	51,790	97,617
Non-controlling interest	(1,459)	(641)	(3,569)	(2,207)
	<u><u>20,161</u></u>	<u><u>42,609</u></u>	<u><u>48,221</u></u>	<u><u>95,410</u></u>
Continuing operations				
Earnings per stock unit	\$0.21	\$0.41	\$0.50	\$0.94
No. of stock units issued	103,883,300	103,883,300	103,883,300	103,883,300

SALADA FOODS JAMAICA LIMITED
Consolidated Statement of Financial Position
FOR NINE MONTHS ENDED JUNE 30, 2014

	Unaudited	Unaudited	Audited
	30 June	30 June	30 September
	2014	2013	2013
	\$'000	\$'000	\$'000
Assets			
PROPERTY, PLANT & EQUIPMENT	228,014	186,095	208,414
INVESTMENT	15,000	15,000	15,000
INVESTMENT IN UNCONSOLIDATED SUBSIDIARY	4,984	0	0
POST RETIREMENT BENEFITS ASSET	51,370	53,485	51,370
Total current assets			
BIOLOGICAL ASSETS	2,151	0	2,151
INVENTORIES	287,763	228,619	250,537
RECEIVABLES	197,734	159,940	89,965
CASH AND DEPOSITS	44,030	192,334	196,372
TOTAL CURRENT ASSETS	531,678	580,893	539,025
Total current liabilities			
PAYABLES	81,347	79,348	72,129
TAXATION PAYABLE	4,670	7,650	3,319
TOTAL CURRENT LIABILITIES	86,017	86,998	75,448
NET CURRENT ASSETS	445,661	493,895	463,577
Total assets	745,029	748,475	738,361
EQUITY			
SHARE CAPITAL	73,216	73,216	73,216
CAPITAL RESERVES	16,275	16,275	16,275
RETAINED EARNINGS	624,722	621,615	614,485
	714,213	711,106	703,976
NON-CONTROLLING INTEREST	-249	5,384	3,320
	713,964	716,490	707,296
POST RETIREMENT BENEFITS OBLIGATION	23,689	20,880	23,689
DEFERRED TAX LIABILITY	7,376	11,105	7,376
Total equity attributable to equity holders of the Company	745,029	748,475	738,361

Approved:

Chairman

John Bell

Director

Jeffrey Cobham

SALADA FOODS JAMAICA LIMITED
Consolidated Statement of Changes in Equity
Attributable to Equity Holders of the Company
For Nine Months ended 30 June, 2014

	No. of Shares	Share Capital	Capital Reserve	Retained Earnings	Non-controlling Interest	Total
	000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at 1 October 2012	103,883	73,216	16,275	565,551	7,591	662,633
Total comprehensive income for the quarter				97,617	(2,207)	95,410
	103,883	73,216	16,275	663,168	5,384	758,043
Dividends to equity holders				(41,553)		(41,553)
Balances at 30 June 2013	103,883	73,216	16,275	621,615	5,384	716,490

	No. of Shares	Share Capital	Capital Reserve	Retained Earnings	Non-controlling Interest	Total
	000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at 1 October 2013	103,883	73,216	16,275	614,485	3,320	707,296
Total comprehensive income for the quarter				51,790	(3,569)	48,221
	103,883	73,216	16,275	666,275	(249)	755,517
Contributions by and distributions to owners						
Dividends to equity holders				(41,553)		(41,553)
Total contributions by and distributions to owners				(41,553)		(41,553)
Balances at 30 June 2014	103,883	73,216	16,275	624,722	(249)	713,964

SALADA FOODS JAMAICA LIMITED
Consolidated Statement of Cash Flows
For Nine Months ended 30 June, 2014

	Unaudited	Unaudited
	30-Jun 2014	30-Jun 2013
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive income for the period	48,221	95,410
Adjustment for items not involving cash		
Depreciation	21,431	9,408
	<u>69,652</u>	<u>104,818</u>
Changes in non-cash working capital components:		
Change in Inventories	(37,226)	(11,324)
Change in Receivables	(107,769)	(9,485)
Change in Payables and accruals	9,217	24,693
Income Tax Expense	1,351	(33,787)
NET CASH FROM OPERATING ACTIVITIES	<u>(64,775)</u>	<u>74,915</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in unconsolidated subsidiary	(4,983)	
Acquisition of fixed assets	(41,031)	(108,262)
NET CASH USED IN INVESTING ACTIVITIES	<u>(46,014)</u>	<u>(108,262)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Payment	(41,553)	(41,553)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	<u>(41,553)</u>	<u>(41,553)</u>
NET DECREASE/(INCREASE) IN CASH AND CASH EQUIVALENTS	<u>(152,342)</u>	<u>(74,900)</u>
Cash and cash equivalents at 1 October	196,372	267,234
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u><u>44,030</u></u>	<u><u>192,334</u></u>

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements

Period ended June 30, 2014

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 and its subsidiaries are collectively referred to as the “group”. The company’s registered office is located at 20 Bell Road, Kingston 11 Jamaica, West Indies.

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

The financial statements are presented in Jamaican dollars (\$), which is the functional currency of the group.

The financial statements are prepared on the historical cost basis.

Where necessary, prior period comparatives have been reclassified to conform to current period presentation.

The same accounting policies and methods of computation are followed in the interim financial statements, as were followed in the most recent annual financial statements.

2. Statement of compliance, and significant accounting policies

(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 of property, plant and equipment is recognised in the carrying amount of the 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.



SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Period ended June 30, 2014

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%

The depreciation methods, useful lives and residual values are reassessed at the reporting date.

(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 investments and other monetary instruments with maturities ranging between one and twelve months from the statement of financial position date.

(e) 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, 2014

(f) Revenue:

Revenue from the sale of goods is recognised in the income statement when the Significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or material associated costs on the possible return of goods.

(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 other comprehensive income.

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

Deferred tax is provided 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 statement of financial position date.

(h) Segment reporting:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the CODM, the entire operations of the company are considered as one operating segment.



SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Period ended June 30, 2014

2. This consists of the company's investment in a newly formed subsidiary which has not yet commenced operations.



SALADA FOODS JAMAICA LIMITED

LIST OF SHAREHOLDERS

AS AT 30 JUNE 2014

10 LARGEST SHAREHOLDERS

SHAREHOLDERS	SHAREHOLDING
RESOURCE IN MOTION LIMITED	59,999,860
AIC (JAMAICA) LIMITED	8,988,120
DONWIS LIMITED	7,504,200
IDEAL PORTFOLIO SERVICES COMPANY LIMITED	3,162,017
JAMAICAN TEAS LIMITED BUYING ACCOUNT	2,960,000
IDEAL BETTING COMPANY LIMITED	2,755,310
IDEAL GROUP CORPORATION LIMITED	2,726,000
IDEAL FINANCE CORPORATION LIMITED	2,620,000
DONOVAN A. LEWIS	1,677,400
CARIBBEAN TRUST & MERCHANT BANK	1,030,760
	93,423,667

SHAREHOLDINGS OF DIRECTORS' & CONNECTED PARTIES

AS AT 30 JUNE 2014

DIRECTORS	TOTAL SHAREHOLDING	DIRECT	CONNECTED
Bell, John	0	0	0
Bernard, Michael	0	0	0
Cobham, Jeffrey	0	0	0
Hill, Aubyn	0	0	0
Lewis, Kathryn	80,990,940	1,000	80,989,940
Nelson-Brown, Keshia	0	0	0
Stultz, Eric	0	0	0
Williams, Patrick	0	0	0

SENIOR MANAGEMENT HOLDINGS

AS AT 30 JUNE 2014

SENIOR MANAGERS	TOTAL SHAREHOLDING	DIRECT	CONNECTED
Glover, M. Olivia	0	0	0
Lewis, Lorna	0	0	0
Price, Kevin	10,000	0	10,000
Wong, Bernadette	0	0	0

Julian Rodney resigned from the Board of Directors on 20 May 2014