



Caribbean Producers (Jamaica) Limited
Report to Shareholders
Twelve Months ended June 30, 2014



Report to the Shareholders

Audited Financial Results for Year Ended June 30th, 2014

Balance Sheet

Total assets in 2014 grew by 6.5% to US\$46.3 million for the period compared to the corresponding period in 2013. Total liabilities of US\$30 million decreased by 1.3% and equity of US\$16.2 million grew year on year by 24.2% respectively. Current assets rose by US\$1.8 million or 5.8% over the same period last year. Accounts receivable increased by US\$1.5 million and Inventory by US\$581 thousand or 3.2%. Current Liabilities increased by 6.1% however, related party and long term loans were reduced by 8.4%.

Community Outreach

The company continues to support the communities in which it is located by our ongoing sponsorships and CSR activities. The company delivered toys and hosted a treat for the children of the Glenhope Place of Safety located in Kingston. We continued participating in the Care Protect Jamaica initiative with Montego Marine Park, where schools in the community were visited and the students are encouraged to care about keeping their environment clean to protect the Marine Park.

In Jamaican dollars \$	June 2014 YTD	June 2013 YTD	Change	% Chg
Gross Revenue	8,378,346	6,528,227	1,850,119	28.3%
Gross Profit	2,431,408	1,873,248	558,159	29.8%
Gross Profit %	29%	29%		0.0%
Operating Expenses	1,666,070	1,265,117	400,953	31.7%
EBIDTA	765,338	608,131	157,207	25.9%
Finance Cost & Depreciation	396,575	317,633	78,943	24.9%
Taxation	(752)	(9,981)	9,229	-92.5%
Net Profit YTD	369,514	300,479	69,035	23.0%

YTD June 2014 Financial Highlights in JM\$

Weighted average June 2014 – 106.54

Weighted average June 2013 – 94.11

The Board of Directors is pleased to present the company's audited results for the year ended June 30, 2014.

Profit and Loss Statement

The net profit attributable to shareholders for the year ending June 30, 2014 was US\$3.47 million compared to US\$3.19 million, an increase of 8.6% year on year. The earnings per stock unit was USD 0.32 cents compared to USD 0.29 cents last year.

Gross revenues at year-end were US\$78.64 million compared to US\$69.37 million earned last year, an increase of US\$9.27 million or 13.4%. This is attributable to management's ongoing focus on maintaining consistent supply chain practices as well as broadening the range of products to the market. Gross Profit increased by US\$2.92 million or 14.7% compared to last year (US\$22.82 million in 2014 versus US\$19.90 million in 2013).

Selling and Administrative expenses for the year increased by US\$2.38 million compared to last year, relating to increased marketing of our growing retail portfolio in addition to increased costs in utilities as a result of our manufacturing operations. The depreciation charge (2014: US\$1.74M; 2013: US\$1.57M.) increased by US\$171 thousand or 10.9% compared to the corresponding period in 2013 representing further capital expenditure in manufacturing and operational assets set up during the year. Finance costs increased by 9.6% as short term borrowings increased as a result of higher inventory and trade receivable balances coming out of the third quarter. The operating loss in our joint venture equity investment with Liquid Eggs Limited of US\$58.8 thousand was directly due to a severe market shortfall of available supply.

Fourth quarter revenue shows modest increase

The company began the fourth quarter by becoming the logistics partner for Sealed Air Diversey Care in institutional chemicals. This contributed favorably to the gross revenues in the fourth quarter, which increased from last year by US\$1.43 million or 7.5% as the company achieved revenues for the period of US\$20.65 million (2013: US\$19.22 million). However, gross profit remained flat due to competitive pricing pressures and changes in our category mix. Contributing factors to the positive sales growth in both Hospitality and Retail related to a more focused sales drive in commodity meats & seafood categories.

Selling and Administrative expenses increased by US\$486 thousand or 13.5% from US\$3.62 million to US\$4.10 million, as the company went through an organizational restructuring which contributed in the short term to the higher costs. Net profit attributable to shareholders of the Company decreased by US\$686 thousand compared with the corresponding period in 2013, moving down from US\$1.42 million to US\$733 thousand resulting in earnings per share of US 0.067 cents.

Future Outlook

The outlook for the new FY 2014/2015 is promising. During Q4 the company began distributing Sealed Air Diversey Care products, to support their ongoing institutional business. In June, the company signed a contract with Jamaica Beverages Limited (JBL) to distribute its brands; Chubby, Juciful, Fruta, Busta, and Cool Runnings water on the north coast, thus widening our product offerings in the chilled-beverage market. Management feels that the brands are not only of high quality, with a relevant mix of products, but have a strong consumer loyalty which gives our company a solid platform to build into wider distribution and market share. CPJ St. Lucia will begin operations in the 1st quarter of the new fiscal year as a full service distributor located in Castries, St. Lucia.



Roger Williams joined the Company as its Chief Operating Officer in May 2014, bringing over 17 years experience in executive leadership and management. Over this period, he successfully led and helped lead several organizations – in sectors ranging from local consumer money services to global customer support – through significant growth and improved business performance.

After earning his Bachelor's degree in Mechanical Engineering from The University of the West Indies, Roger began his career as a plant maintenance manager in a leading local manufacturer. He then furthered his studies at Howard University, where he received a Masters degree in Business Administration. Upon returning to Jamaica, Roger rejoined the manufacturing sector as a project engineer before growing to his first executive role as general manager for a start-up and fast-growing money services company.

The company is grateful for the continued support from its shareholders, customers, business partners, vendors and employees



TOP TEN (10) SHAREHOLDERS

As at 30 June 2014

<u>NAME</u>	<u>SHARES</u>
Wave Trading Limited	440,000,000
Sportswear Producers Limited	440,000,000
Mayberry West Indies Limited	26,914,408
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
Yuan, 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	318,769
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