

AMG Packaging Paper Company Limited
Unaudited
Statement of Financial Position
February 28, 2015

ASSETS EMPLOYED	Notes	February 2015 \$	February 2014 \$	<u>Audited</u> August 2014 \$
Property, Plant & Equipment	5	234,658,124	244,544,413	239,599,772
Current Assets				
Inventories	6	120,374,400	88,913,456	117,598,639
Accts Receivable Net Allowance	7	68,062,783	82,054,199	80,999,913
Related Parties	13	6,000,000	5,285,636	-
Tax Recoverable	8	-	1,491,281	-
Cash & Cash Equivalents	9	19,295,468	29,308,209	21,866,726
Total Current Assets		213,732,650	207,052,781	220,465,278
Total Assets		448,390,774	451,597,194	460,065,050

EQUITY & LIABILITIES

Capital & Reserves:

Authorised Share Capital - JMD140,000,000

Share Capital	10	63,250,028	63,250,028	63,250,028
Revaluation Reserve	11	48,928,537	48,928,537	48,928,537
Retained Earnings		217,177,795	181,773,153	203,857,498
Total Capital		329,356,360	293,951,718	316,036,063

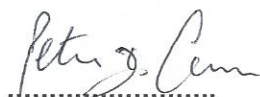
Long-Term Liabilities

Loans	12	44,878,605	58,360,485	51,619,545
Related Parties	13	-	5,723,790	3,421,358
Total Long-Term Liabilities		44,878,605	64,084,275	55,040,903

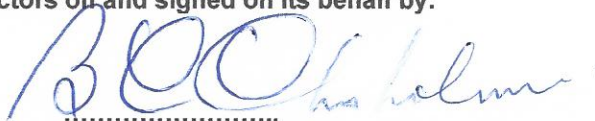
Current Liabilities

Current Portion of Long Term Loan	12	13,481,880	38,481,880	17,681,880
Accounts Payable & Accruals	14	60,673,929	55,079,321	71,306,204
Total Current Liabilities		74,155,809	93,561,201	88,988,084
Total Liabilities & Capital		448,390,774	451,597,194	460,065,050

Approved for issue by the Board of Directors on and signed on its behalf by:



Peter Chin
Director



Barrington Chisholm
Chairman, Audit Committee

AMG Packaging Paper Company Limited
 Unaudited Statement of Comprehensive Income
6 months
to February 28, 2015

	3 months to February 28, 2015	6 months to February 28, 2015	3 months to February 28, 2014	6 months to February 28, 2014
Turnover	\$ 150,194,948	\$ 301,673,723	\$ 138,893,592	\$ 290,816,257
Cost of Inventories	(92,983,577)	(186,984,623)	(92,185,723)	(188,552,365)
Direct Expenses	(21,750,076)	(44,861,272)	(25,014,307)	(47,307,615)
Total Manufacturing Costs	(114,733,652)	(231,845,896)	(117,200,030)	(235,859,979)
Gross Profit	35,461,296	69,827,828	21,693,562	54,956,278
Expenses:				
Administrative	(12,778,330)	(24,815,876)	(9,069,513)	(18,544,575)
ISO 9001 Project	(348,575)	(1,266,428)	(648,329)	(908,731)
Financial	(2,439,074)	(4,874,569)	(2,524,885)	(4,816,849)
Directors Fees	(1,186,667)	(1,960,000)	(1,253,333)	(2,300,000)
Depreciation	(3,237,644)	(6,460,538)	(3,076,646)	(5,674,716)
Profit Before Tax	15,471,006	30,450,417	5,120,856	22,711,407
Other Income	773,726	1,298,075	407,053	801,143
(Loss) Profit, Total Comprehensive Income for the period	16,244,732	31,748,492	5,527,909	23,512,550
No. of Shares Issued	102,378,857	102,378,857	102,378,857	102,378,857
EPS	\$ 0.16	\$ 0.31	\$ 0.05	\$ 0.23

AMG Packaging Paper Company Limited
Statement of Changes in Stockholders' Equity
February 28, 2015

		2015			
		Share Capital	Revaluation Reserves	Retained Earnings	Total
		\$	\$	\$	\$
	<u>Notes</u>				
Balance at September 01, 2014		63,250,028	48,928,537	203,857,498	316,036,063
Profit, being total Comprehensive Dividend	17			(18,428,195)	(18,428,195)
Income for the period		-	-	31,748,492	31,748,492
Balance at February 28, 2015		<u>63,250,028</u>	<u>48,928,537</u>	<u>217,177,795</u>	<u>329,356,360</u>

		2014			
		Share Capital	Revaluation Reserves	Retained Earnings	Total
		\$	\$	\$	\$
Balance at September 01, 2013		63,250,028	48,928,537	178,736,374	290,914,939
Profit, being total Comprehensive Dividend	17			(20,475,771)	(20,475,771)
Income for the period		-	-	23,512,550	23,512,550
Balance at February 28, 2014		<u>63,250,028</u>	<u>48,928,537</u>	<u>181,773,153</u>	<u>293,951,718</u>

AMG Packaging Paper Company Limited
Unaudited Statement of Cash Flow
6 months ending
February 28, 2015

	6 months to February 28, 2015	6 months to February 28, 2014
Cash Flows from operating activities		
Net Income	31,748,492	23,512,550
Items not affecting cash	6,460,538	5,674,716
Total Adjustments	38,209,030	29,187,266
Changes in non cash working capital components	(23,898,651)	(23,221,873)
Net Cash provided(used) by Operations	14,310,379	5,965,393
Cash Flows used in investing activities	(1,518,890)	(1,032,381)
Cash Provided by/(used)- Operating and Investing Activities	12,791,490	4,933,012
Cash Flows (used)/ Provided by financing activities	(15,362,748)	(9,755,594)
Net (Decrease)/IncreaseCash and Cash Equivalentents	(2,571,258)	(4,822,582)
Cash and Cash Equivalentents at beginning of year	21,866,726	34,130,791
Cash and Cash Equivalentents at end of period	19,295,468	29,308,209

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 28, 2015

1 Identification and principal activities

AMG Packaging & Paper Company Limited "the company"

- (a) The company was incorporated on the 26th of September 2005, under the Jamaica Companies Act and is a wholly owned Jamaican company. It's registered office is located at 9 Retirement Crescent, Kingston 5.

The company was re-registered in July 2011 under the Companies Act 2004 as a public company

- (b) The company is engaged primarily in the manufacturing, distribution and retailing of cartons of varying sizes

(c) **Stock Exchange Listing**

The company has been listed on the Jamaica Junior Stock Exchange since July 14, 2011

2 Reporting Currency

The amounts in these financial statements are expressed in Jamaican dollars, which is the primary currency in the country which it operates.

3 Statement of Compliance, Basis of Preparation and Significant Accounting Policies

(a) **Statement of compliance**

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretation adopted by the International Accounting Standards Board, and have been prepared under the historical convention.

(b) **Basis of Preparation and Significant Accounting Policies**

IFRS 7, Financial Instructions: Disclosures led to some changes in the qualitative and quantitative disclosures relating to credit risk. In particular, disclosure of the amount of the company's 'maximum exposure to credit risk without considering any collateral held' is now made only if the carrying amount of the financial assets does not already reflect such exposure.

Revised IAS 24, Related Party Disclosures introduced changes to related party disclosure requirements for government-related entities and amends the definitions of a related party. Aside from the change of the definition of a related party in note 3(g), this revision did not have any impact on the financial statements.

IAS 1, Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income is effective for annual periods beginning on or after July 1, 2012. It has been amended to require an entity to present separately the items of other comprehensive income (OCI) that may be classified to profit or loss in the future from those that would never be reclassified to profit or loss. Consequently, an entity that presents items of OCI before related tax effects will also have to allocate the aggregated tax amount between the sections. The existing option to present the profit or loss and other comprehensive income in two statements has not changed. The title of the statement has changed from Statement of Comprehensive Income to Statement of Profit or loss and Other Comprehensive Income. However, an entity is still allowed to use other titles.

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 28, 2015

(ii) **Basis of Preparation and Significant Accounting Policies continued**

IFRS 9, Financial instruments (effective January 1, 2013). It introduces new requirements for classifying and measuring financial instruments. The standard also amends some of the requirements of *IFRS 7* financial instruments: disclosures
- Including added disclosures about investments in equity instruments through other comprehensive income.

IFRS 12, Disclosure of Interest on Other Entities is effective for annual reporting periods beginning on or after January 1, 2013. It contains disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and /or unconsolidated structured entities. These require disclosures aim to provide information to enable users to evaluate the nature of, and risks associated with, an entity's interests in other entities and effects of those interests on the entities' financial position, financial performance and cash flows.

IFRS 13, 'Fair Value Measurement' (effective for annual periods beginning on or after 1 January 2013). The standard explains how to measure fair value for financial reporting. It defines fair value; sets out in a single IFRS a framework for measuring fair value; and requires value measurements. This standards applies to those standards that require or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances.

The Accounting Policies of the Company have remained unchanged from those set out in the annual Financial Statement as at August 31, 2014

(c) **Use of estimates**

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and liabilities at the date of the statement of Financial Position, and the income and expenses for the year then ended. Actual amounts may vary from the estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

(d) **Judgement in evaluation of contingencies**

For a contingent liability to qualify for recognition there must be a present obligation and the probability of an outflow of economic benefits to settle that obligation. In recognising contingent liabilities of the company, management determines the possibility of an outflow of resources and makes estimates of expenditure required to settle the present obligation at the reporting date.

No provision is made if management considers the possibility of any outflow in settlement to be remote.

(e) **Inventories**

Inventories are stated at the lower of cost and net realisable value and have been calculated on the First- In First -Out basis

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 28, 2015

(ii) Basis of Preparation and Significant Accounting Policies continued

(f) Depreciation

Depreciation is charged on the straight line basis at rates designed to write off the cost or valuation of assets over their useful lives. The first year is pro-rated based on date of acquisition. Rates are as follows:

Buildings	2.5%
Equipment	10%
Computer & Equipment	20%
Furniture & Fixtures	10%

(g) Related Parties

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

A party is related to the company, if:

- (i) directly or indirectly through one or more intermediaries, the party :
 - (a) is controlled by, or is under common control with, the company (this includes parties, subsidiaries and fellow subsidiaries)
 - (b) has an interest in the company that gives it significant influence over the entity: or
 - (c) has joint control over the company;
- (ii) the party is an associate of the company
- (iii) the party is a joint venture in which the company is a venturer;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post -employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the entity.

The company has related party relationship with it's directors and key management personnel.

(h) Investments

Investment is carried in the financial statements at fair value. Gains and losses arising in changes in the market value of the investment is recorded in the Statement of Comprehensive Income in the period in which they arise.

(i) Tax Exemption Status

The company is currently listed on the Jamaica Junior Stock Exchange. This listing renders the company exempt from Income Tax for five years from the original listing in July 2011, with the proviso that the company remains on the Stock Exchange for at least fifteen years.

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 28, 2015

(ii) **Basis of Preparation cont'd**

(j) **Foreign Currency Transaction**

Foreign currency transactions are converted and included in the financial statements at the prevailing rate of exchange at the transaction date. Deposits held and liabilities in foreign currency at the date of the statement of financial position are adjusted to reflect the Jamaican equivalent as at that date. Exchange differences arising from settling income transactions are reflected in the statement of comprehensive income.

(k) **Trade Receivables**

A trade receivable is carried at invoiced amounts less provision made for impairment losses. Provision for impairment of trade receivable is established when there is sufficient evidence that the company will not be able to recover the full amounts in accordance with the original terms of the transaction.

(l) **Borrowings & Borrowing costs**

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between proceeds and redemption value is recognised in the Statement of Comprehensive income over the period of the borrowings. Borrowing costs are recognised in the period in which they are incurred.

(m) **Cash & Cash Equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the Statement of Cash flows, this is comprised of deposits, cash at bank and cash in hand.

(n) **Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(o) **Revenue Recognition**

Revenue is recognised in the income statement when it is probable that future economic benefit associated with the items of revenue will flow to the company and is able to be reliably measured. Revenue from the sale of goods are measured at fair value of the consideration received or receivable net of discounts and allowances.

(p) **Interest Income**

Interest income is recognised in the statement of comprehensive income for all interest bearing instruments on the accruals basis.

(q) **Dividends**

Dividends are recognised when they become legally payable. Interim dividends payable to shareholders are approved by the directors, while final dividends have to be approved by the equity shareholders at the Annual General Meeting.

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 28, 2015

4 Financial Instruments and Risk Management

A Financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another. Financial assets carried in the Statement of Financial Position include accounts receivable and cash. Bank overdraft and accounts payable are deemed financial liabilities.

(a) Interest Rate Risk

Interest rate risk arises when the value of a financial instrument fluctuates during a specified period due to changes in market interest rates.

The company is exposed to interest rate risk regarding loans and its bank balances as at February 28, 2015

(b) Credit Risks

Credit risk is the risk of exposure occasioned by one party to financial instruments when the other party fails to discharge an obligation thus causing the other party to suffer a financial loss. The company has policies in place to ensure that sale of products and services are made to customers with an appropriate credit history. The company is exposed to credit risks in respect of its receivables from other companies and individuals.

The maximum exposure to credit risk at the reporting date is represented by the carrying value amount of each financial asset as follows:

	<u>Carrying Amount</u>	
	<u>2015</u>	<u>2014</u>
	\$	\$
Cash equivalents	19,295,468	29,308,209
Receivables	68,062,783	82,054,199
	<u>87,358,250</u>	<u>111,362,408</u>

(c) Foreign Currency Risk

A foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in the foreign exchange rates.

The company has direct exposure to foreign currency risk regarding United States dollar denominated savings account and foreign payables.

(d) Cash Flow Risk

Monetary financial instrument will fluctuate in amount. The company manages this risk by budgetary measure, ensuring that fluctuations in cash flows relating to the monetary financial assets and liabilities are matched, to mitigate any significant adverse cash flows.

(e) Liquidity Risk

Liquidity risk is that risk which a company faces when it encounters difficulty in raising funds to meet commitments associated with its financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of committed facilities.

At February 28, 2015 the company faced liquidity risks as indicated below:

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 28, 2015

(e) Liquidity Risk cont'd

	<u>2015</u>			
	<u>Within 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>Total</u>
<u>Assets</u>				
Cash Resources	\$ 19,295,468			\$ 19,295,468
Other	52,052,013	18,776,010		70,828,023
Total	71,347,481	18,776,010	-	90,123,491
<u>Liabilities</u>				
Loans	3,370,470	10,111,410	44,878,605	58,360,485
Payables	60,673,929	-	-	60,673,929
Total	64,044,399	10,111,410	44,878,605	119,034,413
Total Liquidity GAP	7,303,083	8,664,600	(44,878,605)	(28,910,922)
Cumulative GAP	7,303,083	15,967,683	(28,910,922)	-
	<u>2014</u>			
Total Liquidity GAP	(379,242)	27,038,899	(58,360,485)	(31,700,828)
Cumulative GAP	(379,242)	26,659,657	(31,700,828)	

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
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5 Property, Plant & Equipment

<u>At cost</u>	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Land	Building	Equipment	Motor Cycle	Computer & Equipment	Furniture & Fixtures	Total		
Balance as at September 1, 2014	29,600,000	156,036,704	80,172,977	180,258	1,979,452	5,033,414	273,002,805		
Additions	-	-	136,309	-	155,789	1,226,792	1,518,891		
Balance as at February 28, 2015	29,600,000	156,036,704	80,309,286	180,258	2,135,241	6,260,206	274,521,696		
<u>Accumulated depreciation</u>									
Balance as at September 1, 2014	-	10,254,119	20,974,066	45,064	618,408	1,511,377	33,403,034		
Current year charges	-	1,950,458	4,036,164	11,267	164,708	297,940	6,460,538		
Balance as at February 28, 2015	-	12,204,577	25,010,230	56,331	783,116	1,809,317	39,863,572		
<u>Net Book Value</u>									
February 28, 2015	29,600,000	143,832,127	55,299,056	123,927	1,352,125	4,450,889	234,658,124		
February 28, 2014	29,600,000	147,733,044	63,149,475	146,460	537,352	3,378,082	244,544,413		

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 28, 2015

6 Inventories	2015	2014
	\$	\$
Raw Materials	115,695,223	86,622,342
Finished Goods	3,750,518	1,450,976
Goods in transit	928,659	840,138
	120,374,400	88,913,456

7 Accounts Receivable	2015	2014
	\$	\$
Trade Receivables	64,012,991	74,871,842
Provision for bad debts	(2,765,241)	(1,798,211)
	61,247,750	73,073,631
Other Receivables	6,815,033	8,980,568
	68,062,783	82,054,199

	Aged Trade Receivables			Carrying Value
	Within 1 Months	31 to 60 Days	Over 60 Days	
	\$	\$	\$	\$
Balance at				
February 28, 2015	50,596,653	1,455,360	11,960,978	64,012,991
February 28, 2014	46,702,101	7,369,550	20,800,191	74,871,842

8 Tax Recoverable

Amount represents General Consumption Tax (GCT) recoverable from the collectorate based on the company's input tax in excess of it's output tax.

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 28, 2015

9 Cash & Cash equivalent	2015	2014
	\$	\$
Bank of Nova Scotia Ja Ltd		
- Current accounts	13,522,375	1,209,080
- Savings account (US dollar denominated)	1,237,283	308,634
National Commercial Bank Limited		
- Current accounts	1,948,073	932,896
Alliance Financial Services Limited		
- Cash Securities(denominated in United States Dollars)	926,420	25,225,737
- Repurchase Agreement	994,405	979,371
JN Fund Managers		
- Repurchase Agreement	636,712	622,291
Petty Cash	30,200	30,200
	<u>19,295,468</u>	<u>29,308,209</u>

10 Share Capital	2015	2014
	\$	\$
Authorised:		
140,000,000 (2010 - 15,000,000) ordinary shares no par value		
Capital issued and fully paid-		
102,387,857 ordinary shares at no par value	63,250,028	63,250,028

(i) The company's authorised share capital was increased by five million dollars to 20 million dollars by the creation of 5 million ordinary shares of \$1.00 each. The new shares are to rank pari-passu with the existing shares.

(ii) By resolution on May 31, 2011, each ordinary share has been sub-divided into 7 ordinary shares such that the total issued shares of 20 million is now multiplied by 7 making a total of 140 million shares.

11 Revaluation Reserves

Revaluation reserve results from the difference between the revaluation of land, building and equipment and their carrying value at February 12, 2011. The valuation was carried out by professional appraisers Valerie Levy & Associates Limited and Stellar Caribbean (Ja.) Limited

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 28, 2015

12 Loans	2015	2014
	\$	\$
Bank of Nova Scotia Jamaica Limited		
Loan 2	3,616,880	6,329,540
Loan 3	54,743,605	65,512,825
Loan 4	-	25,000,000
Total loans	<u>58,360,485</u>	<u>96,842,365</u>
Current portion of loans	<u>13,481,880</u>	<u>38,481,880</u>
Long-term portion of loans	<u><u>44,878,605</u></u>	<u><u>58,360,485</u></u>

- (i) Loan 3 has a duration of 7 years with a six (6) months moratorium on the principal repayments. This Loan has a Fixed Interest rate of 9.25% for five (5) years, thereafter the Weighted Average (180 days) Treasury Bill Yield (WATBY), plus 3.25% per annum.
- (ii) Loan 2 has a duration of 5 years and a moratorium period of four (4) months on the principal payments. This loan is at an interest rate of 8.95% per annum.
- (iii) Loan 4 is a revolving loan and is expected to be repaid within 90 days, the interest rate is based on the Weighted Average (180 days) Treasury Bill Yield (WATBY), plus 3.5% per annum.

Securities:

Bank of Nova Scotia Jamaica Limited

- (1) Assignment of Commercial All Risks policy in favour of the bank to cover replacement value of the machinery equipment
- (2) Second legal mortgage stamped an aggregate of \$25,600,000 and registered over commercial property located at lot # 30,10 Retirement Crescent, Kingston 5 and Lot B Collins Green, Kingston 5. Volume 1094 Folio 743 and Volume 1402 Folio 431 respectively. Appraised value of Real Estate pledged \$80,000,000 as at 1 March 2011.
- (3) Bill of sale stamped \$25,600,000, collateral to 2nd legal mortgage over the above property, and over the following machinery & equipments:
 - i) Model: 2003 Dock stocker DSX40
 - ii) SG-3 Semi-auto gluing machine L1400x W2800mm; MS Strapping machine; Pallet jacks
 - iii) Two colors printer and rotary die cutting machine chain feeding.
 - iv) Machine spare parts

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
February 28, 2015

12 cont'd

(4) Joint and several Demand Debenture to be stamped \$102,000,000 from AMG Packaging and Paper Company Limited, creating a first Charge over fixed assets, and a floating charge over other assets of the company supported by:

- First and Third Legal Mortgages to be stamped \$102,000,000 jointly over Commercial Premises located at (a) 9B Retirement Crescent registered in the name AMG Packaging and Paper Company Limited. (b) 10 Retirement Crescent registered in the name of AMG Packaging and Paper Company Limited and collateral to the aforementioned Demand Debenture

(5) Assignment of "All Risk" insurance coverage over 9B Retirement Crescent for the full replacement (covers over building, inventory, furniture, fixtures and equipment owned by the company)

<u>13 Related Parties</u>	<u>2015</u>	<u>2014</u>
Director's Loan	-	5,723,790
This is a vendor's mortgage for balance owing to a director for land sold to the company		
Director Current account	6,000,000	5,285,636
<u>14 Accounts Payable & Accruals</u>	<u>2015</u>	<u>2014</u>
	\$	\$
Trade Payables	26,432,060	29,201,614
Accruals	5,084,194	3,614,065
Other Payables	9,138,284	290,770
Statutorious Payable	1,450,627	1,497,101
Dividends	18,568,764	20,475,771
	<u>60,673,929</u>	<u>55,079,321</u>

	Aged Trade Payables			Amount Due
	Within 1 Months	31 to 60 Days	Over 60 Days	
<u>Balance at</u>	\$	\$	\$	\$
February 28, 2015	3,688,959	5,836,811	16,906,290	26,432,060
February 28, 2014	21,331,381	2,345,452	5,524,781	29,201,614

15 Taxation

Taxation is comprised of company tax at 25% on the profit for the year after adjustments for tax purposes.

16 Turnover

Turnover represents total sales net of discounts and General Consumption Tax (GCT)

17 Dividend

On January 20, 2015, The Board of Directors declared a dividend of \$0.18 per share payable on March 31, 2015 to shareholders on record as at February 17, 2015



GENERAL MANAGER'S STATEMENT

AMG Packaging & Paper Company Limited (AMG) is pleased to present our unaudited financial statements for the 6 month period ending February 28, 2015.

Revenues for the period increased 3.7%, moving from \$290.81 million (2014) to \$301.67 million (2015).

Units sold declined 9.3%, with 9.8 million pieces (2015), compared to 10.7 million pieces (2014).

Gross Profit increased by 27.0% to \$69.82 million (2015) from \$54.95 million (2014). The 3.7% increase in Revenues and the decrease in Manufacturing Costs of 1.73% from \$235.85 million (2014) to \$231.84 (2015) were the factors that contributed to the increase shown in Gross Profit.

Profit before tax increased by 34.0%, from \$22.71 million (2014) to \$30.45 million (2015).

	6 months ending February 28, 2015	6 months ending February 28, 2014
Total Revenues	301,673,723	290,816,257
Gross Profit	69,827,828	54,956,278
Profit	31,748,492	23,512,550
Total Assets	448,390,774	451,597,194

Revenues for the second quarter increased 8.13%, moving from \$138.89 million (2014) to \$150.19 million (2015).

Gross Profit for the quarter increased 63.4% to \$35.45 million (2015) from \$21.69 million (2014).

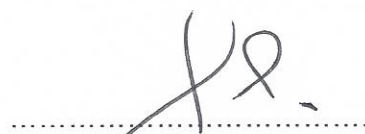
Profit before Tax significantly increased, from \$5.12 million (2014) to \$15.47 million (2015). An increase of 202%

We are pleased to announce that AMG Packaging & Paper Company Limited is ISO 9001: 2008 certified. The certification was granted by the National Certification Body of Jamaica on January 23, 2015. The scope of certification is "the design and manufacture of paperboard (corrugated containers and sheets), including printing and conversion." The team was determined to achieve this certification on our first attempt. With this achievement, we gain global and local recognition as it reflects the high quality that is being produced by AMG. This should encourage more of our local manufacturers to confidently come on board and dramatically cut down on the importation of corrugated products that are already being manufactured locally.

The realigning as well as the sharpening of costs continues to be a main focus for the management team. These measures all contributed to the positive growth reflected for the period. We are committed to continuing this trend as part of our plans to combat the harsh economic environment we produce in, which will prove to be beneficial especially when the economy gains momentum. With the ISO 9001:2008, AMG is more consistent with common processes and operates more efficiently and sustainably. Continued efforts will be focused on managing expenses and sharpening target areas to meet our objectives.

Our main focus for the year is to increase our customer base, while maintaining high customer satisfaction levels through providing quality products and services. Local support is key for new customer acquisitions so that we can build brand Jamaica. As we develop and maintain these relationships, we focus on- AMG's capabilities and dedication to meeting our customers' needs and expectations.

We would like to thank our shareholders for your continued belief in the AMG team. As we move forward, we look to AMG's continuous improvement.



Michael P. Chin
General Manager

AMG PACKAGING & PAPER COMPANY LIMITED

TOP 10 SHAREHOLDERS AT 28 FEBRUARY 2015

Issued Ordinary shares

102,378,857

SHAREHOLDERS	SHAREHOLDINGS	%
RANKINSTON LIMITED	32,351,718	31.600
GEORGE HUGH HOLDINGS LIMITED	24,263,792	23.700
HEISS HOLDINGS LIMITED	24,263,792	23.700
JCSD TRUSTEE SERVICES SIGMA VENTURE FUND	1,915,428	1.871
HAROLD SOLTAU	1,361,605	1.330
GERALD W. PURDY	990,593	0.968
SJLIC FOR SCOTIABRIDGE RETIREMENT SCHEME	860,371	0.840
JCSD TRUSTEE SERVICES SIGMA OPTIMA	847,629	0.828
GUARDIAN LIFE LIMITED GUARDIAN EQUITY FUND	643,896	0.629
JAMAICA STOCK EXCHANGE PENSION FUND	601,440	0.587
	88,100,264	86.053
NO. OF SHAREHOLDERS AT 28/02/2015	JCSD	314
	MAIN REGISTER	2
	TOTAL	316

**AMG PACKAGING & PAPER COMPANY LIMITED
DIRECTORS SHAREHOLDINGS**

DIRECTORS' NAMES	SHAREHOLDING	CONNECTED PARTY
ANTONIA HUGH	32,351,718	RANKINSTON LIMITED
MARK CHIN/PAUL CHIN	24,263,792	HEISS HOLDINGS LIMITED
GEORGE HUGH	24,263,792	GEORGE HUGH HOLDINGS LTD
PETER D. CHIN	332,370	
MICHAEL FRASER	382,913	
BARRINGTON CHISHOLM	76,583	
	81,671,168	

SENIOR MANAGERS

MICHAEL P. CHIN	394,487
LESLIE MCPHERSON	38,291
CHRISTOPHER HENDRIKS	1,249
	434,027