



Salada Foods Jamaica Limited
Interim Financial Report to Stockholders
For the Six Months to March 31, 2015

The Directors of Salada Foods Jamaica Limited now release the unaudited financial results of the Group for the period ended March 31, 2015.

Revenue for the quarter was \$220.4 million representing a 77.5% increase over the corresponding prior year quarter. Although the prior year quarter's sales was negatively impacted by the transition to a new distributor, the sales for the current quarter also compares favourably with the equivalent quarter in 2013. Revenue for the six months was \$354.6 million, an increase of 40.9% over the same period in the previous year. This resulted from the increase in export sales over the period which stands at 30.3% of overall sales compared to 18.4% for the corresponding period in the prior year.

Profit before tax for the quarter of \$37 million was greater than the previous quarter loss of \$0.7 million and profit for the corresponding prior year's quarter of \$10.2 million. This resulted from the increase in sales for the quarter driven mainly by exports. However, profit before tax for six months of \$36.3 million, was 9.5% below the prior year's performance for the same period. Profits continue to be adversely affected by the increase in price of coffee beans realised in the first quarter and the performance of its subsidiaries Mountain Peak Food Processors Limited and Pimora Company Limited. Pimora is expected to start operations in the third quarter.

The gross margin for the six months was 27.5%, a reduction of 27% when compared with the same period in the prior year. This resulted from the higher cost coffee bean now being processed.

Selling and promotional expenses for the quarter of \$8.5 million was above the corresponding quarter for the prior year of \$7.6 million. This resulted from increased promotional activities in retail outlets to drive sales. Administrative expenses of \$30.7 were also above the corresponding prior year's quarter due mainly to additional staff costs.

The inventory at \$409 million was higher than the previous quarter and the corresponding period in the prior year. This resulted from the higher cost and volume of coffee beans being held.

Net profit attributable to stockholders was \$34.9 million for the quarter compared with \$10.2 million for the corresponding prior year's quarter. This equates to earnings per stock unit (EPS) of \$0.34 for the quarter versus \$0.10 for the corresponding prior year's quarter.

Patrick Williams Chairman

Aubyn Hill Director



Salada Foods Jamaica Limited (Group)

Unaudited Consolidated Statement of Comprehensive Income For Six Months Ended March 31, 2015

	Three Months ended		Six Months ended	
	March 31 2015 \$'000	March 31 2014 \$'000	March 31 2015 \$'000	March 31 2014 \$'000
Turnover	220,399	124,199	354,594	251,622
Cost of Sales	(149,520)	(80,453)	(256,678)	(157,059)
Gross Profit	70,879	43,746	97,916	94,563
Other operating income	2,387	2,283	4,281	6,723
Selling and promotional expenses	(8,532)	(7,603)	(16,958)	(16,101)
Administrative expenses	(30,739)	(26,659)	(53,616)	(49,126)
Operating profit	33,994	11,767	31,622	36,059
Interest income	3,020	1,294	4,657	4,026
Profit before taxation	37,015	13,061	36,280	40,085
Taxation	(8,047)	(4,098)	(7,853)	(12,023)
Total comprehensive income	28,967	8,963	28,426	28,062
Attributable to:				
Stockholders of the company	32,153	10,206	33,614	30,172
Non-controlling interest	(3,186)	(1,243)	(5,188)	(2,110)
	28,967	8,963	28,426	28,062
Earnings per stock unit	\$0.31	\$0.10	\$0.32	\$0.29



Salada Foods Jamaica Limited (Group)

Unaudited Consolidated Statement of Financial Position For March 31, 2015

	Unaudited March 31 2015 \$'000	Unaudited March 31, 2014 \$'000	Audited September 2014 \$'000
NON-CURRENT ASSETS			
Property, Plant and equipment	230,853	227,351	230,282
Intangible Assets	11,143		11,143
Employee Benefit Asset	11,501	51,370	11,501
Investment	15,000	15,000	15,000
Deferred tax asset	30,862		21,824
	<u>299,359</u>	<u>293,721</u>	<u>289,750</u>
CURRENT ASSETS			
Cash and cash equivalents	94,603	47,487	74,908
Accounts receivable	146,047	173,841	282,752
Inventories	409,296	279,996	227,178
Biological assets	213	2,151	2,500
	<u>650,159</u>	<u>503,475</u>	<u>587,338</u>
TOTAL ASSETS	<u>949,518</u>	<u>797,196</u>	<u>877,088</u>
STOCKHOLDERS' EQUITY			
Share Capital	73,216	73,216	73,216
Capital Reserves	16,275	16,275	16,275
Retained Earnings	637,174	603,104	645,112
	<u>726,665</u>	<u>692,595</u>	<u>734,603</u>
NON-CONTROLLING INTEREST	<u>2,429</u>	<u>1,210</u>	<u>7,617</u>
	<u>729,094</u>	<u>693,805</u>	<u>742,220</u>
NON-CURRENT LIABILITY			
Employee benefit obligation	39,119	23,689	36,194
Deferred Tax Liability		7,376	
	<u>39,119</u>	<u>31,065</u>	<u>36,194</u>
CURRENT LIABILITIES			
Accounts Payable	160,438	68,353	76,632
Taxation Payable	20,867	3,973	22,042
	<u>181,305</u>	<u>72,326</u>	<u>98,674</u>
TOTAL STOCKHOLDERS' EQUITY AND	<u>949,518</u>	<u>797,196</u>	<u>877,088</u>

Approved by:

Patrick Williams – Chairman

Aubyn Hill - Director



Salada Foods Jamaica Limited (Group)

Unaudited Consolidated Statement of Changes in Equity

Attributable to Stockholders of the Company

For Six Months Ended March 31, 2015

	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Non- controlling Interest \$'000	Total \$'000
Balances at September 30, 2014	73,216	16,275	645,112	7,617	742,220
Total comprehensive income for the period			33,614	(5,188)	28,426
	73,216	16,275	678,726	2,429	770,646
Dividends paid			(41,552)		(41,552)
Balances at March 31 2015	73,216	16,275	637,174	2,429	729,094

	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Non- controlling Interest \$'000	Total \$'000
Balances at September 30, 2013	73,216	16,275	614,485	3,320	707,296
Total comprehensive income for the period			30,172	(2,110)	28,062
	73,216	16,275	644,657	1,210	735,358
Dividends paid			(41,553)		(41,553)
Balances at March 31 2014	73,216	16,275	603,104	1,210	693,805



Salada Foods Jamaica Limited (Group)
Unaudited Consolidated Statement of Cash Flows
For March 31, 2015

	Unaudited March 31 2015 \$'000	Unaudited March 31 2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	28,426	28,062
Adjustment for items not involving cash	<u>29,540</u>	<u>13,312</u>
	57,966	41,374
Changes in operating assets and liabilities		
Inventories	(182,118)	(29,459)
Accounts receivable	136,705	(83,876)
Accounts payable	<u>83,806</u>	<u>(3,777)</u>
Cash generated from operations	96,359	(75,738)
Taxation paid	<u>(18,054)</u>	<u>0</u>
Net cash provided/(used) by operating activities	<u>78,305</u>	<u>(75,738)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(19,345)	(31,594)
Investment in biological assets	<u>2,287</u>	<u>0</u>
Net cash used by investing activities	<u>(17,058)</u>	<u>(31,594)</u>
Net cash provided/(used) before dividends	61,247	(107,332)
Dividends paid	<u>(41,552)</u>	<u>(41,553)</u>
Net increase/(decrease) in cash and cash equivalents	19,695	(148,885)
Cash and cash equivalents at beginning of period	<u>74,908</u>	<u>196,372</u>
Cash and cash equivalents at end of period	<u>94,603</u>	<u>47,487</u>



Salada Foods Jamaica Limited (Group)

Notes to the Interim Financial Statements

March 31, 2015

1) Identification

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 and other consumer products. 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.

2) Statement of compliance, basis of preparation and significant accounting policies

a) Statement of Compliance

- i) 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.

b) Basis of preparation

- i) These financial statements are presented in Jamaican dollar, which is the functional currency of the group. All information presented in Jamaican dollars has been rounded to the nearest thousands, except when otherwise indicated.
- ii) 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.

c) Significant accounting policies

i) Property, plant & equipment:

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 (Group)

Notes to the Interim Financial Statements

March 31, 2015

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

c). Significant accounting policies (cont'd)

ii) Depreciation:

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. Annual depreciation rates are as follows:

Buildings	2.5 - 10%
Infrastructure	2.5 – 10%
Machinery and equipment	2.5 - 20%
Motor vehicles	20%

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

iii) 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.

iv) Accounts receivable:

Trade and other receivables are stated at amortised cost, less impairment losses.

v) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances, other short-term investments and other monetary instruments with maturities ranging between one and twelve months from the statement of financial position date.

vi) Accounts payable:

Trade and other payables are stated at amortised cost.



Salada Foods Jamaica Limited (Group)
Notes to the Interim Financial Statements
March 31, 2015

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

c). Significant accounting policies (cont'd)

vii) Revenue:

Revenue from the sale of goods is recognised in profit or loss 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.

viii) Income tax:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss 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.

ix) 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

**LIST OF SHAREHOLDERS
AS AT 31 MARCH 2015**

10 LARGEST SHAREHOLDERS

SHAREHOLDERS	SHAREHOLDING
RESOURCE IN MOTION	60,164,160
AIC JAMAICA LIMITED	8,998,120
DONWIS LIMITED	7,504,280
IDEAL PORTFOLIO SERVICES COMPANY LIMITED	3,217,017
JAMAICA TEAS LIMITED BUYING ACCOUNT	2,960,000
IDEAL GROUP CORPORATION LIMITED	2,726,000
IDEAL FINANCE CORPORATION LIMITED	2,620,000
IDEAL BETTING COMPANY LIMITED	2,755,310
DONOVAN A. LEWIS	1,677,400
CARIBBEAN TRUST AND MERCHANT BANK	1,030,760
	93,653,047

**SHAREHOLDINGS OF DIRECTORS & CONNECTED PARTIES
AS AT 31 MARCH 2015**

DIRECTORS	TOTAL SHAREHOLDING	DIRECT	CONNECTED
Bernard, Michael	0	0	0
Hill, Aubyn	0	0	0
Lewis, Kathryn	81,377,767	1,000	81,377,767
Stultz, Eric	0	0	0
Williams, Patrick	0	0	0

**SHAREHOLDINGS OF SENIOR MANAGERS
AS AT 31 MARCH 2015**

SENIOR MANAGERS	TOTAL SHAREHOLDING	DIRECT	CONNECTED
Glover, Olivia	0	0	0
Kerr, Andrew	0	0	0
Lewis, Lorna	0	0	0
Miles, Jerome	0	0	0
Wong, Bernadette	0	0	0

NOTES:

1. RESIGNATIONS FROM THE BOARD OF DIRECTORS WITH EFFECTIVE DATES AS FOLLOWS:

1. JOHN BELL AND JEFFERY COBHAM - 5 MARCH 2015
2. KESHIA NELSON-BROWN - 20 JANUARY 2015

2. KEVIN PRICE RESIGNED AS A SENIOR MANAGER EFFECTIVE 31 DECEMBER 2015

3. APPOINTMENTS

1. JEROME MILES - GENERAL MANAGER EFFECTIVE 5 JANUARY 2015
2. ANDREW KERR - SENIOR MANAGER EFFECTIVE 9 FEBRUARY 2015