



# News Release

## **GRACEKENNEDY SHAREHOLDERS VOTE UNANIMOUSLY IN FAVOUR OF STOCK SPLIT AT EXTRAORDINARY GENERAL MEETING**

**KINGSTON, JAMAICA – JULY 11, 2016** GraceKennedy shareholders voted unanimously in favour of a three-for-one stock split at an extraordinary general meeting (EGM) held at the Company's headquarters in downtown Kingston on July 11, 2016.

In order to facilitate the stock split, the shareholders also voted in favour of resolutions for amendment of the Company's Articles of Incorporation to allow for an increase in the maximum number of shares that the Company is authorised to issue from 400,000,000 to 1,200,000,000 and for the conversion of the shares in the Company which are not yet issued into stock when issued and fully paid.

Speaking at the EGM, GraceKennedy Group CEO, Don Wehby, provided the context for the recommendation made by the Board of Directors for the stock split. He reported that, at the close of 2015, the Company's stock traded at J\$81.25 and on Friday July 8 the stock traded at \$119.70. He pointed out that as of December 31, 2015, the Company's market capitalisation was J\$26.9 billion or US\$214 million. He further pointed out that, as of Friday July 8, the Company's market capitalisation stood at J\$39.7 billion or US\$315 million, an increase of approximately US\$100 million. This, he said, was truly commendable, attributing the gain in market capitalisation to the Company's performance over the first quarter of 2016, where GraceKennedy's revenues went up by 14.3% or \$2.8 billion and profits went up by 150% or approximately J\$958 million compared to the first quarter of 2015. "In terms of the performance of our stock compared to the JSE Main Index, the market is up just under 7% and we are up about 47% to 48%," said the Group CEO.

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Mr Wehby said that the approval by the shareholders of the subdivision of the shares would allow for the stock to be more accessible to investors and would lead to an increased liquidity in the trading of the stock. It would also allow for a widening of the Company's ownership base as more persons would be able to invest in the Company's stock. He added that with the anticipated greater activity in the trading of the stock, this should allow the stock price to move towards its true value.

For the benefit of the shareholders, the Group CEO explained the mechanics of the three-for-one stock split. He said that the stock split would result in the number of stock units currently owned by a stockholder being increased three-fold. The price of the stock would be split initially also by three. Using as an example, he explained that a stockholder with 100 stock units with a market price of J\$120.00 per stock unit prior to the split will, immediately following the split, have 300 units with an initial price of J\$40.00 per stock unit.

Having been approved, the stock split will take effect on August 11, 2016. Stockholders who maintain physical stock certificates to reflect their holdings were advised that these stock certificates remain valid and will be treated for all purposes as reflecting the post-split number of stock units. For persons who hold their shares in the central depository, these will automatically be adjusted to reflect the number of shares post the stock split.

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