



News Release

GRACEKENNEDY REPORTS INCREASE IN PROFITABILITY OF \$1.2 BILLION FOR FIRST HALF OF THE YEAR

Company delivers 78.4% growth in net profit

KINGSTON, JAMAICA, July 29, 2016 - In releasing unaudited Group results for the period ending June 30, 2016, GraceKennedy Group CEO, Don Wehby is reporting that the Company has achieved a significant improvement in its performance, with revenues of \$44.1 billion, a 12.3% or \$4.8 billion increase over the corresponding period. Net profit increased by \$1.2 billion or 78.4%, compared with the corresponding period of 2015, moving from \$1.5 billion to \$2.7 billion.

As reported in the first quarter, a non-recurring gain was realised on the dissolution of some non-operating subsidiaries. Without this gain, the net profit would have increased by 50.5% or J\$763.8 million reflecting strong operating performance in the Food Trading, Money Services and Insurance segments.

In speaking to the results, the Group CEO said, "Every business segment showed an increase in revenue. Our Foods business segment continues to perform well at home and internationally and contributed meaningfully to our increase in profitability." He noted the continued improvements being made by the Group's distribution company in the United States, GraceKennedy Foods (USA) LLC, which resulted in a growth in revenue over the prior year. In light of this, he said the Company will continue to optimize the cost profile of the business, while re-investing in its brands and focusing on channel expansion to support the growth objectives of the Caribbean and Hispanic customer segments.

Mr Wehby commended Grace Foods UK, which he noted received three important awards from the Hertfordshire Chamber of Commerce. The company received the Overall Business of the Year Award and awards for Excellence in People Development and Medium to Large Business of the Year.

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**Released by the GraceKennedy Corporate Communications Department
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The Group CEO expressed satisfaction with the continued improvements taking place locally within the Group's supermarket chain, Hi-Lo Foods Store. "The feedback from customers following the opening of our newest Hi-Lo store in Liguanea has been very positive," he said. The plan for the store, which was opened on June 24, 2016, is to have an integrated retail approach by having First Global Bank (FGB), GraceKennedy Money Services and Hi-Lo in the same location. "This one-stop centre will make shopping for goods and services more convenient for our customers and will increase the opportunity for us to cross sell our products to different segments of the market," he added.

Mr Wehby also pointed to the strong performance within the GraceKennedy Financial Group, with the big performer being the Money Services Segment with profits up 32%. He noted too that the Insurance segment had reported higher revenue and profits for the second quarter. The improved performance of the segment, he said, was due mainly to the strong growth in general commission income at Allied Insurance Brokers.

At a meeting of the Board of Directors held on July 29, 2016, a dividend of 34 cents per share was declared payable to Stockholders on record at the close of business on September 7, 2016. This is equivalent to \$1.02 per share before adjusting for the three-for-one stock split which will take place on August 11, 2016. Group Chief Financial Officer, Frank James, commented, "The Company is sharing the strong increase in performance with its shareholders by declaring a dividend payout of approximately \$337 million up from \$274 million paid in September 2015." The dividends will be paid on September 26, 2016.

Mr Wehby expressed optimism that the Group will execute its strategic plan for 2016 and beyond while remaining committed to its core values of honesty, integrity and trust. He thanked the employees for their continued efforts in transforming the Company into a Global Consumer Group and expressed his appreciation to the shareholders for their continued confidence in the company.

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