



Unit 8, Marketplace, 67 Constant Spring Rd., Kingston, Jamaica W.I.
Tel: (876) 926-6509 (876) 906-3903 • info@klegroupltd.com



TRACKS & RECORDS



FOREVER BEACH

FRANJAM

RELEASE

The Board of Directors of K.L.E. Group Limited releases its audited financial statements for the year ended December 31, 2016.

FINANCIAL HIGHLIGHTS

	2016	2015
Profit from operations (before finance costs, depreciation and taxation)	\$185,913,000	\$(48,759,000)
Total Comprehensive Profit/Loss for the year	\$163,922,000	\$(64,111,000)

OVERVIEW

The financial year ended 2016 has proven an incredible turnaround for KLE. Through the continued restructuring efforts the company has been able to sustain profitability over the financial period. Moreover, the restructuring efforts have also resulted in greater efficiency in the Tracks and Records Restaurant division. The operations of the company has been streamlined which has allowed management to further focus on franchising and the development of the Bessa Project which started its construction phase in the first quarter of 2017.

The group registered an operating profit of \$179m which compares favourably to the preceding year's loss of \$42m. Several factors have contributed to growth of the company including strategic planning, prudent financial management and there is a reduction in the financial impact caused from divesting Famous Night Club. Further, there has been a continued effort to reduce the cost of sales, which has decreased from \$68m (40%) in 2015 to \$63m (32%) in 2016. This trend started in 2015 when this figure saw a 2% reduction from the previous year. The reduction in the cost of sales is being done by menu restructuring, improved supply chain and new pricing strategies have kept the cost of goods sold at an optimal rate despite other external economic factors.

Total revenue for the 2016 period amounted to \$196m compared to \$174m in 2015, an increase of more than 12%. Overall expenditure and liabilities have trended down while cash flows have increased from the previous year's negative balance of -1.3m to 6.2m in 2016. This can be attributed

Directors: David Shirley (Chairman), Gary Matalon, Christopher Dehring, Marlon A. Hill,
Norman Peart, Stephen Shirley, Joseph Bogdanovich, Zuar Jarrett,
Venice Williams (Company Secretary)



Unit 8, Marketplace, 67 Constant Spring Rd., Kingston, Jamaica W.I.
Tel: (876) 926-6509 (876) 906-3903 • info@klegroupltd.com



TRACKS & RECORDS



FOREVER
BEACH

FRANJAM

to restructured debt financing, the opening of the Ocho Rios franchise, increased shareholder confidence, and realized profitability.

KLE has met all its financial targets in the 2016 period including sustained profits, reduction in expenditure and streamlining our business operations. The revival of KLE Group has allowed us to primarily focus on new business development, the recruitment of new franchisees and the Bessa Project. The success of these new projects coupled with the increased revenue streams will further bolster the profitability of the Group.

OUTLOOK

KLE has made exceptional progress in maintaining a strong balance sheet, increasing its profitability and yielding the rewards of additional revenue streams as they are established. Tracks and Records will officially welcome its second franchise, which is scheduled to commence operations in third quarter of 2017 in Montego Bay. This franchise will follow the immediate success of the recently opened Ocho Rios location. Lastly, the Bessa Project broke ground in February 2017 and now enters a new phase of development with sales and marketing activities officially set to begin in the second quarter of 2017.

KLE Group for the last 5 years has worked assiduously in creating a franchise model that adds value to the company and also to our country. In crafting a uniquely Jamaican franchising concept for an international market, we now have the ability to capitalize on home grown brands that can earn stronger foreign currencies which are directly beneficial to the Jamaican economy.

The ground work has been laid and the foundation is now set, as we go forward we remain resolute in our determination to preserve the strength of the Group, expand on our franchising model and increase shareholder value.

Gary Matalon - CEO

Directors: David Shirley (Chairman), Gary Matalon, Christopher Dehring, Marlon A. Hill,
Norman Peart, Stephen Shirley, Joseph Bogdanovich, Zuar Jarrett,
Venice Williams (Company Secretary)