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TRACKS & RECORDS



FOREVER BEACH

FRANJAM

RELEASE

The Board of Directors of K.L.E. Group Limited releases its unaudited financial statements for the first quarter of 2017 ended March 31.

FINANCIAL HIGHLIGHTS

| | 2017 | 2016 |
|--|----------------|-----------------|
| Profit from operations (before finance costs, depreciation and taxation) | \$6,156,425.00 | \$4,231,003.00 |
| Total Comprehensive Profit for the Quarter | \$2,084,553.00 | \$77,888,178.00 |

OVERVIEW

The first quarter of 2017 cements a continued trend of profitability for KLE which has registered 5 consecutive quarters of profits. KLE's current trajectory is largely the result of extensive restructuring efforts and the dedicated drive to market Usain Bolt's Tracks & Records as the premier destination for an authentic Jamaican experience for both locals and foreigners.

The 2017 first quarter saw a considerable increase in revenue. As of March 31 of this year, KLE accumulated revenue of \$49,400,581, this represents an 11% increase when compared to the same period last year. The group has also made significant strides in reducing its cost of goods sold percentage, which amounts to 32% in 2017 versus 33% in 2016. The cumulative effect of these results has led to a gross profit increase of \$4million or 13% for Q1 2017.

Additionally, the current quarter saw a decrease of \$5,768,990.00 in liabilities compared to the same period in 2016. This can be directly attributed to the Company's performance over the past five quarters.

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



Tracks and Records - Kingston, continues to exceed expectations with a steady increase in revenue over a 5 year period. Compared to the first quarter of 2015, Tracks and Records registered an increase in revenue of more than \$14.5 million dollars as of Q1 2017.



The Newly opened Ocho Rios franchise adds another viable revenue stream to KLE Group through its association with FranJam. Plans to open a new franchise in Montego Bay are already underway. This new franchise is expected to officially launch in the second half of 2017 which will have a positive impact on the Group.

OUTLOOK

KLE has emerged triumphantly after years of streamlining its business model to increase efficiencies, reduce expenditure and maximize profitability. Under the banner of FranJam more franchises and innovative concepts will be set in motion that will further the brand's objectives. With the opening of the new head office, more focus can be placed on KLE's most lucrative business line and strategic planning.

2017 has perpetuated the trend of sustained profitability that has been more than 5 years in the making. KLE continues to deliver on its promise to create and maintain a presence that is unique yet fully representative of brand Jamaica. As the company takes aim at the global market, it remains resolute in its obligations to its shareholders, employees and customers by sustaining profitability & preserving the authenticity of the brand.

Gary Matalon - CEO

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