

Unaudited Financial Statements Six Months Ended June 30, 2017

The Board of Directors of K.L.E. Group Limited are pleased to present its unaudited financial statements for the second quarter of 2017 ended June 30, 2017.

Financial Highlights

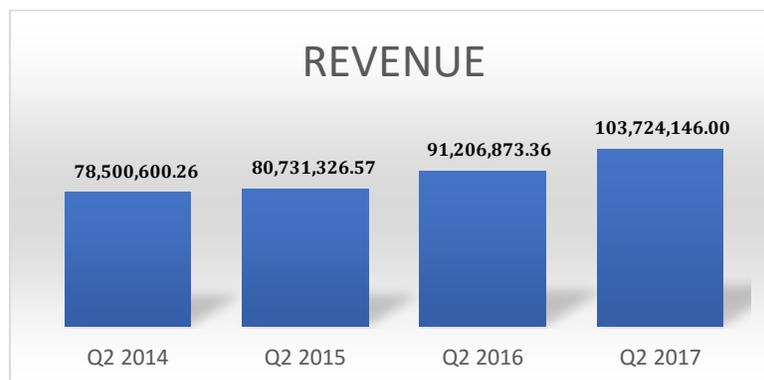
	2017	2016
Profits from operations (before finance cost, depreciation and taxation)	14,913,915	9,983,040
Total Comprehensive Income for the quarter – June 30, 2017	7,116,899	77,932,994

Overview

KLE Group continues to enjoy improved profits as this marks the company's sixth consecutive quarter of profits. The current growth path/trajectory is largely the result of extensive restructuring efforts and the dedicated and strategic drive to market from Usain Bolt's Tracks & Records as the premier destination for an authentic experience for both locals and foreigners.

For the six months ended June 30, 2017, the group benefit from a 14% increase in revenues. Total revenues tallied to 103.7million compared to 90.7 million in the previous year. With the increasing revenues, the company has managed to stabilize its cost of sales at 32 percent of revenues. The cost control strategy that is employed by the company is robust and is the resultant factor for the continued improvement and stabilization of the company's gross margin. Gross profit percentage for the period equaled 68% and this equates to a 14% or \$8.5 million increased when compared to the same period in the prior year.

KLE Flagship Brand Tracks and Records Marketplace continues to perform exceptionally well with steady increases in revenues. See below for Tracks and Records Marketplace second quarter revenue analysis from the period ended June 30, 2014 to period ending June 30, 2017.





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TRAVIS & RECORDS



FOREVER BEACH

FRANJAM

Operationally the company continues to efficiently manage its operating and administrative cost. As business becomes more diverse operating and administrative cost becomes greater and KLE has found efficient and diverse ways to minimized and reduce some of these cost. These strategies have help us to achieve a steady but consist growth in our operating profits over the last couple of quarters.

KLE Group continues to improve its working capital and cash flow ratios and the company's current assets continue to increase at a faster rate that its liabilities. In fact in the current reporting quarter current liabilities decreased by 12.5 million while total current assets grew. With the continued increase in the company's performance we can expect the company to improve its levels of liquidity and improve on its current ratios.

OUTLOOK

The company continues to unearth cutting edge ideas and techniques of streamlining its business to increase efficiencies, reduce cost, maximize profits and generate positive returns for its shareholder. We expects the company to continue on its growth trajectory with increase revenues and low cost.

Under the banner of FranJam the company is poised to increase its revenue capacity as more franchises and innovative concepts will set the motion that will further the brand's objectives. FranJam has a franchise in Ocho Rios and another franchise is expected to be officially launch in the latter part of this financial year. These new franchise and all the ventures of FranJam will have a positive impact on the company.

The company continues to enjoy higher revenue growth and has embarked on a journey to improve its returns attributable its shareholders. KLE is committed to its promise to create and maintain a presence that is uniquely different yet fully representative of Brand Jamaica.

As the company takes aim at the global market, it remains resolute to its shareholders, employees, clients and customers by sustaining profitability and preserving the authenticity of its brands.

Gary Matalon
CEO