



News Release

**GraceKennedy Ltd surpasses \$90 Billion in revenue in its 95th Anniversary Year
- Grows net profit by \$237 million to \$4.8 billion**

[KINGSTON, JAMAICA MARCH 2, 2018 GraceKennedy Limited on Thursday, March 1, 2018 released its 2017 Audited Financials which showed the Company reaching a milestone of \$92.48 billion in revenue. This was supported by growth in both its Food and Financial segments, which were resilient in the face of a challenging year.

The year saw innovations and strong marketing efforts in both segments as well as a major acquisition in the Distribution business. However: two major hurricanes in the Caribbean, a temporary ban on corned beef from Brazil in Jamaica and other territories and suspensions of some remittance locations, had an adverse impact on the overall performance. In spite of the challenges the Company delivered growth in revenue and net profit.

Results show: Group revenue of \$92.48 billion, up by 4.8% or \$4.21 billion over 2016 (\$88.27 billion); Net profit after tax of \$4.77 billion, an increase of 5.2%; Shareholders' equity of \$45.22 billion, an increase of 7.5% and total assets of \$129.99 billion, up from \$126.48 billion. A previously reported non-recurring gain was realized in 2016 on the dissolution of some non-operating subsidiaries. Without this gain, net profit would have increased by 15.2% or \$625.9 million driven by improved operating performance in our Food Trading and Banking and Investments segments, a non-recurring gain on the successful acquisition of Consumer Brands Limited as well as the recognition of tax credits.

"2017 had challenges and opportunities. Our team was very focused and proactive in delivering on new initiatives, establishing new distribution channels, launching new products and executing our financial inclusion strategy. Our resilience and diversity have allowed us to withstand the pressures, maximise opportunities and grow in both revenue and profit," said Don Wehby, Group CEO.

The GraceKennedy Financial Group rolled out GK One, GK Proxim and FGB MoneyLink as part of its financial inclusion strategy in 2017.

**Released by the GraceKennedy Corporate Communication Department
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The Group CEO also spoke about the performance of the Group's newest acquisition.

"Consumer Brands has now been successfully integrated into the GraceKennedy Group, and is proving to be a natural fit. We are also very pleased with the performance of Consumer Brands. Over the four months since the acquisition in September 2017, that business has contributed more than \$877 million in revenue and \$82 million in profit," Mr Wehby said.

On the other hand, Mr Wehby disclosed that the corned beef ban in March of 2017 led to a reduction in sales of corned beef of over \$500 million. In spite of this, the Food Trading segment delivered growth in revenue and profit based on the strong performance of other key products and new product innovations.

GraceKennedy Ltd has benefited from tax credits under Jamaica's Urban Renewal (Tax Relief) Act (URA).

"Our investment in the new corporate headquarters of US\$25 million or over J\$3 billion has allowed us to recognised tax credits of \$416 million in 2017. With additional credits to be recognised in 2018," said Frank James, Group Chief Financial Officer.

Mr James further disclosed that dividend payments to shareholders will be made in May.

"Shareholders will receive dividend of 40 cents per stock unit, an increase of 33% over the same period 2016 as we seek to enhance returns to shareholders," Mr James said.

Mr Wehby further added that: "Our 2018 theme is 'delivering consumer and shareholder value through innovative solutions.' To remain successful in this ever changing environment we intend to emphasize agility, efficiency and high-performance. We have made significant strides in our goal of becoming a Global Consumer Group and are confident in our strategies for achieving this."

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