
SALADA FOODS JAMAICA LIMITED
AUDITED FINANCIAL REPORT TO STOCKHOLDERS
FOR THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2018

The Directors of Salada Foods Jamaica Limited are pleased to release the audited financial results of the Group for the financial year ended September 30, 2018.

Net profit for the Group was recorded at \$219.18M, this represents a 219.82% increase against prior year's results of \$68.7M. Profits were buoyed by strong sales performance, with the Group achieving sales over one billion (\$1.041B), for the first time in the Company's history. The optimization of factory operations resulted in improved margins, which also contributed. Profits were further bolstered by a \$34M write-back against retirement benefit.

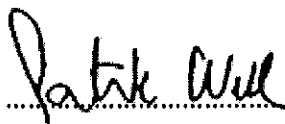
Earnings per stock unit for the period improved by 216%, moving from \$0.67 last year to \$2.12.

Domestic sales continue to perform well, growing by 16.7% above prior year as we deepen our penetration in existing channels and access new ones. Sales to the trade through our distribution partner Lasco was \$655M, 13% above prior year. Export sales also did well, as both the Canadian and Barbadian markets performed, growing year on year by 440% and 220% respectively. Our Contract packaging sales grew 35% above last year.

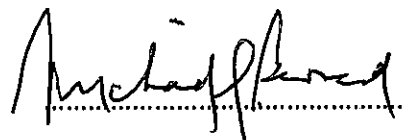
In May, we launched our Mountain Bliss 876 (MB876) brand in keeping with our strategy to engage younger consumers. MB876 featured two SKU's, the Gold, which is a freeze-dried coffee and the Classic, an agglomerated coffee. Within 5 months of launch we have gained retail distribution of 70%.

The launch of the MB876 and other marketing activities pushed selling and promotional expenses up 37.3% or \$12.14M above prior year's \$32.76M.

The year's performance is the best we have had in the Company's history nevertheless, we face headwinds as we look to the new fiscal year, brought about by the turbulence in the local coffee industry and the challenging regulatory regime. In spite of that, we remain optimistic that our strategies to mitigate the impact to the business will be positively rewarded in the long run.



Patrick Williams **Chairman**



Michael Bernard **Director**