



CARIBBEAN
PRODUCERS
JAMAICA LIMITED

REPORT TO SHAREHOLDERS

NINE MONTHS ENDED MARCH 31, 2015



Report to the Shareholders

Consolidated Unaudited Financial Results for the nine month period ending 31 March 2015

Balance Sheet

Current assets grew by US\$6.3 million or 18% from US\$35.7 million to US\$42.0 million and total assets grew by 17% to US\$55.0 million for the period compared to the corresponding period last year 2014. Financing these assets were liabilities of US\$36.8 million and equity of US\$18.1 million, both showed growth year on year of 17%.

Future Outlook

The company is maintaining its focus on its core business while maximizing its throughput by way of its current assets and investments. The manufacturing division is expanding its capacity to introduce new food categories for our sales portfolio and for export. As part of an energy cost initiative, the company is installing a 450 kwh solar project which will significantly contribute to lowering its utility expenses.

After nine months of operations CPJ St. Lucia is on its way to becoming a main player in the St. Lucian market. The growth in third quarter showed improved sales, and the company was meeting its expected performance and profit targets. Further opportunities to export into the neighbouring Eastern Caribbean countries are being explored.

YTD March 2015

Financial Highlights in JM\$

Weighted average March 2015 – 115.32

Weighted average March 2014 - 109.21

* CPJ St. Lucia is represented in these figures

	March 2015 YTD	March 2014 YTD	Change	% Change
	J\$'000	J\$'000	J\$'000	
Gross Revenue	7,494,901	6,332,697	1,162,204	18%
Gross Profit	2,061,335	1,874,265	187,070	10%
Gross Profit %	27%	30%		3%
Operating Expenses	1,433,190	1,262,650	(170,540)	14%
EBIDTA	628,145	611,615	16,530	3%
Finance Cost & Depreciation	358,803	307,797	(51,006)	17%
Share of loss in joint venture	4,342	5,043	(701)	14%
Net Profit YTD	265,000	298,775	(33,775)	-(11%)

The Board of Directors is pleased to present the company's consolidated unaudited results for the 3rd quarter ended March 31, 2015.

QUARTER 3 HIGHLIGHTS

The company achieved gross revenues of US\$23.2 million in the third quarter which surpassed the US\$20.5 million noted for the same period prior year by US\$2.7 million or 13%. There was a US\$558.8 thousand or 9% improvement in gross profit over the corresponding period last year (US\$6.6 million versus US\$6.0 million for the 3rd quarter of 2014).

Selling and Administrative expenses reflected an increase of US\$218.1 thousand or 6% (US\$4.2 million to US\$3.9 million). The increase was primarily due to additional expenses incurred for the new subsidiary, CPJ St. Lucia.

The net profit attributable to the shareholders of the Company increased by US\$174.5 thousand or 16% compared with the corresponding period of 2014, moving from a profit of US\$1.1 million to US\$1.29 million resulting in earnings per share of USD0.1169 cents versus USD .101cents in the prior year.

YEAR TO DATE HIGHLIGHTS

The net profit attributable to shareholders for year ending March 31, 2015 was US\$2.3 million compared to US\$2.7 million, a decrease of 16% year on year. Accordingly, the earnings per share decreased from USD 0.249 cents to USD 0.209 cents.

Gross revenues to date are US\$65.0 million versus US\$57.9 million over the corresponding period last year, an increase of US\$7.1 million or 11% due to higher sales in frozen product categories. Gross Profit increased by US\$712.8 thousand or 4% compared to last year (US\$17.9 million in 2015 versus US\$17.2 million in 2014).

Selling and Administrative expenses for the year increased by US\$0.9 million (7%) compared to last year as a result of the new business segments which began operating at the beginning of the fiscal year, specifically, the expenses relating to the new subsidiary, CPJ St. Lucia and Sealed Air Diversey Care products for the retail and hospitality sectors respectively. The depreciation charge (2015: US\$1.6 million; 2014: US\$1.3 million) increased by US\$236.4 thousand or 18% compared to the corresponding period in 2014 and was in line with the increased capital expenditure for the manufacturing and operational assets set up this year. Finance costs increased by 4% due to the use of a short term facility to cushion the additional inventory and higher trade receivable balances resulting from increased sales for the winter season.

The loss incurred in the joint venture (Caribbean Egg Processors) of US\$37.6 thousand has reduced from the prior year as a result of suspended operations in March. The suspension was predicated by a shortage in the supply of local eggs which hampered production. The partners are currently reviewing

At its meeting on May 11, 2015 the Board of Directors declared an interim dividend of J\$.05 per stock unit payable on 15 July 2015 to shareholders on record as at 28 May 2015 with an ex-dividend date of 26 May 2015. This represents an interim dividend for the financial year ending 30 June 2015.

Community Development

For the third year in a row the Company sponsored the Jamaican Independent Schools Association (JISA) annual sporting event. The Company continues to contribute to the Care Protect Jamaica Marine Park awareness campaign being run in western Jamaica.

The company thanks to its shareholders, customers, business partners, vendors and employees.

CARIBBEAN PRODUCERS (JAMAICA) LIMITED
Period ended March 31, 2015

Interim Statement of Financial Position

	Unaudited March 31, 2015	Unaudited March 31, 2014	Audited June 30, 2014
CURRENT ASSETS			
Cash and cash equivalents	2,783,063	1,978,566	2,898,278
Investment	8,962	-	-
Accounts receivable	14,868,493	13,302,396	12,632,405
Inventories	24,367,074	20,441,456	18,538,109
	<u>42,027,592</u>	<u>35,722,418</u>	<u>34,068,792</u>
CURRENT LIABILITIES			
Bank overdraft	328,473	-	-
Short-term loans	5,975,000	6,325,000	6,325,000
Accounts payable	8,098,174	6,128,694	4,692,476
Due to Related party loans	4,317,794	4,320,182	4,317,794
Current portion long-term loans	519,171	343,688	356,681
Tax payable	176,261	177,471	177,180
	<u>19,414,873</u>	<u>17,295,035</u>	<u>15,869,131</u>
NET CURRENT ASSETS	22,612,719	18,427,383	18,199,661
NON-CURRENT ASSETS			
Interest in Subsidiary	-	-	756,176
Interest in joint venture	209,414	196,894	219,786
Deferred tax asset	95,508	88,453	95,508
Property, plant and equipment	12,622,902	11,089,030	11,125,953
	<u>12,927,824</u>	<u>11,374,377</u>	<u>12,197,423</u>
US\$	<u>35,540,543</u>	<u>29,801,760</u>	<u>30,397,084</u>
SHAREHOLDERS' EQUITY			
Share capital	4,898,430	4,898,430	4,898,430
Non- controlling interest	(131,882)	-	-
Accumulated surplus	13,338,671	10,566,357	11,298,901
	<u>18,105,219</u>	<u>15,464,787</u>	<u>16,197,331</u>
NON-CURRENT LIABILITIES			
Related party loans	11,605,828	9,514,532	9,439,537
Long term loans	5,829,496	4,822,441	4,760,216
	<u>17,435,324</u>	<u>14,336,973</u>	<u>14,199,753</u>
US\$	<u>35,540,543</u>	<u>29,801,760</u>	<u>30,397,084</u>

These interim financial statements were approved by the Board of Directors on May 11, 2015
and signed on its behalf by:


Thomas Tyler

Director


Jan Polack

Director

The accompanying notes form an integral part of the interim financial statements.

CARIBBEAN PRODUCERS (JAMAICA) LIMITED**Period ended March 31, 2015****Interim Statement of Comprehensive Income - Unaudited**

	Three months ended	Three months ended	Nine months ended	Nine months ended
	<u>March 31, 2015</u>	<u>March 31, 2014</u>	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Gross operating revenue	23,137,711	20,483,030	64,992,206	57,986,422
Cost of operating revenue	<u>(16,588,710)</u>	<u>(14,492,884)</u>	<u>(47,117,294)</u>	<u>(40,824,398)</u>
Gross profit	6,549,001	5,990,146	17,874,912	17,162,024
Selling and administration expenses	(4,163,170)	(3,945,058)	(12,617,544)	(11,750,857)
Depreciation	(550,350)	(444,530)	(1,565,299)	(1,328,860)
Other operating (expenses)/ income, net	<u>(16,121)</u>	<u>32,726</u>	<u>189,607</u>	<u>189,189</u>
Operating profit	1,819,360	1,633,284	3,881,676	4,271,496
Finance income	108	127	2,606	591
Finance costs	(528,407)	(508,677)	(1,548,673)	(1,490,124)
Share of loss in joint venture	<u>(5,383)</u>	<u>(13,578)</u>	<u>(37,652)</u>	<u>(46,175)</u>
Profit for the period, being total comprehensive income	US\$ <u>1,285,678</u>	<u>1,111,156</u>	<u>2,297,957</u>	<u>2,735,788</u>
Attributable to:				
Equity holders of the Parent	1,279,222	1,111,156	2,429,839	2,735,788
Minority Interest	<u>6,456</u>	<u>-</u>	<u>(131,882)</u>	<u>-</u>
	<u>1,285,678</u>	<u>1,111,156</u>	<u>2,297,957</u>	<u>2,735,788</u>
Earnings per stock unit	<u>0.1169¢</u>	<u>0.101¢</u>	<u>0.209¢</u>	<u>0.249¢</u>

CARIBBEAN PRODUCERS (JAMAICA) LIMITED**Period ended March 31, 2015****Interim Statement of Changes in Equity - Unaudited**

	<u>Share capital</u>	<u>Accumulated surplus</u>	<u>Non controlling Interest</u>	<u>Total</u>
Nine months ended March 31, 2014				
Balances at June 30, 2013	4,898,430	8,141,904	-	13,040,334
Profit for the period, being total comprehensive income	-	2,735,788	-	2,735,788
Dividend Paid	-	(311,335)	-	(311,335)
Unaudited balances at March 31, 2014	US\$ 4,898,430	10,566,357	-	15,464,787
Nine months ended March 31, 2015				
Balances at June 30, 2014	4,898,430	11,298,901	-	16,197,331
Profit for the period, being total comprehensive income	-	2,429,839	(131,882)	2,297,957
Transaction recognised directly in equity:				
Dividends	-	(390,069)	-	(390,069)
Unaudited balances at March 31, 2015	US\$ 4,898,430	13,338,671	(131,882)	18,105,219

CARIBBEAN PRODUCERS (JAMAICA) LIMITED
Period ended March 31, 2015

Interim Statement of Cash Flows - Unaudited

	Nine months ended March <u>2015</u>	Nine months ended March <u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	2,297,957	2,735,788
Adjustments for:		
Depreciation	1,565,299	1,328,860
Adjustment to property, plant & equipment	-	-
Share of loss in joint venture	37,652	46,175
(Gain)/ loss on disposal of property, plant and equipment	(14,869)	17,969
Interest income	(2,606)	(591)
Taxation	-	-
Interest expense	1,506,815	1,490,124
	<u>5,390,248</u>	<u>5,618,325</u>
Increase in current assets:		
Accounts receivable	(2,236,088)	(2,210,201)
Inventories	(5,828,965)	(2,484,682)
Increase/ (decrease) in current liability:		
Accounts payable	3,347,014	685,280
Cash used by operations	672,209	1,608,722
Interest paid	(1,448,131)	(1,528,354)
Tax paid	(919)	(89)
Net cash used by operating activities	<u>(776,841)</u>	<u>80,279</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2,606	591
Investment	(8,962)	-
Interest in joint venture	(27,280)	(21,138)
Interest in subsidiary	756,176	-
Additions to property, plant and equipment	(3,062,286)	(1,452,201)
Proceeds from disposal of property, plant and equipment	14,907	24,883
Net cash used by investing activities	<u>(2,324,839)</u>	<u>(1,447,865)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(390,069)	(311,335)
Promissory notes received	11,064,787	674,781
Promissory notes repaid	(9,248,496)	(800,000)
Long-term/short-term borrowings received	1,726,804	7,919,846
Long-term/short-term borrowings repaid	(495,034)	(7,264,446)
Net cash provided by financing activities	<u>2,657,992</u>	<u>218,846</u>
Net decrease in cash and cash equivalents for the period	(443,688)	(1,148,740)
Cash and cash equivalents at beginning of the period	<u>2,898,278</u>	<u>3,127,306</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	US\$ <u>2,454,590</u>	<u>1,978,566</u>
Comprised of		
Cash and cash equivalents	2,783,063	1,978,566
Bank overdraft	(328,473)	-
	US\$ <u>2,454,590</u>	<u>1,978,566</u>

CARIBBEAN PRODUCERS (JAMAICA) LIMITED**Period ended March 31, 2015****Selected explanatory notes****1 The company**

The company is incorporated and domiciled in Jamaica. Its registered office is suited at Shop No. 14, Montego Freeport Shopping Centre, Montego Bay, St. James and its principal place of business is at 1 Guinep Way, Montego Freeport, Montego Bay, St. James.

The company's principal activities during the year were the wholesaling and distribution of food and beverages, the distribution of non-food supplies and the manufacture and distribution of fresh juices and meats.

As at March 31, 2015, the company held 100% of the issued share capital of CPJ Investments Limited, a company incorporated on September 16, 2013. CPJ Investments Limited's principal activity is holding a 51% investment in CPJ (St. Lucia) Limited, a company whose principal activity is the wholesaling and distribution of non-food supplies. Both companies are incorporated and domiciled in St. Lucia.

2 Basis of preparation

These interim financial statements have been prepared in accordance with accounting policies set out in note 2 to the audited financial statements for the year ended June 30, 2014, which have been consistently applied from period to period.

New, revised and amended standards and interpretations came into effect during the financial period under review. Management has assessed that none of these standards and interpretations have a significant effect on these interim financial statements.

3 Basis of consolidation

(i) Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of a subsidiary are included in the financial statements from the date control commences until the date that control ceases.

(ii) Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

4 Operating segments

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

Based on the nature of the company's products, processes, customers and distribution systems, management has determined that disclosure of segment information is not applicable to the company.

CARIBBEAN PRODUCERS (JAMAICA) LIMITED
Period ended March 31, 2015

Selected explanatory notes

5 Taxation

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on July 20, 2011. Consequently, the company is entitled to a remission of taxes for 10 years in the proportions set out below, provided the shares remain listed for at least 15 years:

Years 1 to 5 100%

Years 6 to 10 50%

6 Earnings per stock unit

Earnings per stock unit is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue for the period. The weighted average number of shares for the period was calculated as follows:

	<u>Three months</u> <u>ended March</u> <u>31, 2015</u>	<u>Three months</u> <u>ended March</u> <u>31, 2014</u>	<u>Nine months</u> <u>ended March</u> <u>31, 2015</u>	<u>Nine months</u> <u>ended March</u> <u>31, 2014</u>
Issued ordinary shares at beginning of period	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
Effect of shares issued during the period	-	-	-	-
Weighted average number of ordinary shares held during the period	<u>1,100,000,000</u>	<u>1,100,000,000</u>	<u>1,100,000,000</u>	<u>1,100,000,000</u>

7 Dividends

On August 27, 2014, the Board of Directors declared an interim dividend of J\$0.045 per stock unit payable on October 1, 2014 to shareholders on record as at September 10, 2014 with an ex-dividend date of September 8, 2014.

On May 11, 2015, the Board of Directors declared an interim dividend of J\$0.05 per stock unit payable on July 15, 2015 to shareholders on record as at May 28, 2015 with an ex-dividend date of May 26, 2015. This represents an interim dividend for the financial year ending June 30, 2015.



TOP TEN (10) SHAREHOLDERS

As at 31 March 2015

<u>NAME</u>	<u>SHARES</u>
Wave Trading Limited	440,000,000
Sportswear Producers Limited	440,000,000
Mayberry West Indies Limited	28,005,501
JCSD Trustee Services Ltd. A/C#76579-02	13,679,900
ATL Group Pension Fund Trustees Nom. Ltd.	12,982,044
SJIML A/C 3119	11,906,177
Yuan, Liao	9,971,710
JCSD Trustee Services Ltd. - Sigma Venture	6,270,084
SJLIC for Scotiabridge Retirement Scheme	6,070,917
SJIML A/C 831	5,975,229

DIRECTORS' AND SENIOR OFFICERS' INTERESTS

The interests of the Directors and Senior Officers, holding office at the end of the quarter, along with their connected persons*, in the ordinary stock units of the Company were as follows:

Directors

Mark Hart ^{1,2}	
Antony Hart ¹	
Ronald Schrager ³	
Jan Polack	2,790,185
Theresa Chin	760,900
Richard Mark Hall	942,859
Sandra Glasgow (Mentor)	100,000

Senior Officers

Hugh Logan	345,043
Radcliffe Murray	567,098
Petra-Ann Williamson	285,467

¹ Interests in Sportswear Producers Limited 440,000,000

² Interests in Wave Trading Limited 440,000,000

³ Interests in Alpine Endeavors Limited 2,616,324

*Persons deemed to be connected with a director/senior manager are:

- i. The director's/senior manager's husband or wife.
- ii. The director's/senior manager's minor children (these include step-children) and dependants and their spouses.
- iii. The director's/senior manager's partners.
- iv. Bodies corporate of which the director/senior manager and or persons connected with him together





Compliance Statement for Statutory Obligations

Reporting Period: 3rd Quarter Ending March 31, 2015


Statutory Liability	Jan-15	Date of Pmt	Feb-15	Date of Pmt	Mar-15	Date of Pmt
P.A.Y.E.	12,130,081.15	16-Feb-15	9,170,015.82	13-Mar-15	8,773,639.85	13-Apr-15
N.H.T.	3,583,375.26	16-Feb-15	2,617,061.42	13-Mar-15	2,583,587.50	13-Apr-15
Education Tax	4,051,654.97	16-Feb-15	2,993,449.02	13-Mar-15	2,912,639.26	13-Apr-15
HEART	2,154,960.25	16-Feb-15	1,591,787.06	13-Mar-15	1,550,152.49	13-Apr-15
NIS	2,186,496.74	16-Feb-15	1,502,251.26	13-Mar-15	1,537,387.92	13-Apr-15
GCT	(6,746,137.00)	27-Feb-15	12,721,178.00	27-Mar-15	26,107,800.00	30-Apr-15

* - To be paid


 Kesha-Ann Harper
 Finance Director


 Date


 Jan Polack
 Chief Financial Officer


 Date