



Caribbean Producers (Jamaica) Limited
Report to Shareholders
Six Months Ended December 31, 2014



Report to the Shareholders

Consolidated Unaudited Financial Results for the six month period ending 31 December 2014

Balance Sheet

Current assets grew by US\$4.0 million or 11% from US\$36.9 million to US\$40.9 million and total assets grew by 11% to US\$53.6 million for the period compared to the corresponding period last year 2013. Financing these assets were liabilities of US\$36.8 million and equity of US\$16.8 million, both showed growth year on year of 10% and 15% respectively.

Future Outlook

The management is committed to improving operational efficiencies as it seeks to concentrate on its core business while maximizing its throughput by way of its current assets and investments. There is a planned expansion of the manufacturing division and new food categories and products are being developed for the local market and for export. CPJ Market has expanded its hours of operation and will provide another dining choice for its patrons in the evening.

At the end of the second quarter CPJ St. Lucia was providing full distribution service to the St. Lucian tourism sector. The St. Lucian Company is selling all products offered in Jamaica as well as produce, which is a new category offering. In December, sales improved significantly, and we expect that the company will be profitable by the end of the fiscal year.

	December 2014 YTD	December 2013 YTD	Change	% Change
	J\$'000	J\$'000	J\$'000	
Gross Revenue	4,782,295	3,980,985	801,310	20.1%
Gross Profit	1,312,329	1,185,895	126,434	10.7%
Gross Profit %	27%	30%		-3%
Operating Expenses	959,428	811,977	(147,451)	18.2%
EBIDTA	352,901	373,918	(21,017)	-5.6%
Finance Cost & Depreciation	233,545	198,003	(35,543)	18.0%
Share of loss in joint venture	3,687	3,460	227	-6.6%
Net Profit YTD	115,668*	172,455	(56,786)	-32.9%

YTD December 2014 Financial Highlights in JM\$

Weighted average December 2014 – 114.26

Weighted average December 2013 - 106.15

* CPJ St. Lucia is represented in these figures

The Board of Directors is pleased to present the company's consolidated unaudited results for the 2nd quarter ended December 31, 2014.

QUARTER 2 HIGHLIGHTS

The company achieved gross revenues of US\$23.1 million in the second quarter which surpassed the US\$20.5 million noted for the same period prior year by US\$2.6 million or 13%. There was a US\$459 thousand or 8% improvement in gross profit over the corresponding period last year (US\$6.4 million versus US\$5.9 million for the 2nd quarter of 2013). In order to meet the demand for the Christmas period the manufacturing department increased its product output for the quarter. Despite the local protein supply shortages, the sales of "Ready to Cook" pork products and hams increased.

With the opening of our new subsidiary, CPJ St. Lucia the Selling and Administrative expenses reflected an increase of US\$570 thousand or 14% (US\$3.9 million to US\$4.5 million) relate to start up costs, while planned affected the net profit of the group.

The net profit attributable to the shareholders of the Company decreased by US\$144.3 thousand or 12% compared with the corresponding period of 2013, moving from a profit of US\$1.17 million to US\$1.03 million resulting in earnings per share of US\$0.0094 cents.

On November 15, 2014 CPJ celebrated with a red carpet affair its **20th Anniversary** at the CRU bar in conjunction with MACO magazine. The event was a well received and in his remarks the Chairman gave heartfelt thanks his managers, employees and customers for their unswerving commitment to ensuring CPJ's success.

YEAR TO DATE HIGHLIGHTS

Gross revenues to date are US\$41.8 million versus US\$37.5 million over the corresponding period last year, an increase of US\$4.3 million or 12% due to higher sales in Hospitality, a direct result of increases in hotel rooms and from new products developed in the manufacturing operations. Gross Profit increased by US\$313 thousand or 3% compared to last year (US\$11.5 million in 2014 versus US\$11.2 million in 2013).

Selling and Administrative expenses for the six month period increased by US\$0.8 million (10%) compared to last year as a result of the new subsidiary which began operating at the beginning of the fiscal year. The depreciation charge (2014: US\$1.0 million; 2013: US\$884 thousand) increased by US\$142 thousand or 16% compared to the corresponding period in 2013 representing the 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 Christmas period. The loss in the joint venture (Caribbean Egg Processors) of US\$32 thousand remains consistent with last year. During the quarter operations were suspended indefinitely as shortage of supply of local eggs hampered production. The partners are currently reviewing their options.

The net profit attributable to shareholders for the six month period ending December 31, 2014 was US\$1.01 million compared to US\$1.62 million, a decrease of 38% year on year. Accordingly, the earnings per stock decreased from US\$ 0.0092 cents to US\$ 0.0148 cents.

On August 27, 2014 the Board of Directors declared an interim dividend of J\$.04 per stock unit payable on 1 October 2014 to shareholders on record as at 10 September 2014 with an ex-dividend date of 8 September 2014. This represents an interim dividend for the financial year ending 30 June 2015.

On October 9th, 2014 CPJ received from the Jamaica Manufacturers' Association at their Annual Awards The Skills and Productivity Award

On December 3rd, 2014 CPJ received from the Jamaica Stock Exchange Best Practices Annual Awards Banquet The Best Website Award

Community Development

The company sponsored and competed in the 6th annual CUMI Come Run 2014 in support of the rehabilitation of the mentally ill in St. James as well as the Digicel Foundation 5K for Special Needs which was represented by our Kingston team. In keeping with our community outreach, we had a toy drive for the Glenhope Place of Safety children. The Company continues to respond positively to the many requests for support for small community events such as church or school feeding programs and other fundraising activities.



A Wellness day was held for CPJ employees in Montego Bay where a number of health service providers visited and conducted health checks inclusive of podiatry, dental and optical services. This was well received by the staff and it promises to become an annual event.

The company is grateful for the continued support from its shareholders, customers, business partners, vendors and employees

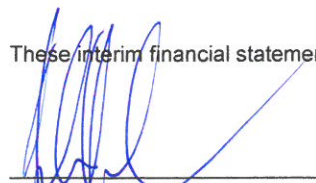
CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Period ended December 31, 2014

Group Interim Statement of Financial Position

	Six months Ended December 31 2014 <u>Unaudited</u>	Six months Ended December 31 2013 <u>Unaudited</u>	Year Ended June 30 2014 <u>Audited</u>
CURRENT ASSETS			
Cash and cash equivalents	839,666	2,165,086	2,898,278
Accounts receivable	16,624,900	14,813,307	12,632,405
Investment	8,962	-	-
Inventories	23,404,160	19,889,940	18,538,109
	<u>40,877,688</u>	<u>36,868,333</u>	<u>34,068,792</u>
CURRENT LIABILITIES			
Bank overdraft	1,259,439	850,602	-
Short-term loans	5,975,000	6,875,000	6,325,000
Accounts payable	6,989,390	6,942,505	4,692,476
Short-term promissory notes	4,320,182	3,895,182	4,317,794
Current portion long-term borrowings	525,928	358,894	356,681
Tax payable	176,289	177,497	177,180
	<u>19,246,228</u>	<u>19,099,680</u>	<u>15,869,131</u>
NET CURRENT ASSETS	<u>21,631,460</u>	<u>17,768,653</u>	<u>18,199,661</u>
NON-CURRENT ASSETS			
Interest in subsidiary	-	-	756,176
Interest in joint venture	205,949	224,723	219,786
Deferred tax asset	95,508	88,453	95,508
Property, plant and equipment	12,464,644	11,072,109	11,125,953
	<u>12,766,101</u>	<u>11,385,285</u>	<u>12,197,423</u>
US\$	<u>34,397,561</u>	<u>29,153,938</u>	<u>30,397,084</u>
SHAREHOLDERS' EQUITY			
Share capital	4,898,430	4,898,430	4,898,430
Non-controlling interest	(138,250)	-	-
Accumulated surplus	12,059,409	9,766,536	11,298,901
	<u>16,819,589</u>	<u>14,664,966</u>	<u>16,197,331</u>
NON-CURRENT LIABILITIES			
Long-term promissory notes	11,587,155	9,513,266	9,439,537
Long-term borrowings	5,990,817	4,975,706	4,760,216
	<u>17,577,972</u>	<u>14,488,972</u>	<u>14,199,753</u>
US\$	<u>34,397,561</u>	<u>29,153,938</u>	<u>30,397,084</u>

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


Mark Hart

Director


Jan Polack

Director

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

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Period ended December 31, 2014

Group Interim Statement of Profit or Loss and Other Comprehensive Income

	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Gross operating revenue	23,102,747	20,463,599	41,854,496	37,503,392
Cost of operating revenue	<u>(16,686,627)</u>	<u>(14,506,703)</u>	<u>(30,369,034)</u>	<u>(26,331,514)</u>
Gross profit	6,416,120	5,956,896	11,485,462	11,171,878
Selling and administrative expenses	(4,529,987)	(3,959,701)	(8,602,611)	(7,805,799)
Depreciation	(512,830)	(448,838)	(1,026,395)	(884,330)
Other operating income/(expenses), net	<u>204,679</u>	<u>149,422</u>	<u>205,728</u>	<u>156,463</u>
Operating profit	1,577,982	1,697,779	2,062,184	2,638,212
Finance income	191	102	2,498	464
Finance costs	(529,914)	(504,783)	(1,020,086)	(981,447)
Share of loss in joint venture	<u>(15,411)</u>	<u>(15,887)</u>	<u>(32,269)</u>	<u>(32,597)</u>
Profit for the period, being total comprehensive income	US\$ <u>1,032,848</u>	<u>1,177,211</u>	<u>1,012,327</u>	<u>1,624,632</u>
Attributable to:				
Equity holders of the Parent	1,145,895		1,150,577	
Non-controlling interest	<u>(113,047)</u>		<u>(138,250)</u>	
	US\$ <u>1,032,848</u>		<u>1,012,327</u>	
Earnings per stock unit	US\$ <u>0.0094</u>	<u>0.0107</u>	<u>0.0092</u>	<u>0.0148</u>

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Period ended December 31, 2014

Group Interim Statement of Changes in Equity - Unaudited

	<u>Share capital</u>	<u>Non-controlling interest</u>	<u>Accumulated surplus</u>	<u>Total</u>
Six months ended December 31, 2013				
Balances at June 30, 2013	4,898,430	-	8,141,904	13,040,334
Profit for the period, being total comprehensive income	<u>-</u>	<u>-</u>	<u>1,624,632</u>	<u>1,624,632</u>
Unaudited balances at December 31, 2013	US\$ <u>4,898,430</u>	<u>-</u>	<u>9,766,536</u>	<u>14,664,966</u>
Six months ended December 31, 2014				
Balances at June 30, 2014	4,898,430	-	11,298,901	16,197,331
Profit for the period, being total comprehensive income	-	(138,250)	1,150,577	1,012,327
Transaction recorded directly in equity:				
Dividends (note 8)	<u>-</u>	<u>-</u>	<u>(390,069)</u>	<u>(390,069)</u>
Unaudited balances at December 31, 2014	US\$ <u>4,898,430</u>	<u>(138,250)</u>	<u>12,059,409</u>	<u>16,819,589</u>

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Period ended December 31, 2014

Consolidated Interim Statement of Cash Flows - Unaudited

	Six months ended December 31, 2014	Six months ended December 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	1,012,327	1,624,632
Adjustments for:		
Depreciation	1,026,395	884,330
Share of loss in joint venture	32,269	32,597
Gain on disposal of property, plant and equipment	(4,695)	(3,979)
Interest income	(2,498)	(464)
Interest expense	1,020,086	981,447
	<u>3,083,884</u>	<u>3,518,563</u>
Increase in current assets:		
Accounts receivable	(3,992,495)	(3,721,112)
Inventories	(4,866,051)	(1,933,166)
Increase in current liability:		
Accounts payable	<u>2,154,481</u>	<u>1,456,193</u>
Cash used by operations	(3,620,181)	(679,522)
Interest paid	(877,653)	(976,779)
Tax paid	(891)	(63)
Net cash used by operating activities	<u>(4,498,725)</u>	<u>(1,656,364)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest in subsidiary	756,176	-
Investment	(8,962)	-
Interest in joint venture	(18,432)	(35,389)
Additions to property, plant and equipment	(2,365,086)	(954,468)
Proceeds from disposal of property, plant and equipment	4,695	10,549
Interest received	2,498	464
Net cash used by investing activities	<u>(1,629,111)</u>	<u>(978,844)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(390,069)	-
Promissory notes received	2,271,115	148,515
Promissory notes repaid	(121,109)	(700,000)
Long-term/short-term borrowings received	7,701,804	1,775,000
Long-term/short-term borrowings repaid	(6,651,956)	(401,129)
Net cash provided by financing activities	<u>2,809,785</u>	<u>822,386</u>
Net decrease in cash and cash equivalents for the period	(3,318,051)	(1,812,822)
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>(419,773)</u>	<u>1,314,484</u>
Comprised of		
Cash and bank balances	839,666	2,165,086
Bank overdraft	(1,259,439)	(850,602)
	US\$ <u>(419,773)</u>	<u>1,314,484</u>

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Period ended December 31, 2014

Selected explanatory notes

1 The company

The company is incorporated and domiciled in Jamaica. Its registered office is situated 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.

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on July 20, 2011.

As at December 31, 2014, 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 food and beverages and the 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. These accounting policies have been consistently applied from period to period, except for note 2 (c) of the audited financial statements for the year ended June 30, 2014.

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 consolidated 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.

(iii) The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

4 Issue of shares

In July 2011, the company issued 220,000,000 new shares to the public.

5 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.

6 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%

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Period ended December 31, 2014

Selected explanatory notes**7 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 as follows:

		<u>Three months</u> <u>ended December</u> <u>31, 2014</u>	<u>Three months</u> <u>ended December</u> <u>31, 2013</u>	<u>Six months</u> <u>ended</u> <u>December 31,</u> <u>2014</u>	<u>Six months</u> <u>ended</u> <u>December 31,</u> <u>2013</u>
Profit for the period attributable to stockholders of the company	US\$	1,032,848	1,177,211	1,012,327	1,624,632
Weighted average number of ordinary stock units held during the period		1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
Earnings per stock unit	US\$	0.0094	0.0107	0.0092	0.0148

8 Dividends

On August 27, 2014, the Board of Directors declared an interim dividend of J\$0.04 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.



TOP TEN (10) SHAREHOLDERS

As at 31 December 2014

<u>NAME</u>	<u>SHARES</u>
Wave Trading Limited	440,000,000
Sportswear Producers Limited	440,000,000
Mayberry West Indies Limited	27,914,454
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	762,900
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

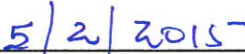


Compliance Statement for Statutory Obligations


Reporting Period: 2nd Quarter Ending December 31, 2014

Statutory Liability	Oct-14	Date of Pmt	Nov-14	Date of Pmt	Dec-14	Date of Pmt
P.A.Y.E.	9,350,127.66	14-Nov-14	9,644,309.76	12-Dec-14	9,330,580.18	14-Jan-15
N.H.T.	2,621,249.79	14-Nov-14	2,693,588.40	12-Dec-14	2,623,943.93	14-Jan-15
Education Tax	2,961,799.90	14-Nov-14	3,045,309.52	12-Dec-14	2,963,597.34	14-Jan-15
HEART	1,576,039.82	14-Nov-14	1,619,443.14	12-Dec-14	1,577,656.47	14-Jan-15
NIS	1,513,287.82	14-Nov-14	1,502,143.52	12-Dec-14	1,558,521.60	14-Jan-15
GCT	- 25,634,083.00	27-Nov-14	19,177,047.00	30-Dec-14	9,807,934.00	29-Jan-15


Kesha-Ann Harper
 Director of Finance


 Date


Jan Polack
 Chief Financial Officer


 Date