



# Press Release

**GraceKennedy Ltd posts positive Q1 results with net profit up 14.9%**  
**- Revenue increased to \$24.9 billion**

**(Kingston, Jamaica; May 11, 2018)** The GraceKennedy Group has recorded revenues for the first quarter of 2018 of \$24.9 billion and net profit of \$1.3 billion. The results show positive performance with increases of 5.1% on revenue and 14.9% on net profit over Q1 2018.

Don Wehby, Group CEO, expressed satisfaction with the Group's results, noting that the company has benefitted from strong performance of key business lines and new acquisitions.

"We are very clear about delivering shareholder value. This comes from meeting the needs of our consumers, providing relevant, quality products and services and continuous innovation. I'm very proud of the strides we continue to make in both our Foods and Financial Services segments. Our newest acquisitions, Consumer Brands Ltd and Gray's Pepper Products Ltd, are a very good fit and are integrating well within the Group," Mr Wehby said.

Frank James, Group CFO, said the Group was proactive in preparing for, and therefore successfully adopting the new International Financial Reporting Standards (IFRS) which became effective on January 1.

"IFRS 9 addresses the recognition, classification and measurement of financial instruments while IFRS 15 addresses the recognition of revenue from contracts with customers. The effect of adopting these standards is a reduction in shareholders' equity at the start of the year of J\$0.9 billion, however the impact on the results for the first quarter has not been material," Mr James said.

The GraceKennedy Financial Group (GKFG) performed creditably with good growth in revenue driven by the Insurance business while both the Insurance and the Banking and Investments segments grew in pre-tax profits. GK Insurance (Eastern Caribbean) Ltd continued its expansion into the Caribbean with operations beginning in Antigua and Barbuda in April.

First Global Bank (FGB) reported growth in pre-tax profit mainly driven by lower cost of funds and lower expenses. The Bank is focusing on expansion through satellite locations branded FG MoneyLink. Four FG MoneyLink branches are in operation in Manchester, St. Thomas, Hanover and St. Catherine.

Strong focus on compliance continues to redefine the remittance business in Jamaica and, as expected, in the short term the reduction in transaction volumes has led to declines in revenue and pre-tax profit. However the Group is confident about the long-term benefits.

**Released by the GraceKennedy Corporate Communications Department**  
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“We consider compliance to be a competitive advantage and we have been working closely with our partner Western Union to ensure our network meets the highest internal and regulatory standards. In the medium-term we will see positive results. We also expect additional growth to come from the new channel WU.com which allows Jamaicans to send funds to 200 countries. Jamaica was the first country in the Latin America and the Caribbean to have this facility,” Mr Wehby said.

The Domestic Foods business as well as that of Canada and the USA showed growth, while the UK business had mixed results with decline in sales in the UK market but strong growth buoyed by deepening market penetration in Germany, Spain, Holland and France.

New listings in Publix, Save-A-Lot and Stop & Shop stores in the USA and in Walmart in Canada, have helped boost performance in the Food Trading Segment.

“We remain focused on ensuring an agile, efficient and high-performing corporate structure in order to deliver on our vision of being a Global Consumer Group. Our theme for 2018 is ‘delivering consumer and shareholder value through innovative solutions’. I look forward to providing more updates on our plans for 2018 at our AGM on May 30,” Mr Wehby said.

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