

Management Discussion & Analysis

Performance Summary

Turnover was \$432.4 million (2007-2008: \$393.8 million) representing an increase of \$38.6 million or 9.8% more than 2007-2008. The increase was driven by our new marketing arrangement with our exclusive distributors and the price increase we necessarily had to take.

The devaluation of the Jamaican Dollar to the United States Dollar (USD) had a favourable impact on export revenue, as export sales are all invoiced in USD.

Trading profit was \$125.2 million, representing a 34.9% year-on-year increase, primarily driven by the growth in gross profit and improvements in production efficiencies. The net profit attributable to Shareholders was \$108.1 million (2007-2008: \$75.3 million), resulting in earnings per stock unit of 1.04 cents (2007-2008: 0.73 cents).

The Company declared dividends of \$31.2 million which translated to 30 cents per stock Unit.

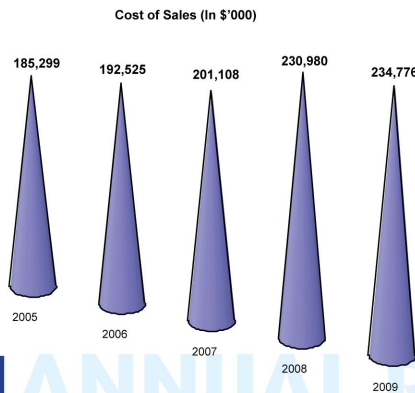
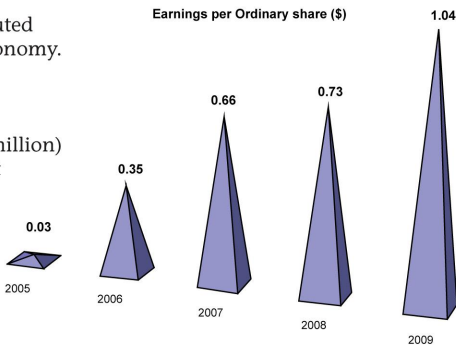
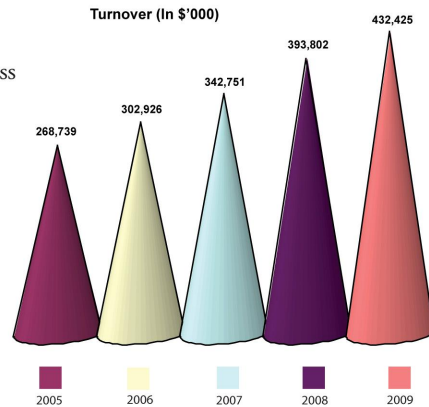
Volume Performance

Total Sales Volume was 4.56% lower than last year. The decline in the domestic market reflects the economic climate and its adverse impact on consumers' disposable income.

Total Export volumes also showed a decline. This was attributed to increased competition and the downturn in the global economy.

Cost of Sales

Cost of Sales increased to \$234.8 million (2007-2008: \$231 million) representing a 1.6% increase over the prior year. Gross Profit Margin improved by 4.4% points on last year to 45.7%.



Marketing Costs

During the year, The Company changed its distributorship arrangement, opting to appoint a Sole Distributor. Marketing and Promotion expenses showed a decrease of 3.9% over the previous year, as our Distributor now shares in these costs.

Administrative Expenses

General Administrative Expenses were \$58 million (2007-2008: \$54.5 million), showing an increase of 6.4%. This increase was below the prevailing rate of inflation.

General Administration Expenses as a percentage of turnover improved to 13% (2007-2008: 14%).

Risk Management

The Company continues to follow a comprehensive approach to risk management. The key risk factors facing the business are reviewed at both an Operational and Executive Level and subsequently approved by the Audit Committee on a quarterly basis.

Corporate Social Responsibility

During the year, The Company continued its commitment by contributing to a number of worthy causes. In addition, we have adopted a Basic School in our Community.

Future Strategy

As we look to the new Financial Year, the economic outlook remains challenging, with local industries struggling and our consumers' disposable income levels highly vulnerable. Our future is dependent on ensuring that all costs are tightly managed and all expenditures generate maximum returns.

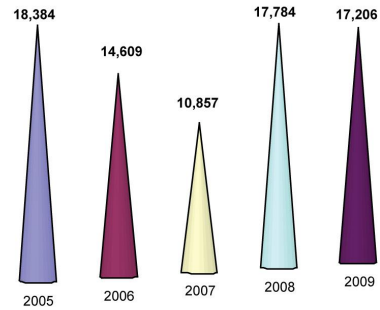
Our strategy to weather this economic downturn is to focus on four key areas:

1. Increased brand awareness through:
 - a) Packaging Upgrades
 - b) Maximum Distribution
 - c) New Website
2. Identification and development of new export markets.
3. Diversification of product line geared for export.
4. Management of funds on deposit.

I would like to thank our employees for their continued commitment and performance during the year; also to acknowledge the part played by our customers, suppliers and distributor, in supporting our business and its products.

John Rosen
Managing Director

Selling and Promotion Expenses (In \$'000)



Administrative Expenses (In \$'000)

