



GraceKennedy Limited

### **Chairman's Statement 2010**

During 2010, the world economy continued to be characterised by uncertainty despite signs of recovery while economic activity in the local economy remained sluggish. The GraceKennedy Group maintained focus on the needs of our customers enabling a creditable performance, with some of our major business segments showing improved results compared to the prior year. There were, however, other business segments that had disappointing results.

In keeping with the Group's objective of improving returns for our shareholders, the dividends paid in 2010 were \$1.35 compared to \$1.15 in 2009, an increase of 17.4%. The frequency of dividend payments was also increased to three per year from the traditional two per year.

Our Group Revenues for 2010 were \$55.3 billion, a decrease of 3.6% when compared to the prior year of \$57.4 billion. The Net Profit Attributable to owners of the company was \$2.25 billion, representing a 12.6% decrease compared to \$2.57 billion for 2009.

The Group made significant investments in technology and innovation which are expected to not only enhance profitability but position the company for future growth opportunities. We are already experiencing the benefits of our investment in the new Distribution Centre at Bernard Lodge, St. Catherine, which is now fully operational, and starting to attract new business. Another example is the increased use by First Global customers of the bank's Internet banking solution, Global Access.

Our focus on risk management, controls and governance processes across the Group was a central part of our activities during the year, as a robust GraceKennedy is central to the company's objective of transformation into a global consumer group, consistent with our 2020 Vision.

The support of our customers and consumers throughout the year, manifested in the strength of our brands, has been most encouraging. We are thankful to our customers as we pledge to maintain the reliability of our relationships, and quality of our goods and services.

The Directors at their meeting on February 11, 2011, noted the resignations from the Board, of Executive Directors Erwin Burton and Joseph Taffe, with effect from February 28, 2011, the date of their retirement from the Company. The Board is grateful for the significant contributions made by both of these executives over their many years of sterling service to the Group and wishes for them the very best on their retirement. Mr. Michael Ranglin, currently CEO

of Grace Foods UK Limited, has been appointed a Director effective March 1, 2011, and succeeds Mr. Burton as CEO of GK Foods.

Our focus on succession planning, attracting, retaining and developing talented people has resulted in smooth transitions in key positions throughout the Group. As announced on December 14, 2010, Mr. Don Wehby will be appointed as Group Chief Executive Officer effective July 1, 2011, at which time I will assume the position of Executive Chairman. Don first joined the Group in 1995, and has held several senior positions including Chief Financial Officer (1998 – 2006), Chief Executive Officer GK Investments (2006 – 2007) and Group Chief Operating Officer (2009 – present). I look forward to working with Don, a talented and motivated leader, during this period of transition.

As Executive Chairman, I will focus on providing leadership for the Board, ensuring the further development of Corporate Governance best practices across the group, and strengthening relationships with shareholders, existing and potential business partners, and other stakeholders.

I again wish to express gratitude to our consumers, customers, suppliers and all stakeholders for their continuing relationships with us as we chart our way forward. Our mission continues to be 'to satisfy the unmet needs of Caribbean people wherever we live in the world'. I am thankful to my colleague directors, management and all employees for their dedication to the GraceKennedy Group.

Douglas R. Orane  
March 1, 2011