



GraceKennedy Limited

Chairman's Statement 2009

The year 2009 was one of the most turbulent in decades as the world grappled with the severe global recession. Despite these uncertainties the GraceKennedy group was able to weather the storm and all our major business segments showed improvements in their performance over the prior year.

We had engaged in scenario planning in order to ensure that we were prepared for any eventuality and in response to the disruptions in world markets in late 2008 we undertook a series of actions to prepare our businesses for the resulting turbulence. Arising out of this exercise we took the decision to conserve cash across the Group and to be even more frugal in our expense management.

These initiatives have paid off. Our Group Revenues for 2009 were \$57.4 billion, up 7 % over the prior year of \$53.5 billion. The Net Profit Attributable to owners of the company was 2.57 billion, up 54% over the prior year \$1.67 billion.

As part of our strategy the Group has pursued investments in a wide range of industries in which we have core competences, and more recently, expanded internationally to increase geographic diversity. This has served to cushion the effects of the volatility which businesses worldwide have experienced in the last year.

We take this opportunity to thank our customers and consumers for continuing to make our goods and services their preferred choice. Our mission statement is 'To satisfy the unmet needs of Caribbean people wherever we live in the world'. By our commitment to listening very carefully to customers' feedback we have endeavoured to reinforce our relationship with them through these recessionary times.

During the course of the year the Group was adversely affected by irregularities discovered in the Treasury Department of our subsidiary First Global Bank Limited. The bank has taken action to ensure that risks surrounding possible similar losses have been eliminated and has implemented additional measures necessary to ensure that there is no recurrence.

We have increased our focus on risk management, controls and governance processes across the Group in order to ensure that this extremely unfortunate experience will ultimately lead to a more robust GraceKennedy.

I wish to thank our GraceKennedy employees for their dedication and commitment which has caused us to come through the year in a strong position, well prepared for the future.

Over the years we have pursued a business strategy of attracting, developing and retaining highly qualified and effective people. We have a cadre of experienced leaders who, through their competence, develop and implement effective internal processes allowing our GraceKennedy people to focus on creating delightful customer experiences. By doing so it is our belief that we will encourage our customers to repeatedly do business with us, thus providing the financial results that our shareholders desire.

Because of this investment in our people we are confident that, despite the uncertainties in 2010 and beyond in the global economy, the Group will be able to seek out opportunities and act on them.

We wish to thank our shareholders for their confidence in GraceKennedy during a very uncertain period in which stock prices were exceedingly volatile. We are hopeful that our shareholders recognize the long term value generated by the combination of our brands, our people and our GraceKennedy values of **Honesty**, **Integrity** and **Trust**. These attributes put us in good stead for future growth when world markets become more favourable.

Douglas R. Orane
March 26, 2010