



SUMMARY OF 2008 AUDITED RESULTS

GraceKennedy Limited

Extracts from the Chairman's Report – Year in Review – 2008

The year 2008 was a challenging one, signaling a general downturn in the global economy. Our subsidiary companies experienced mixed results based on their level of vulnerability to declining consumer and business confidence. However, overall, GraceKennedy Limited weathered the storm to turn in a creditable performance.

The Group achieved Revenues for the twelve month period of \$53,462.3 million (2007: \$48,749.4 million), an increase of \$4,712.9 million or 9.7%. The Net Profit Attributable to Equity holders of the Company decreased by \$1,143.9 million over the corresponding period of 2007, moving from \$3,435.5 million to \$2,291.6 million. This represents earnings per stock unit of \$6.98 (2007: \$10.55). In November 2007, GraceKennedy Limited completed the sale of 25% of the shareholding in GraceKennedy Money Services Caribbean SRL to the Western Union affiliate MT Caribbean Holdings which resulted in a gain on sale of \$1,384.1 million. If this one-off gain is excluded from the 2007 results, the Group's 2008 net profit attributable to equity holders would have reflected an increase of 11.7% over 2007.

GraceKennedy Limited made two dividend payments in 2008, totaling \$378.3 million, compared to \$375.2 million for 2007.

Developing Our People

The quality of our human resource continues to be our greatest competitive advantage and accordingly, the development of our people is a major area of our focus. We operate globally and in order for us to effectively compete in international markets we aim to have the best people on board.

This is part of a conscious effort to ensure depth of management in all the industries in which we operate. There is now a structured succession planning process in place for all senior management functions across the group providing our managers with opportunities to gain exposure to all aspects of the business.

Already we have begun to realize the benefits of our investment in succession planning as, in 2008, we were able to fill several key positions within the Group from our pool of internal candidates.

Board and Management Transitions

Mr. Peter Moss-Solomon retired from the board of GraceKennedy Limited having reached the mandatory retirement age of 70 years for the parent board after 33 years as a director. The announcement was made at our Annual General Meeting on May 28, 2008. We wish to thank Peter for the leadership he has given over the years in helping GraceKennedy to live the values espoused by the company's founding families.

Effective February 1, 2009, Mr. Courtney Campbell was appointed CEO of GK Investments, and on February 12, 2009 he was appointed a director of GraceKennedy Limited.

Corporate Social Responsibility

GraceKennedy Foundation

In 2008 the GraceKennedy Foundation said farewell to two pillars of the Foundation – founding member and Chairman since 2002, Peter Moss-Solomon, and Patricia Robinson, Executive Director of the Foundation since 1991. We also welcomed their successors – Professor Elsa Leo Rhynie who takes over the reins as Chairman of the Foundation, and Caroline Mahfood the new Executive Director.

Grace & Staff Community Development Foundation

We continue to be impressed with the focus of the students in our homework programmes, who have been doing extremely well despite sporadic outbreaks of violence in their communities.

The Learning Institute for Central Kingston (LICK) Photo Club, now in its third year, held another exciting photo competition. Using the theme *'From the Hills to the Waterfront'*, the young photographers chose to highlight the natural and historic landmarks of Kingston. The group accepted an invitation to have their work displayed at the Institute of Jamaica.

The Future

The current global recession has had a significant negative effect on all economies in which the group operates. However, our boards and management are pro-actively engaged in anticipating the impact of these developments on each business unit, and making the required adjustments. While we are suffering the effects of this new environment, we are well positioned to manage the changes in exchange rates, our financial structure remains strong, the Group's leadership has the experience of managing through past crises, and we are confident that we will emerge from this challenge well equipped to resume solid growth.

The severity of this global crisis means that our highest priorities are ensuring effective cash management, reinforcing our internal controls and risk management, predicting changes in demand and having our businesses respond accordingly, and staying close to our customers and our staff.

Thanks

I wish to sincerely thank our GraceKennedy people for their dedication to achieving our objectives. Their professionalism is to be commended in successfully working in a global environment filled with growing uncertainty in the marketplace and at the workplace, which now affects everyone's families and friends.

Our customers and consumers have been explicit in giving their feedback as to their required needs. We thank them for their communication, which acts as the catalyst to raise our customer service, and gives us the ideas for new products and services.

We thank you, our shareholders for your continued confidence in GraceKennedy during these uncertain times. We have been through many recessionary cycles in our 87 year history and we are confident that we will emerge stronger from the current environment.

Douglas Orane
Chairman & CEO

March 26, 2009

The complete Chairman's report, together with financial statements and accompanying notes are available on our website www.gracekennedy.com

GraceKennedy Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$'000	\$'000
Revenue	53,462,279	48,749,434
Expenses	51,225,617	45,723,471
	2,236,662	3,025,963
Other income	1,247,233	2,112,004
Profit from Operations	3,483,895	5,137,967
Interest income – non-financial services	395,292	363,823
Interest expense – non-financial services	(570,481)	(744,703)
Share of results of associated companies	95,852	45,087
Profit before Taxation	3,404,558	4,802,174
Taxation	(1,006,562)	(1,266,958)
Net Profit	2,397,996	3,535,216
Attributable to:		
Equity holders of GraceKennedy Limited	2,291,585	3,435,532
Minority interest	106,411	99,684
	2,397,996	3,535,216

Earnings per stock unit for profit attributable to the equity holders of the Company (expressed in \$ per share)

Basic	\$6.98	\$10.55
Diluted	\$6.92	\$10.45

GraceKennedy Limited

CONSOLIDATED BALANCE SHEET

31 DECEMBER 2008

	2008 \$'000	2007 \$'000
ASSETS		
Cash and deposits	7,698,399	8,109,924
Investment securities	46,835,527	39,448,435
Receivables	8,567,839	7,919,134
Inventories	5,582,398	5,017,771
Loans receivable	9,389,004	5,747,738
Taxation recoverable	652,278	703,959
Investments in associates	851,331	763,442
Intangible assets	2,486,997	2,512,117
Fixed assets	4,198,367	2,993,412
Deferred tax assets	659,309	241,177
Pension plan asset	7,165,149	6,548,653
Total Assets	94,086,598	80,005,762
LIABILITIES		
Deposits	13,942,768	11,846,600
Securities sold under agreements to repurchase	27,258,533	22,607,385
Bank and other loans	14,715,491	10,026,439
Payables	11,991,771	9,737,925
Taxation	278,098	690,872
Provisions	13,770	6,810
Deferred tax liabilities	2,036,831	2,100,629
Other post-retirement obligations	1,659,160	1,376,132
Total Liabilities	71,896,422	58,392,792
EQUITY		
Capital & reserves attributable to the equity holders of the Company		
Share capital	553,879	419,739
Capital and fair value reserves	1,741,106	3,564,283
Retained earnings	15,444,301	13,564,901
Reserve funds	776,884	776,884
Other reserves	1,900,345	1,712,710
	20,416,515	20,038,517
Minority Interest	1,773,661	1,574,453
Total Equity	22,190,176	21,612,970
Total Equity and Liabilities	94,086,598	80,005,762

Approved for issue by the Board of Directors on 26 March 2009 and signed on its behalf by:

Douglas Orane

Chairman

Fay McIntosh

Chief Financial Officer

GraceKennedy Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 DECEMBER 2008

	Attributable to equity holders of the Company						Minority Interest	Total Equity
	No. of Shares	Share Capital	Capital and	Retained Earnings	Reserve Fund	Other Reserves		
			Fair Value Reserve					
'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 January 2007	325,248	405,686	3,835,045	10,513,278	776,884	1,628,082	773,382	17,932,357
Foreign currency translation adjustments	-	-	-	-	-	73,517	25,249	98,766
Fair value losses	-	-	(274,870)	-	-	-	-	(274,870)
Revaluation loss	-	-	(4,309)	-	-	-	-	(4,309)
Other	-	-	(138)	-	-	-	-	(138)
Net expense recognised directly in equity	-	-	(279,317)	-	-	73,517	25,249	(180,551)
Profit for the period	-	-	-	3,435,532	-	-	99,684	3,535,216
Total recognised income for the period	-	-	(279,317)	3,435,532	-	73,517	124,933	3,354,665
Issue of shares	1,472	48,964	-	-	-	-	-	48,964
Purchase of treasury shares	(585)	(34,911)	(180)	-	-	-	-	(35,091)
Increase in minority interest	-	-	-	-	-	-	686,941	686,941
Transfers between reserves	-	-	8,735	(8,735)	-	-	-	-
Employee share option scheme	-	-	-	-	-	11,111	-	11,111
Dividends paid	-	-	-	(375,174)	-	-	-	(375,174)
Dividends paid by subsidiary to minority interest	-	-	-	-	-	-	(10,803)	(10,803)
Balance at 31 December 2007	326,135	419,739	3,564,283	13,564,901	776,884	1,712,710	1,574,453	21,612,970
Balance at 1 January 2008	326,135	419,739	3,564,283	13,564,901	776,884	1,712,710	1,574,453	21,612,970
Foreign currency translation adjustments	-	-	-	-	-	153,548	24,454	178,002
Fair value losses	-	-	(2,282,627)	-	-	-	-	(2,282,627)
Revaluation surplus	-	-	412,900	-	-	-	68,343	481,243
Net expense recognised directly in equity	-	-	(1,869,727)	-	-	153,548	92,797	(1,623,382)
Profit for the period	-	-	-	2,291,585	-	-	106,411	2,397,996
Total recognised income for the period	-	-	(1,869,727)	2,291,585	-	153,548	199,208	774,614
Issue of shares	1,947	66,989	-	-	-	-	-	66,989
Issue of treasury shares	1,072	67,151	12,678	-	-	-	-	79,829
Transfers between reserves	-	-	-	-	-	-	-	-
To capital reserves	-	-	33,872	(33,872)	-	-	-	-
Employee share option scheme	-	-	-	-	-	34,087	-	34,087
Dividends paid	-	-	-	(378,313)	-	-	-	(378,313)
Balance at 31 December 2008	329,154	553,879	1,741,106	15,444,301	776,884	1,900,345	1,773,661	22,190,176

GraceKennedy Limited

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2008

	2008 \$'000	2007 \$'000
SOURCES/(USES) OF CASH:		
Operating Activities		
Profit for the period	2,397,996	3,535,216
Adjustments for items not affecting cash, changes in non-cash working capital components and other, net	2,226,822	(1,283,230)
Cash provided by operating activities	4,624,818	2,251,986
Cash provided by financing activities	4,177,363	2,392,722
Cash used in investing activities	(9,026,585)	(7,190,219)
Decrease in cash and cash equivalents	(224,404)	(2,545,511)
Cash and cash equivalents at beginning of year	6,251,787	8,646,625
Exchange and translation gains on net foreign cash balances	376,873	150,673
CASH AND CASH EQUIVALENTS AT END OF YEAR	6,404,256	6,251,787