



CHAIRMAN'S REPORT Q1 2018

The Board of Directors at *AML Foods Limited* today announced results for the first quarter ended July 31st, 2018. Sales for the quarter were \$41.4m an increase of 6.14% for the same period in the prior year. Net profit for the quarter was \$485k, after losses from discontinued operations of \$48k, compared to \$1.305m for the same period in the prior year.

While disappointed with our profits, we are pleased that our Company continues to record positive sales growth. Our overall results for the period were impacted by a number of specific issues, rather than an overall deterioration in performance, and we are confident that these issues will be addressed in the short to medium term.

During the quarter, transaction counts remained strong and continue to grow. Same store sales growth was impacted by a significant decrease in the value of transactions, an indication that our focus on quality and value continues to attract customers, but customers have made adjustments to their spending habits given the current economic environment and recent increase in the rate of Value Added Tax. Despite tough economic conditions in Freeport, our businesses there are performing strongly. Customers are continuing to support our brands, allowing us opportunities for customer engagement, and in turn, more opportunities for increased revenues. Over the next quarter, building customer engagement will remain a priority.

We are maintaining our focus on investing in the development and training of our team, as well as driving efficiency and effectiveness in our systems and processes. In July we opened a new and expanded training center in Freeport and a new and improved training center will open in Nassau in January of 2019. The roll out of the new ERP (Enterprise Resource Planning) system piloted in Solomon's Yamacraw will also begin in early 2019.

The Board of Directors have approved an ordinary dividend payment of \$0.03 per share, payable on September 28th, 2018 to shareholders on record as of September 24th, 2018. This payment represents a 50% increase in ordinary dividend distributions.

I would like to thank our loyal customers, dedicated staff and shareholders for your continued support of *AML Foods Limited*.

Franklyn A. Butler, II
Chairman