Welcome to Blue Skies
13 years of Blue skies in Ghana
About Blue Skies

- Started in 1998.
- Producers of fresh-cut fruit and freshly squeezed juice.
- Employ over 2,500 people in factories in Ghana, Egypt, South Africa and Brazil.
- Committed to value-adding at source
- Supply 12 major European retailers.
- Presented with Queens Award for Sustainable Development in 2008
Blue Skies Conference August 2009

www.blueskies.com
Where are we?

- **UK**: Head Office and facility to offer fruit mixes with UK berries and stone fruit.
- **GHANA**: Processing tropical fruits.
- **EGYPT**: Processing deciduous and some subtropical fruits.
- **BRAZIL**: Processing Tropical, deciduous and exotic fruits.
- **SOUTH AFRICA**: Processing deciduous and sub tropical fruits.
Our Products

BLUE SKIES  www.blueskies.com
Our Customers

- SPAR
- il gigante
- ocado
- ESSELUNGA
- MARKS & SPENCER
- E.LECLERC
- MONOPRIX
- Carrefour
- BOMARTS
- Waitrose
- Pão de Açúcar
- WOOLWORTHS
- Sainsbury’s
- Pick’n Pay
- ASDA
- co-op

BLUE SKIES

www.blueskies.com
Our Values

Our JEE model (Joint Effort Enterprise)

• ‘Adding value at source’
• Care for people
• Respect for the environment
• Quality fruit

We aim to build our company upon our values of fairness in business, respect for each other and trust. We believe that care for our people breeds care for our fruit which in turn fosters a natural respect for the environment and the communities where we exist.
About Blue Skies Ghana

- Employ 1200-2000 people in Ghana
- Responsible for 5% of Ghana's non traditional exports, 30% of pineapple exports and 70% of mango exports.
- Supports a supply base, in Ghana, of 150 small-holder farms.
- Contribute £2.5 million to the local economy per year through salaries.
- Biggest employer in the Eastern Region
- Economic development has improved living conditions in Nsawam and Dobro and enabled investment in small businesses.
- Growers benefit from a long term, sustainable approach. Loans, payment within seven days, continuous training and support, premium price.
Badges of Achievement
The Blue Skies Foundation

• £140,000 per year for community projects.
• Partnership between Blue Skies, Albert Heijn and Waitrose
• Intended to improve the lives of farmers and their communities who supply Blue Skies and our staff.
• Projects to include improvements to education, water, health care and sanitation.
• Multi stakeholder approach.
January 2010
Papaya disaster
February 2010 – Crisis in Ghana

Dear Stephan and Joe,

George, Iain, Guy and I met this morning and approved a number of measures to be taken to mitigate the Sainsburys decision to remove £550k from our margin and to offset effects from the weak pound which will wipe £1m off our profits this year.

We have decided to close down BSB from 17th April. We will probably open again in October or December. Please note that no one outside the Exec and Joe know this but I have to announce the plans over the next few days. This is not a mothballing since we plan to close all sections of the factory and to lay almost everyone off.
March 2010 - BA Strikes

BLUE SKIES

www.blueskies.com
April 2010 - Volcanic Ash

BLUE SKIES

www.blueskies.com
Dear Anthony,

You probably know that we will have a hung parliament. It looks as if the conservatives will be 20 short and there are no obvious partners to form a government, the unionists would only give 10. The combinations where the arithmetic would work to produce a majority are:

• conservatives plus lib dems
• conservatives plus labour
• conservatives plus most of the minority parties
• labour plus lib dems plus most of the minority parties

Under our constitution the existing government has the first opportunity to try to achieve an agreement. None of the alternatives look as if they would last and we need strong decisive leadership. If the Lib dems partner with anyone their requirement is that the system is changed to proportional representation and if that happens we will be guaranteed a succession of governments with no-one in overall charge and probably a pact with Labour and Lib dems for some time to come.

We need certainty and I think and this may only be achieved with another election. However hopefully the markets will stabilise in the next few days.

Best wishes,

Mike
June 2010 – Tax and land issues
June and July 2010
Mango crisis in Ghana
Dear Matt

On a personal level I will never surrender JS pineapple. As you can see from the messages traded with George, we are in trouble with Sainsburys who want to take the pine lines off us and give them to Bakkavor who no doubt press the buyer daily for a decision. But over my dead body! Please do all you can to quietly make sure we hit pine orders from JS.

Good luck

Anthony
September 2010

Papaya success

Mango disaster

www.blueskies.com
October 2010 - Benin
The search for pineapple
November – Ghana

Fighting back
December – Europe

Snow
Challenges

- Exchange rate
- Energy prices
- Roads and communications
- Corruption
- Environment: sand winning, climate change.
- Dash for growth and oil wealth versus agriculture and exports
- Union attitudes
## PROFIT AND LOSS ACCOUNT

**Blue Sky Products (Ghana) Limited**  
**Profit and Loss Account**  
**For the year ended December 2008, 2009 and 2010**

<table>
<thead>
<tr>
<th></th>
<th>Full year</th>
<th>non cedi</th>
<th>Full year</th>
<th>non cedi</th>
<th>Full year</th>
<th>non cedi</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ghana</td>
<td>Ghana</td>
<td>Ghana</td>
<td>Ghana</td>
<td>Ghana</td>
<td>Ghana</td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>expenditure</td>
<td>29,354,589</td>
<td>31,886,586</td>
<td>31,886,586</td>
<td>34,329,116</td>
<td>34,329,116</td>
<td></td>
</tr>
<tr>
<td>% Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>100.0</td>
<td></td>
<td>100.0</td>
<td></td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Purchases</td>
<td>30.6</td>
<td>5,335,031</td>
<td>6,139,751</td>
<td>4,199,932</td>
<td>8,471,241</td>
<td>5,794,801</td>
</tr>
<tr>
<td>Labour</td>
<td>16.6</td>
<td>4,881,938</td>
<td>5,132,041</td>
<td>4,199,932</td>
<td>5,921,595</td>
<td>5,921,595</td>
</tr>
<tr>
<td>Distribution</td>
<td>24.5</td>
<td>7,186,013</td>
<td>7,757,478</td>
<td>7,757,478</td>
<td>9,019,363</td>
<td>9,019,363</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>28.3</td>
<td>8,302,149</td>
<td>8,597,384</td>
<td>14.9</td>
<td>5,122,115</td>
<td></td>
</tr>
<tr>
<td>Overheads</td>
<td>20.2</td>
<td>5,937,137</td>
<td>5,826,834</td>
<td>17.0</td>
<td>5,834,546</td>
<td>108,338</td>
</tr>
<tr>
<td>Profit / (Loss) before Tax</td>
<td>8.1</td>
<td>2,365,012</td>
<td>10.5</td>
<td>3,358,738</td>
<td>(712,431)</td>
<td></td>
</tr>
</tbody>
</table>

### Costs in Ghana Cedis

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16,043,863</td>
<td>18,408,875</td>
<td>16,473,165</td>
<td>19,831,903</td>
<td>20,119,045</td>
<td>19,406,614</td>
</tr>
</tbody>
</table>

### Inflation

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16.0%</td>
<td>2,635,706</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

### Subsidy required on sales to compensate for inflation

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8.27%</td>
<td>6.45%</td>
<td></td>
</tr>
</tbody>
</table>

2010 figures are based on the actual results for the 48 weeks to 28 November 2010 and multiplied by 52 weeks and divided by 48 weeks  
Cedi expenditure has been calculated for 2008 and 2010 using the percentages in 2009.

### Average Employee numbers

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,639</td>
<td>1,464</td>
<td>1,257</td>
</tr>
</tbody>
</table>

### Cost per employee - GHC

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,980</td>
<td>3,546</td>
<td>4,711</td>
</tr>
</tbody>
</table>
Blue Sky Products (Ghana) Limited
GHc:$1 Exchange Rate adjusted for Inflation

Source: www.oanda.com / Bank of Ghana
Summarising the costs to BS Ghana

ANNUS HORRIBILIS

Government policy re: currency: £1.25m
Volcanic Ash, BA Strikes : £0.25m
Crop failures in Ghana: £0.75m
Mango crisis from imported(Senegal) fruit: £0.50m
December logistics: £0.25m
TOTAL: £3.0m
Lessons:

• New markets
• New products
• New logistics
• New locations?
Thank you