



# Highlights of the Unaudited Consolidated Financial Statements for the Three Months Ended 31st December 2017

## CHAIRMAN'S STATEMENT FOR FIRST QUARTER RESULTS (QUARTER ENDED DECEMBER 31, 2017)

Third Party Revenue increased by 4.5% over prior year to \$3.22 billion. However, Profit Before Tax (PBT) declined by 2.8% from prior year. The majority of the Group's Revenue increase is coming from Colombia at lower margins. Furthermore, despite good progress at expense containment, lower Revenue and Gross Margins from some of the traditionally more profitable subsidiaries in Trinidad resulted in lower Gross Profit contributions to the Group.

The impact of increased corporate tax rates in Trinidad and Tobago on Earnings Per Share (EPS) was tempered by the fact that there are no more charges for discontinued operations. With the sale of Massy Communications and the turnaround of the energy services companies in Trinidad and Tobago and Colombia, the Group has significantly reduced its exposure to loss making subsidiaries. Consequently, EPS decreased by 3.5% from \$1.42 in the prior year to \$1.37 for the First Quarter of FY 2018.

The Group has embarked on a number of short, medium and long-term measures to improve its efficiency and competitiveness. In the short-term, cost reduction and cost containment initiatives have been implemented throughout the Group. Medium-term initiatives focus on indirect and direct procurement initiatives. The first wave of savings initiatives from indirect procurement will commence in March 2018. The longer-term initiative for efficiency improvement involves a major shared services programme within the Massy Group. Consultants are being considered and a RFP to assist in the process is being developed.

The Group continues to explore a number of exciting new growth initiatives in the automotive industry in Colombia and Central America, as well as strategic opportunities in the Integrated Retail sector in the region.

Despite the challenges associated with foreign exchange in Trinidad and Tobago, the Group has been able to pay its suppliers. The Group will continue to grow its market share and competitiveness in its existing businesses, while leveraging the strength of its Balance Sheet to invest in growth opportunities in target markets and target sectors.

Robert Bermudez, Chairman  
February 7, 2018

### CONSOLIDATED INCOME STATEMENT For the Three Months Ended 31st December 2017

	UNAUDITED THREE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Dec-17 TT\$'000	31-Dec-16 TT\$'000	30-Sep-17 TT\$'000
<b>Continuing Operations:</b>			
Revenue	3,221,099	3,080,128	11,763,669
Operating profit after finance costs	203,647	220,859	685,299
Share of results of associates and joint ventures	26,358	15,783	68,993
Profit before tax	230,005	236,642	754,292
Income tax expense	(80,142)	(74,119)	(274,465)
<b>Profit for the period from continuing operations</b>	<b>149,863</b>	<b>162,523</b>	<b>479,827</b>
<b>Discontinued Operations:</b>			
Loss for the period from discontinued operations	-	(11,275)	(67,986)
<b>Profit for the period</b>	<b>149,863</b>	<b>151,248</b>	<b>411,841</b>
<b>Owners of the parent:</b>			
Profit for the period from continuing operations	134,052	147,146	435,555
Loss for the period from discontinued operations	-	(8,456)	(59,327)
Profit attributable to owners of the parent	134,052	138,690	376,228
<b>Non-controlling interests:</b>			
Profit for the period from continuing operations	15,811	15,377	44,272
Loss for the period from discontinued operations	-	(2,819)	(8,659)
Profit attributable to non-controlling interests	15,811	12,558	35,613
<b>Profit for the period</b>	<b>149,863</b>	<b>151,248</b>	<b>411,841</b>
<b>Earnings per share attributable to the owners of the parent (\$/cents):</b>			
Basic (loss)/earnings per share	1.37	1.51	4.46
- from continuing operations	-	(0.09)	(0.61)
- from discontinued operations	1.37	1.42	3.85

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31st December 2017

	UNAUDITED 31-Dec-17 TT \$'000	UNAUDITED 31-Dec-16 TT \$'000	AUDITED 30-Sep-17 TT \$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2,810,170	2,822,168	2,730,670
Investments in associates and joint ventures	257,923	257,428	239,305
Financial assets	1,066,230	747,697	859,655
Other non-current assets	1,141,292	1,097,921	1,174,076
	5,275,615	4,925,214	5,003,706
<b>Current assets</b>			
Cash and cash equivalents	1,187,818	1,999,455	1,565,945
Other current assets	7,067,001	4,238,820	6,707,480
	8,254,819	6,238,275	8,273,425
<b>Total assets</b>	<b>13,530,434</b>	<b>11,163,489</b>	<b>13,277,131</b>
<b>Equity and Liabilities</b>			
Capital and reserves attributable to owners of the parent	5,073,535	4,937,661	4,922,365
Non-controlling interests	247,353	257,164	240,882
Total equity	5,320,888	5,194,825	5,163,247
<b>Non-current liabilities</b>			
Borrowings	1,988,150	1,913,381	1,905,591
Deferred tax liabilities	237,070	224,594	234,485
Other non-current liabilities	612,941	624,763	604,832
	2,838,161	2,762,738	2,744,908
<b>Current liabilities</b>			
Borrowings	350,150	240,824	356,355
Other current liabilities	5,021,235	2,965,102	5,012,621
	5,371,385	3,205,926	5,368,976
<b>Total equity and liabilities</b>	<b>13,530,434</b>	<b>11,163,489</b>	<b>13,277,131</b>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the Three Months Ended 31st December 2017

	UNAUDITED THREE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Dec-17 TT \$'000	31-Dec-16 TT \$'000	30-Sep-17 TT \$'000
<b>Profit for the period</b>	149,863	151,248	411,841
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- remeasurement of defined benefit pension plans	-	-	(28,406)
	-	-	(28,406)
<b>Items that may be subsequently reclassified to profit or loss</b>			
- available for sale financial assets	-	86	171
- currency translation differences	15,505	7,744	(9,325)
	15,505	7,830	(9,154)
<b>Other comprehensive (loss)/income for the year, net of tax</b>	<b>15,505</b>	<b>7,830</b>	<b>(37,560)</b>
<b>Total comprehensive income for the period</b>	<b>165,368</b>	<b>159,078</b>	<b>374,281</b>
<b>Attributable to:</b>			
- owners of the parent	149,670	146,316	338,542
- non-controlling interests	15,698	12,762	35,739
<b>Total comprehensive income for the period</b>	<b>165,368</b>	<b>159,078</b>	<b>374,281</b>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Three Months Ended 31st December 2017

	UNAUDITED THREE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Dec-17 TT \$'000	31-Dec-16 TT \$'000	30-Sep-17 TT \$'000
Balance at the beginning of the year	4,922,365	4,789,943	4,789,943
Profit attributable to owners of the parent	134,052	138,690	376,228
Remeasurement of defined benefit pension plans	-	-	(28,406)
Dividends paid	-	-	(206,237)
Other reserve movements	17,118	9,028	(9,163)
	5,073,535	4,937,661	4,922,365

### CONSOLIDATED STATEMENT OF CASH FLOWS For the Three Months Ended 31st December 2017

	UNAUDITED THREE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Dec-17 TT \$'000	31-Dec-16 TT \$'000	30-Sep-17 TT \$'000
<b>Cash flows from operating activities</b>			
Operating profit	203,647	220,859	685,299
Operating losses from discontinued operations	-	(11,275)	(67,986)
Dividends from associates and joint ventures	-	-	49,154
Adjustments for non-cash items	89,012	96,986	446,826
<b>Operating profit before working capital changes</b>	<b>292,659</b>	<b>306,570</b>	<b>1,113,293</b>
Net working capital changes	(345,108)	(85,921)	211,606
Tax payments	(38,677)	(48,691)	(247,145)
<b>Cash flows from operating activities</b>	<b>(91,126)</b>	<b>171,958</b>	<b>1,077,754</b>
Investing activities	(352,056)	(125,950)	(1,055,091)
Financing activities	89,246	(75,932)	(510,597)
<b>Decrease in short-term funds</b>	<b>(353,936)</b>	<b>(29,924)</b>	<b>(487,934)</b>

SEGMENT INFORMATION (TT\$'000) CONTINUING OPERATIONS	Automotive and Industrial Equipment	Integrated Retail	Financial Services	Energy and Industrial Gases	ITC	Other Investments	Head Office and Other Adjustments	Total
<b>Three Months Ended 31st December 2017</b>								
Group revenue	701,763	1,954,265	146,838	290,665	129,555	150,003	-	3,373,089
Inter-segment revenue	(21,376)	(93,457)	(484)	(9,985)	(10,452)	(16,236)	-	(151,990)
Third party revenue	680,387	1,860,808	146,354	280,680	119,103	133,767	-	3,221,099
Operating profit/(loss) after finance costs	29,036	115,545	23,509	47,165	10,379	23,196	(45,183)	203,647
Share of results of associates and joint ventures	-	-	-	26,206	-	152	-	26,358
Profit before income tax	29,036	115,545	23,509	73,371	10,379	23,348	(45,183)	230,005
<b>Three Months Ended 31st December 2016</b>								
Group revenue	590,814	2,010,245	141,983	264,792	127,008	153,983	-	3,288,825
Inter-segment revenue	(21,351)	(144,894)	(998)	(10,139)	(8,812)	(22,503)	-	(208,697)
Third party revenue	569,463	1,865,351	140,985	254,653	118,196	131,480	-	3,080,128
Operating profit/(loss) after finance costs	46,012	125,665	20,341	42,617	10,198	20,668	(44,642)	220,859
Share of results of associates and joint ventures	-	-	-	16,122	(136)	(2603)	-	15,783
Profit before income tax	46,012	125,665	20,341	58,739	10,062	20,465	(44,642)	236,642

	Group Revenue		Inter-Segment		Third Party Revenue		Profit Before Tax	
	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16
Trinidad and Tobago	1,392,569	1,531,979	(79,634)	(84,158)	1,312,935	1,447,821	128,017	148,841
Barbados and Eastern Caribbean	1,127,935	1,141,420	(32,663)	(81,444)	1,095,272	1,059,976	87,422	78,675
Guyana	254,873	247,857	(8,786)	(10,363)	246,087	237,494	34,498	33,288
Jamaica	173,302	167,509	(382)	(1,504)	172,920	166,005	16,089	14,783
Colombia	367,753	148,322	-	-	367,753	148,322	7,938	4,267
Other	56,657	51,738	(30,525)	(31,228)	26,132	20,510	1,224	1,430
Head Office and other adjustments	-	-	-	-	-	-	(45,183)	(44,642)
	3,373,089	3,288,825	(151,990)	(208,697)	3,221,099	3,080,128	230,005	236,642

#### Notes:

All monetary amounts are stated in Trinidad and Tobago dollars. Highlights of the Unaudited Consolidated Financial Statements (Highlights) have been prepared in accordance with International Financial Reporting Standards. The Highlights do not include all information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Group's Annual Financial Statements as at 30th September 2017. For comparative purposes, adjustments and reclassifications to the prior year have been made to conform to the current year reporting. These Financial Highlights can be accessed online at [www.massygroup.com](http://www.massygroup.com)