

# Highlights of the Audited Consolidated Financial Statements for the Year Ended 30th September 2016

## CHAIRMAN'S STATEMENT FOR YEAR END RESULTS 2016

The Financial Year ending 30 September 2016 proved to be challenging for the Group, resulting in a mixed financial performance. While the Group's Balance Sheet was well managed, Group Third Party Revenue declined by 3% or \$411 million from \$11.9 billion to \$11.5 billion and Earnings per Share (EPS) declined by \$1.43 (22%) from \$6.53 to \$5.10, when compared to 2015. Group Cash increased to \$2.0 billion, compared to \$1.7 billion in 2015 and Cash Flow from Operating Activities increased to \$1.3 billion. The ratio of Debt to Debt and Equity also improved, reducing from 33% in 2015 to 32% in 2016. Contributing to the decline in the Group's Earnings was the impact of \$115 million in losses from two non-recurring events and from losses incurred in two of our subsidiaries. Furthermore, the Group incurred an additional \$22 million in new tax charges.

The Group's IT services investment in Costa Rica was impaired following a decision by the Board to exit the investment via a sale of the Group's interest to one of the existing shareholders who was prepared to provide additional capital into the company. In addition, the Oxygen plant investment jointly owned with Air Products in Trinidad incurred major maintenance expenses in 2016. These non-recurring charges contributed to a fall in EPS of 71 cents.

The Group incurred a further \$31 million after tax loss, from the launch of our Internet and TV service. In spite of a 3-month delay to launch in February 2016, the service has gained substantial momentum and recognition in the highly-competitive telecommunications space. However,

duplication of expensive infrastructure may require some changes to the current operating model to remain sustainable. In addition, our Energy Services business in Trinidad experienced a fall in demand and lost \$15 million in 2016, including restructuring charges. These operating losses contributed to a 39 cents decline in EPS. The expectation is that the significant restructuring during 2016 will allow us to return the Energy Services business to profitability in 2017.

Included in the tax charges for 2016 were additional business taxes paid due to the increased rate for the Green Fund Levy and the effect of higher tax rates which apply to the increased share of profit generated outside of Trinidad and Tobago. A further \$13 million in deferred tax was charged in 2016 from the increase in the corporation tax rate in Trinidad and Tobago from 25% to 30%. The increase in taxes accounted for another 23 cents of the fall in EPS.

Excluding the one-off gains in the fourth quarter of 2015 and the effects of start-up operations and one-off losses in 2016, **Operating Profit from subsidiaries and associates in the Group actually grew by 7 percent.**

Despite the setbacks experienced in 2016, the Group remains strong. Our businesses continue to work relentlessly to hold and maintain market leadership positions in their respective sectors such as retail, distribution, automotive and industrial gases. Our insurance and consumer finance operations in the region have been undergoing major transformations

to grow and capture more market share, as well as strengthening their compliance processes, to compete in a highly-regulated environment. Through a turnaround effort at the Group's remittance operation, and with a combination of other strategies, the Group has been able to supplement some of its foreign exchange demands and has been able to pay its suppliers.

The Group has promising platforms for growth with its Methanol and DME joint venture in full construction mode and with the operations that have been established in promising growth poles for the Group in Guyana and Colombia.

Given the strength of the Group's Operating Cash Flow and Cash position, a final dividend of \$1.59 was declared, which when added to the interim dividend of \$0.51, gives a total dividend for the year of \$2.10, equivalent to dividends paid in FY 2015.



**Robert Bermudez, Chairman  
December 20, 2016**

## CONSOLIDATED INCOME STATEMENT For the Year Ended 30th September 2016

	UNAUDITED THREE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED	
	30-Sep-16 TT\$'000	30-Sep-15 TT\$'000	30-Sep-16 TT\$'000	30-Sep-15 TT\$'000
<b>Revenue</b>	2,857,523	2,975,113	11,534,060	11,944,843
Operating profit after finance costs	252,422	317,412	821,968	878,896
Share of results of associates and joint ventures	(28,009)	15,613	(21,457)	40,202
Profit before tax	224,413	333,025	800,511	919,098
Income tax expense	(77,748)	(80,655)	(264,351)	(250,784)
<b>Profit for the year</b>	<b>146,665</b>	<b>252,370</b>	<b>536,160</b>	<b>668,314</b>
Profit attributable to owners of the parent	138,901	251,996	498,557	638,406
Profit attributable to non-controlling interests	7,764	374	37,603	29,908
<b>Profit for the year</b>	<b>146,665</b>	<b>252,370</b>	<b>536,160</b>	<b>668,314</b>
<b>Earnings per share attributable to the owners of the parent during the year (\$/cents):</b>				
Basic earnings per share	1.42	2.58	5.10	6.53
Diluted earnings per share	1.42	2.58	5.10	6.53

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30th September 2016

	AUDITED 30-Sep-16 TT\$'000	AUDITED 30-Sep-15 TT\$'000
<b>Assets</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	2,788,132	2,576,753
Investments in associates and joint ventures	244,963	310,586
Financial assets	737,713	626,527
Other non-current assets	1,097,949	1,058,804
	4,868,757	4,572,670
<b>Current assets</b>		
Cash and cash equivalents	2,030,126	1,679,925
Other current assets	4,141,946	4,166,166
	6,172,072	5,846,091
<b>Total assets</b>	<b>11,040,829</b>	<b>10,418,761</b>
<b>Equity and Liabilities</b>		
Capital and reserves attributable to owners of the Parent	4,789,943	4,353,957
Non-controlling interests	258,349	236,370
Total equity	5,048,292	4,590,327
<b>Non-current liabilities</b>		
Borrowings	1,870,654	1,864,929
Deferred tax liabilities	224,168	178,431
Other non-current liabilities	623,252	533,200
	2,718,074	2,576,560
<b>Current liabilities</b>		
Borrowings	347,239	304,831
Other current liabilities	2,927,224	2,947,043
	3,274,463	3,251,874
<b>Total equity and liabilities</b>	<b>11,040,829</b>	<b>10,418,761</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the Year Ended 30th September 2016

	AUDITED 30-Sep-16 TT\$'000	AUDITED 30-Sep-15 TT\$'000
<b>Profit for the year</b>	536,160	668,314
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
– remeasurement of defined benefit pension plans	5,190	(19,199)
	5,190	(19,199)
<b>Items that may be subsequently reclassified to profit or loss</b>		
– available for sale financial assets	(440)	157
– currency translation differences	147,363	(79,238)
	146,923	(79,081)
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b>152,113</b>	<b>(98,280)</b>
<b>Total comprehensive income for the year</b>	<b>688,273</b>	<b>570,034</b>
<b>Attributable to:</b>		
– owners of the parent	637,051	547,524
– non-controlling interests	51,222	22,510
<b>Total comprehensive income for the year</b>	<b>688,273</b>	<b>570,034</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Year Ended 30th September 2016

	AUDITED 30-Sep-16 TT\$'000	AUDITED 30-Sep-15 TT\$'000
Balance at the beginning of the year	4,353,957	3,988,910
Profit attributable to owners of the parent	498,557	638,406
Remeasurement of defined benefit pension plans	5,190	(19,199)
Dividends paid	(205,260)	(185,695)
Other reserve movements	137,499	(68,465)
	4,789,943	4,353,957

## CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended 30th September 2016

	AUDITED 30-Sep-16 TT\$'000	AUDITED 30-Sep-15 TT\$'000
<b>Cash flows from operating activities</b>		
Operating profit	821,968	878,896
Dividends from associates and joint ventures	40,421	21,782
Adjustments for non cash items	314,495	211,149
<b>Operating profit before working capital changes</b>	<b>1,176,884</b>	<b>1,111,827</b>
Net working capital changes	115,493	105,663
Tax payments	(229,834)	(236,877)
<b>Cash flows from operating activities</b>	<b>1,062,543</b>	<b>980,613</b>
Investing activities	(511,383)	(431,301)
Financing activities	(197,166)	(497,419)
<b>Increase in short term funds</b>	<b>353,994</b>	<b>51,893</b>



# Massy Holdings Ltd. and its subsidiaries

## Highlights of the Audited Consolidated Financial Statements for the Year Ended 30th September 2016

SEGMENT INFORMATION (TT\$'000)	Automotive and Industrial Equipment	Integrated Retail	Financial Services	Energy and Industrial Gases	ITC	Other Investments	Head Office and Other Adjustments	Total
<b>Year Ended 30th September 2016</b>								
Group revenue	2,336,157	7,114,679	533,890	1,033,312	615,682	544,169	1,344	12,179,233
Inter-segment revenue	(124,628)	(360,808)	(3,261)	(37,364)	(43,009)	(74,759)	(1,344)	(645,173)
Third party revenue	2,211,529	6,753,871	530,629	995,948	572,673	469,410	–	11,534,060
Operating profit/(loss) after finance costs	204,092	320,834	97,954	173,234	52,718	88,859	(115,723)	821,968
Share of results of associates and joint ventures	–	–	–	29,001	(52,025)	1,567	–	(21,457)
Profit before income tax	204,092	320,834	97,954	202,235	693	90,426	(115,723)	800,511
<b>Year Ended 30th September 2015</b>								
Group revenue	2,537,489	6,944,528	455,699	1,498,684	640,588	543,507	1,340	12,621,835
Inter-segment revenue	(150,857)	(370,137)	(1,793)	(14,288)	(53,894)	(84,683)	(1,340)	(676,992)
Third party revenue	2,386,632	6,574,391	453,906	1,484,396	586,694	458,824	–	11,944,843
Operating profit/(loss) after finance costs	255,590	342,994	69,911	184,555	95,777	72,852	(142,783)	878,896
Share of results of associates and joint ventures	(2,932)	–	(74)	48,911	(7,640)	1,937	–	40,202
Profit before income tax	252,658	342,994	69,837	233,466	88,137	74,789	(142,783)	919,098

	Group Revenue		Inter-Segment		Third Party Revenue		Profit before Tax	
	2016	2015	2016	2015	2016	2015	2016	2015
Trinidad and Tobago	5,820,997	6,278,073	(233,760)	(250,452)	5,587,237	6,027,621	475,713	642,512
Barbados and Eastern Caribbean	4,139,971	3,976,479	(282,805)	(311,856)	3,857,166	3,664,623	287,222	230,256
Guyana	854,981	791,828	(33,325)	(25,343)	821,656	766,485	118,648	118,367
Jamaica	690,251	626,300	(3,961)	(4,110)	686,290	622,190	62,442	50,278
Colombia	524,640	838,463	–	–	524,640	838,463	18,554	22,622
Other	148,393	110,692	(91,322)	(85,231)	57,071	25,461	(46,345)	(2,154)
Head Office and Other Adjustments	–	–	–	–	–	–	(115,723)	(142,783)
	12,179,233	12,621,835	(645,173)	(676,992)	11,534,060	11,944,843	800,511	919,098

### Notes:

All monetary amounts are stated in Trinidad and Tobago dollars. Highlights of the Audited 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 2016. For comparative purposes, adjustments and reclassifications to the prior year have been made to conform to the current year reporting.