

Highlights of the Unaudited Consolidated Financial Statements for the Six Months Ended 31st March 2017

CHAIRMAN'S STATEMENT

Despite the challenging economic environments faced in Trinidad and Tobago and Barbados, the Group continues to perform commendably for the 2017 financial year (FY). The Group's Year to Date (YTD) Third Party Revenue increased by 1.5% to \$6.0 billion and the Group's YTD Profit Before Tax (PBT) increased by 8%. With the implementation of increased Corporation Tax and Green Fund Levy in Trinidad and Tobago, the Group's effective tax rate increased from 32% in March 2016 to 36.6% in March 2017. As a result, the Group's Earnings Per Share (EPS) growth of 2% is lower than its PBT growth rate. Consistent with EPS growth, your Directors have declared an interim dividend of \$0.52 per share, which is 2% above last year's interim dividend.

PBT improvements were mainly driven by increased contributions from the Financial Services (Remittance Services), Gas Products and Distribution businesses. These improvements were reduced by PBT declines in the Automotive & Industrial Equipment and Energy Services companies. The one-off expenses incurred in the joint venture oxygen plant did not reoccur in 2017 and helped the Group to an 8% PBT improvement in Trinidad versus 2016.

The Group's geographic diversification continues to prove beneficial

to the Group. While PBT contributions from Colombia experienced a decline based on the challenges facing the Energy Service company in that market, improvements in PBT from Trinidad and Tobago, Eastern Caribbean, Guyana and Jamaica more than compensated for that decline. The sale of the Group's investment in the IT Services company in Costa Rica also helped the Group, as losses from that investment did not reoccur in FY 2017.

On May 1st (subsequent to the period under review) Massy and its minority partner signed a Share Purchase Agreement for Telecommunications Services of Trinidad and Tobago Limited (TSTT) to acquire 100% of the shares of Massy Communications Ltd. (MCL). The transaction is expected to be completed at the end of May, subject to Regulatory approvals. TSTT will benefit from MCL's existing fibre optic network, subscribers and operational infrastructure, including systems and personnel running the business. The IPTV business has passed over 34,000 homes and laid over 900km of fibre across Trinidad. The business continues to add more and more customers to the Massy TV and Internet service every day. With this transaction, Massy will exit the telecommunications industry avoiding further losses from this business and significant capital expenditure which would be required to build out a complete Fibre To The Home (FTTH) network.

The Group will focus its strategic investment initiatives on further geographic diversification while still taking advantage of opportunities in its traditional markets. The Group's most recent acquisition of car dealerships in Medellin and Bogotá, Colombia has made an immediate contribution to the Group. In March 2017, the first full month following the dealership acquisitions, the combined sales of vehicles in Colombia surpassed the number of units in Trinidad. We expect this trend to continue.

The Group continues to use several different avenues to meet its foreign exchange needs and continues to meet its suppliers' obligations. The Group's Balance Sheet remains strong. The Group's Cash and Cash Equivalents increased to \$1.9 billion, well poised to fund future growth.



Robert Bermudez, Chairman
May 11, 2017

CONSOLIDATED INCOME STATEMENT For the Six Months Ended 31st March 2017

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Mar-17 TTS'000	31-Mar-16 TTS'000	31-Mar-17 TTS'000	31-Mar-16 TTS'000	30-Sep-16 TTS'000
Revenue	2,879,595	2,785,755	5,968,631	5,881,346	11,534,060
Operating profit after finance costs	189,684	199,251	399,269	407,335	821,968
Share of results of associates and joint ventures	14,962	(12,631)	30,744	(9,647)	(21,457)
Profit before tax	204,646	186,620	430,013	397,688	800,511
Income tax expense	(83,435)	(62,119)	(157,554)	(126,880)	(264,351)
Profit for the period	121,211	124,501	272,459	270,808	536,160
Profit attributable to owners of the parent	114,506	112,382	253,196	247,434	498,557
Profit attributable to non-controlling interests	6,705	12,119	19,263	23,374	37,603
Profit for the period	121,211	124,501	272,459	270,808	536,160
Earnings per share attributable to the owners of the parent (\$/cents):					
Basic earnings per share	1.17	1.15	2.59	2.53	5.10
Diluted earnings per share	1.17	1.15	2.59	2.53	5.10

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31st March 2017

	UNAUDITED 31-Mar-17 TTS'000	UNAUDITED 31-Mar-16 TTS'000	AUDITED 30-Sep-16 TTS'000
Assets			
Non-current assets			
Property, plant and equipment	2,830,493	2,688,597	2,788,132
Investments in associates and joint ventures	262,978	283,098	244,963
Financial assets	773,236	671,598	737,713
Other non-current assets	1,181,348	1,100,838	1,097,949
	5,048,055	4,744,131	4,868,757
Current assets			
Cash and cash equivalents	1,897,196	1,620,872	2,030,126
Other current assets	4,170,856	4,248,838	4,141,946
	6,068,052	5,869,710	6,172,072
Total assets	11,116,107	10,613,841	11,040,829
Equity and Liabilities			
Capital and reserves attributable to owners of the parent	4,903,308	4,534,698	4,789,943
Non-controlling interests	252,159	249,960	258,349
	5,155,467	4,784,658	5,048,292
Non-current liabilities			
Borrowings	1,925,683	1,852,052	1,870,654
Deferred tax liabilities	236,528	193,738	224,168
Other non-current liabilities	622,068	543,328	623,252
	2,784,279	2,589,118	2,718,074
Current liabilities			
Borrowings	372,118	341,868	347,239
Other current liabilities	2,804,243	2,898,197	2,927,224
	3,176,361	3,240,065	3,274,463
Total equity and liabilities	11,116,107	10,613,841	11,040,829

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the Six Months Ended 31st March 2017

	UNAUDITED SIX MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Mar-17 TTS'000	31-Mar-16 TTS'000	30-Sep-16 TTS'000
Profit for the period	272,459	270,808	536,160
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
– remeasurement of defined benefit pension plans	–	–	5,190
	–	–	5,190
Items that may be subsequently reclassified to profit or loss			
– available-for-sale financial assets	86	–	(440)
– currency translation differences	5,241	84,357	147,363
	5,327	84,357	146,923
Other comprehensive income for the period, net of tax	5,327	84,357	152,113
Total comprehensive income for the period	277,786	355,165	688,273
Attributable to:			
– owners of the parent	258,319	330,758	637,051
– non-controlling interests	19,467	24,407	51,222
Total comprehensive income for the period	277,786	355,165	688,273

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Six Months Ended 31st March 2017

	UNAUDITED SIX MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Mar-17 TTS'000	31-Mar-16 TTS'000	30-Sep-16 TTS'000
Balance at the beginning of the year	4,789,943	4,353,957	4,353,957
Profit attributable to owners of the parent	253,196	247,434	498,557
Remeasurement of defined benefit pension plans	–	–	5,190
Dividends paid	(155,411)	(155,411)	(205,260)
Other reserve movements	15,580	88,718	137,499
	4,903,308	4,534,698	4,789,943

CONSOLIDATED STATEMENT OF CASH FLOWS For the Six Months Ended 31st March 2017

	UNAUDITED SIX MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Mar-17 TTS'000	31-Mar-16 TTS'000	30-Sep-16 TTS'000
Cash flows from operating activities			
Operating Profit	399,269	407,335	821,968
Dividends from associates and joint ventures	–	12,900	40,421
Adjustments for non-cash items	147,339	167,671	314,495
Operating profit before working capital changes	546,608	587,906	1,176,884
Net working capital changes	(80,874)	(207,046)	115,493
Tax payments	(103,093)	(111,058)	(229,834)
Cash flows from operating activities	362,641	269,802	1,062,543
Investing activities	(308,782)	(232,297)	(511,383)
Financing activities	(177,880)	(177,006)	(197,166)
(Decrease)/increase in short-term funds	(124,021)	(139,501)	353,994

SEGMENT INFORMATION (TTS'000)	Automotive and Industrial Equipment	Integrated Retail	Financial Services	Energy and Industrial Gases	ITC	Other Investments	Head Office and Other Adjustments	Total
Six Months Ended 31st March 2017								
Group revenue	1,244,014	3,738,855	281,170	514,220	298,326	288,987	–	6,365,572
Inter-segment revenue	(57,518)	(269,737)	(1,722)	(7,621)	(22,156)	(38,187)	–	(396,941)
Third party revenue	1,186,496	3,469,118	279,448	506,599	276,170	250,800	–	5,968,631
Operating profit/(loss) after finance costs	88,800	193,741	53,545	84,632	9,811	44,519	(75,779)	399,269
Share of results of associates and joint ventures	–	–	–	31,149	–	(405)	–	30,744
Profit before income tax	88,800	193,741	53,545	115,781	9,811	44,114	(75,779)	430,013
Six Months Ended 31st March 2016								
Group revenue	1,213,235	3,688,731	266,086	535,756	286,230	277,679	–	6,267,717
Inter-segment revenue	(63,888)	(260,537)	(1,859)	(6,179)	(20,328)	(33,580)	–	(386,371)
Third party revenue	1,149,347	3,428,194	264,227	529,577	265,902	244,099	–	5,881,346
Operating profit/(loss) after finance costs	94,079	180,863	51,057	86,578	23,711	44,421	(73,374)	407,335
Share of results of associates and joint ventures	–	–	–	(1,837)	(8,098)	288	–	(9,647)
Profit before income tax	94,079	180,863	51,057	84,741	15,613	44,709	(73,374)	397,688

	Group Revenue		Inter-Segment		Third Party Revenue		Profit before Tax	
	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16
Trinidad and Tobago	2,867,697	3,080,298	(168,999)	(174,658)	2,698,698	2,905,640	231,791	213,973
Barbados	1,550,760	1,526,185	(143,894)	(157,196)	1,406,866	1,368,989	116,833	116,049
Eastern Caribbean	637,654	583,591	(6,994)	(1,431)	630,660	582,160	49,179	42,842
Guyana	479,797	407,332	(17,893)	(10,901)	461,904	396,431	65,576	58,609
Jamaica	339,604	340,626	(3,322)	(510)	336,282	340,116	38,185	28,672
Colombia	392,024	266,806	–	–	392,024	266,806	1,564	15,490
Other	98,036	62,879	(55,839)	(41,675)	42,197	21,204	2,664	(4,573)
Head Office and Other adjustments	–	–	–	–	–	–	(75,779)	(73,374)
	6,365,572	6,267,717	(396,941)	(386,371)	5,968,631	5,881,346	430,013	397,688

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 2016. 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 assessed online at www.massygroup.com