

Highlights of the Unaudited Consolidated Financial Statements for the Three Months Ended 31st December 2018

CHAIRMAN'S STATEMENT FOR FIRST QUARTER RESULTS (QUARTER ENDED 31st DECEMBER 2018)

For the First Quarter (Q1) of the 2019 Financial Year, Third Party Revenue of \$3.2 billion is the same as Third Party Revenue in Q1 of the prior year. Group Profit Before Tax (PBT) of \$231 million is approximately \$1 million higher than PBT in Q1 prior year. A slightly higher Effective Tax Rate (mainly arising from the increase in the Trinidad Corporate Tax rate from 25% to 30% in 2018 for Group companies with chargeable profits below TT\$1 million, as well as higher Effective Tax Rates in select jurisdictions and the mix of profits across companies in those jurisdictions) produced a 1% decline in Profit After Tax (PAT) to \$148 million. With less profit attributable to non-controlling shareholders, Earnings Per Share remained unchanged from prior year at \$1.37 per share.

Operations in Guyana, Colombia and Jamaica were the primary drivers of improvement, while PBT from operations in Trinidad and Barbados and Eastern Caribbean declined. Reduced consumer spending in Trinidad and Barbados continue to affect some of our companies in these territories. Commendable PBT improvement (28%) was delivered by the Automotive & Industrial Equipment Business Unit (BU) driven by improvements to most

subsidiaries in the BU, especially our subsidiary in Colombia. Integrated Retail BU experienced an 11% PBT decline. Massy Stores in Trinidad, St. Lucia and Guyana and Massy Distribution in Trinidad and Barbados posted PBT declines consistent with the explanations mentioned above.

In Q1, the Group completed the restructuring of its Energy services companies in Trinidad with the right-sizing of Massy Energy Fabric Maintenance (MEFM), and incurred a one-time severance charge of approximately \$6 million. As part of the restructuring, MEFM operations have been consolidated under the management and leadership of Massy Energy Engineered Solutions (MEES). Full amalgamation of these two companies will be completed in Q2 2019. As the Group continues to pursue cost and operational efficiencies, we selected Infosys to be our partner to conduct a diagnostic of support functions to optimise processes and systems across the Group. The diagnostic exercise will commence in Q2 2019 and following this, the Group will decide on the specific initiatives to transform the efficiency and effectiveness of its support functions' systems and processes. In the interim, cost containment and cost reduction efforts are producing results. Operating Expenses held constant

with prior year despite operations expansions in Colombia and inflationary trends in all territories.

As mentioned in our 2018 year-end messages, we are cognisant that the accelerating rates of change in our industries and markets are demanding more focused management time and attention. We recognise the importance of leveraging the Group's economies of scale, operations expertise and innovations across a more focused set of activities. In 2019, we will continue to review the Group's portfolio of businesses to sharpen our focus and future investment on large and scalable businesses and position ourselves to capture the growth opportunities in our target geographies.



Robert Bermudez, Chairman
February 7, 2019

SUMMARY CONSOLIDATED INCOME STATEMENT

For the Three Months Ended 31st December 2018

| | UNAUDITED THREE MONTHS ENDED | | AUDITED TWELVE MONTHS ENDED |
|--|------------------------------|-----------------------|-----------------------------|
| | 31-Dec-18 TT\$'000 | 31-Dec-17 TT\$'000 | 30-Sep-18 TT\$'000 |
| Revenue | 3,214,273 | 3,221,099 | 12,004,802 |
| Operating profit after finance costs | 197,234 | 203,647 | 795,211 |
| Share of results of associates and joint ventures | 33,659 | 26,358 | 78,853 |
| Profit before tax | 230,893 | 230,005 | 874,064 |
| Income tax expense | (83,121) | (80,142) | (308,589) |
| Profit for the period | 147,772 | 149,863 | 565,475 |
| Profit attributable to owners of the parent | 133,630 | 134,052 | 519,753 |
| Profit attributable to non-controlling interests | 14,142 | 15,811 | 45,722 |
| Profit for the period | 147,772 | 149,863 | 565,475 |
| Earnings per share attributable to the owners of the parent (\$/cents): | | | |
| Basic earnings per share | 1.37 | 1.37 | 5.32 |

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Three Months Ended 31st December 2018

| | UNAUDITED THREE MONTHS ENDED | | AUDITED TWELVE MONTHS ENDED |
|--|------------------------------|------------------------|-----------------------------|
| | 31-Dec-18 TT \$'000 | 31-Dec-17 TT \$'000 | 30-Sep-18 TT \$'000 |
| Profit for the period | 147,772 | 149,863 | 565,475 |
| Other comprehensive income: Items that will not be reclassified to profit or loss | | | |
| – remeasurement of defined benefit pension plans | – | – | 13,561 |
| | – | – | 13,561 |
| Items that may be subsequently reclassified to profit or loss | | | |
| – currency translation differences | 26,447 | 15,505 | (11,266) |
| | 26,447 | 15,505 | (11,266) |
| Other comprehensive income for the year, net of tax | 26,447 | 15,505 | 2,295 |
| Total comprehensive income for the period | 174,219 | 165,368 | 567,770 |
| Attributable to: | | | |
| – owners of the parent | 159,233 | 149,670 | 521,321 |
| – non-controlling interests | 14,986 | 15,698 | 46,449 |
| Total comprehensive income for the period | 174,219 | 165,368 | 567,770 |

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2018

| | UNAUDITED 31-Dec-18 TT \$'000 | UNAUDITED 31-Dec-17 TT \$'000 | AUDITED 30-Sep-18 TT \$'000 |
|---|----------------------------------|----------------------------------|--------------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment and investment properties | 2,839,752 | 2,810,170 | 2,850,741 |
| Investments in associates and joint ventures | 249,894 | 257,923 | 248,291 |
| Financial assets | 963,029 | 1,066,230 | 1,040,568 |
| Other non-current assets | 866,294 | 1,141,292 | 871,238 |
| | 4,918,969 | 5,275,615 | 5,010,838 |
| Current assets | | | |
| Cash and cash equivalents | 1,908,082 | 1,187,818 | 1,626,132 |
| Other current assets | 6,089,046 | 6,982,698 | 5,840,220 |
| | 7,997,128 | 8,170,516 | 7,466,352 |
| Total assets | 12,916,097 | 13,446,131 | 12,477,190 |
| Equity and Liabilities | | | |
| Capital and reserves attributable to owners of the parent | 5,544,248 | 5,217,346 | 5,384,821 |
| Non-controlling interests | 245,999 | 234,006 | 230,337 |
| Total equity | 5,790,247 | 5,451,352 | 5,615,158 |
| Non-current liabilities | | | |
| Borrowings | 1,852,675 | 1,988,150 | 1,867,805 |
| Deferred tax liabilities | 233,369 | 237,070 | 235,788 |
| Other non-current liabilities | 362,888 | 398,174 | 363,409 |
| | 2,448,932 | 2,623,394 | 2,467,002 |
| Current liabilities | | | |
| Borrowings | 366,721 | 350,150 | 452,611 |
| Other current liabilities | 4,310,197 | 5,021,235 | 3,942,419 |
| | 4,676,918 | 5,371,385 | 4,395,030 |
| Total equity and liabilities | 12,916,097 | 13,446,131 | 12,477,190 |

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Three Months Ended 31st December 2018

| | UNAUDITED THREE MONTHS ENDED | | AUDITED TWELVE MONTHS ENDED |
|--|------------------------------|------------------------|-----------------------------|
| | 31-Dec-18 TT \$'000 | 31-Dec-17 TT \$'000 | 30-Sep-18 TT \$'000 |
| Balance at the beginning of the year | 5,384,821 | 5,137,132 | 5,137,132 |
| IFRS 9 Initial application adjustments for expected credit loss net of tax | – | (70,956) | (70,956) |
| Balance at the beginning of the year – restated | 5,384,821 | 5,066,176 | 5,066,176 |
| Profit attributable to owners of the parent | 133,630 | 134,052 | 519,753 |
| Other comprehensive income | – | – | 1,568 |
| Dividends paid | – | – | (205,260) |
| Other reserve movements | 25,797 | 17,118 | 2,584 |
| | 5,544,248 | 5,217,346 | 5,384,821 |

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

For the Three Months Ended 31st December 2018

| | UNAUDITED THREE MONTHS ENDED | | AUDITED TWELVE MONTHS ENDED |
|--|------------------------------|------------------------|-----------------------------|
| | 31-Dec-18 TT \$'000 | 31-Dec-17 TT \$'000 | 30-Sep-18 TT \$'000 |
| Cash flows from operating activities | | | |
| Profit before income tax | 230,893 | 230,005 | 874,064 |
| Share of results of associates and joint ventures | (33,659) | (26,358) | (78,853) |
| Adjustments for non-cash items | 81,752 | 84,385 | 297,072 |
| Operating profit before working capital changes | 278,986 | 288,032 | 1,092,283 |
| Net working capital changes | 133,832 | (345,108) | (121,210) |
| Cash generated from operations | 412,818 | (57,076) | 971,073 |
| Tax payments | (9,725) | (38,677) | (235,122) |
| Cash flows from operating activities | 403,093 | (95,753) | 735,951 |
| Investing activities | (24,504) | (352,056) | (488,033) |
| Financing activities | (78,718) | 89,246 | (177,947) |
| Increase/(Decrease) in short-term funds | 299,871 | (358,563) | 69,971 |
| Cash, cash equivalents and bank overdrafts at start of year | 1,599,621 | 1,531,457 | 1,531,457 |
| Translation difference on cash held | 4,381 | 4,627 | (1,807) |
| Cash, cash equivalents and bank overdrafts at end of year | 1,903,873 | 1,177,521 | 1,599,621 |

| 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 |
|---|-------------------------------------|-------------------|--------------------|-----------------------------|----------|-------------------|-----------------------------------|-----------|
| Three Months Ended 31st December 2018 | | | | | | | | |
| Group revenue | 690,178 | 1,892,794 | 166,815 | 353,385 | 132,445 | 150,088 | – | 3,385,705 |
| Inter-segment revenue | (37,654) | (98,971) | (480) | (4,226) | (9,997) | (20,104) | – | (171,432) |
| Third party revenue | 652,524 | 1,793,823 | 166,335 | 349,159 | 122,448 | 129,984 | – | 3,214,273 |
| Operating profit/(loss) after finance costs | 36,771 | 102,695 | 23,104 | 42,514 | 11,187 | 20,799 | (39,836) | 197,234 |
| Share of results of associates and joint ventures | – | – | – | 31,571 | – | 2,088 | – | 33,659 |
| Profit before income tax | 36,771 | 102,695 | 23,104 | 74,085 | 11,187 | 22,887 | (39,836) | 230,893 |
| Three Months Ended 31st December 2017 | | | | | | | | |
| 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 | 28,717 | 115,820 | 23,509 | 47,165 | 10,379 | 23,029 | (44,972) | 203,647 |
| Share of results of associates and joint ventures | – | – | – | 26,206 | – | 152 | – | 26,358 |
| Profit before income tax | 28,717 | 115,820 | 23,509 | 73,371 | 10,379 | 23,181 | (44,972) | 230,005 |

| | Group Revenue | | Inter-Segment | | Third Party Revenue | | Profit Before Tax | |
|-----------------------------------|---------------|-----------|---------------|-----------|---------------------|-----------|-------------------|----------|
| | Dec-18 | Dec-17 | Dec-18 | Dec-17 | Dec-18 | Dec-17 | Dec-18 | Dec-17 |
| Trinidad and Tobago | 1,307,342 | 1,392,569 | (46,213) | (79,634) | 1,261,129 | 1,312,935 | 122,483 | 127,698 |
| Barbados and Eastern Caribbean | 1,140,433 | 1,127,935 | (76,828) | (32,663) | 1,063,605 | 1,095,272 | 78,145 | 87,530 |
| Guyana | 274,632 | 254,873 | (22,194) | (8,786) | 252,438 | 246,087 | 38,229 | 34,498 |
| Jamaica | 183,792 | 173,302 | (907) | (382) | 182,885 | 172,920 | 18,920 | 16,089 |
| Colombia | 433,737 | 367,753 | – | – | 433,737 | 367,753 | 12,144 | 7,938 |
| Other | 45,769 | 56,657 | (25,290) | (30,525) | 20,479 | 26,132 | 808 | 1,224 |
| Head Office and Other Adjustments | – | – | – | – | – | – | (39,836) | (44,972) |
| | 3,385,705 | 3,373,089 | (171,432) | (151,990) | 3,214,273 | 3,221,099 | 230,893 | 230,005 |

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 2018. 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.