Massy Holdings Ltd.

Unaudited Consolidated Financial Statements

31 December, 2018

Expressed in Thousands of Trinidad & Tobago Dollars

Massy Holdings Ltd.

Contents

CHAIRMAN'S STATEMENT

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 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 optimize 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 cognizant that the accelerating rates of change in our industries and markets are demanding more focused management time and attention. We recognize 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
February 07, 2019

Massy Holdings Ltd.
Consolidated Statement of Financial Position
(Expressed in Thousands of Trinidad & Tobago dollars)

	UNAUDITED 31-Dec-18 $'000	UNAUDITED 31-Dec-17 $'000	AUDITED 30-Sep-18 $'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

On February 7th, 2019 the Board of Directors of Massy Holdings Ltd. authorized these consolidated financial statements for issue.

Director
E. G. Warner

Director
Ian Chinapoo

Massy Holdings Ltd.
Consolidated Income Statement
(Expressed in Thousands of Trinidad & Tobago dollars)

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

Massy Holdings Ltd.
Consolidated Statement of Comprehensive Income
(Expressed in Thousands of Trinidad & Tobago dollars)

	UNAUDITED THREE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Dec-18 $'000	31-Dec-17 $'000	30-Sep-18 $'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 period, net of tax Total	**26,447**	15,505	2,295
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

Massy Holdings Ltd.
Consolidated Statement of Changes in Equity
(Expressed in Thousands of Trinidad & Tobago dollars)

	UNAUDITED THREE MONTHS ENDED		TWELVE MONTHS ENDED
	31-Dec-18	31-Dec-17	30-Sep-18
	$'000	$'000	$'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 beginning of 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

Massy Holdings Ltd.
Consolidated Statement of Cash Flows
(Expressed in Thousands of Trinidad & Tobago dollars)

	UNAUDITED THREE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Dec-18 $'000	31-Dec-17 $'000	30-Sep-18 $'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

Massy Holdings Ltd.
Segment Information
(Expressed in Thousands of Trinidad & Tobago dollars)

	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**