



Arthur Lok Jack  
Chairman

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The performance of the Neal & Massy Group has been commendable despite the difficult economic conditions which prevailed over the past year. The economic decline in the United States which gained momentum in the last financial quarter of 2008, spread to other major regions of the world, igniting regional political tensions, and causing unprecedented aberrations in corporate governance and instability in financial markets, accompanied by a loss in consumer and investor confidence, all of which contributed to a fragile and challenging economic environment.

The Caribbean economies have not escaped the consequences of the adverse world economic environment. For example, tourism, the mainstay of the economies of Barbados, Jamaica and the Eastern Caribbean, declined sharply, resulting in distressingly low hotel occupancies during the important winter season, even after aggressive promotional activity and heavy discounting. Here in Trinidad and Tobago, we have not been immune to corporate collapse, and the overall economy is in a state of contraction. Still, recovery is visible for the commodity markets important to this country, and this bodes well for a relatively stable outlook for the ‘energy engine’ of the economy. The emphasis continues to be on creating value and improving efficiency, as these will continue to be key success factors in our businesses.

The Group adopted a number of financially prudent, cost-management strategies to cope with the eroding environment, and we performed credibly for the Financial Year ended 30th September 2009.

Group third party revenue increased by \$722 million from \$7.7 billion to \$8.4 billion, while profits attributable to shareholders decreased by 8% percent from \$475 million to \$435 million. Earnings per share also declined by 11% percent from \$5.10 in 2008 to \$4.53 in 2009.

## CHAIRMAN'S REPORT

The Board of Directors has declared a final dividend of \$1 per share which, when added to the 40 cents interim dividend, will make a total dividend of \$1.40 per share, the same as that declared in the previous year.

While our operations faced significant challenges, the strength of our diversified Group provided us with the resilience to respond, and to compensate for setbacks in some of our operations.

The integration of Barbados Shipping and Trading Company Limited (BS&T) into the Group continued over the past year, since its acquisition in March 2008, and we continued to reorganize our businesses around industry lines to add focus to our operations, while expanding the Group's leadership structure. Our business units are now identified as: Automotive & Industrial Equipment, Energy & Industrial Gases, Food Retailing, Food/Consumer Distribution & Logistics, Tourism/Hospitality, Financial, Property & Other and Information Technology & Communications/Other Services.

The Group's Balance Sheet continues to be strong, and we are well poised to take advantage of new investment opportunities and to benefit from any upturn in the economic conditions of the markets in which we operate.

The importance of good corporate governance as a prerequisite to the preservation of the integrity of the Group cannot be overemphasized. In light of recent developments, both home and abroad, our Corporate Governance and Audit Committees continued to closely monitor our subsidiaries. We continued to strengthen and refine the set of processes, customs, policies, laws and institutions that guide the way our Group is directed and run, thereby ensuring that we continue to operate at the very height of good corporate governance as well as serve our customers, shareholders, employees and society in general.

This year, E. Gervase Warner was appointed to the position of Acting Group Chief Executive Officer, while Bernard Dulal-Whiteway our Group Chief Executive Officer, proceeded on personal leave. A detailed biography of Gervase Warner follows in the Chief Executive Officer's Report.

Sadly, at the end of this year we bade farewell to Bernard who passed away on December 12, 2009. On behalf of the Neal & Massy Group, I offer condolences to his family and join in celebrating the outstanding life and career of a leader of extraordinary talent, whose astute business sense was equally matched by his warmth, sense of fair play and humanity.

With him at the helm, the Neal & Massy Group became one of the largest CARICOM public corporations, both in terms of revenue and shareholder earnings.

Bernard's emphasis on building the human capital of Neal & Massy while making a significant contribution to the national community has led to the development of a strong and dynamic leadership team within the Group.

In closing, I wish to thank our valued customers and suppliers, employees, shareholders, executives and my fellow Directors for their continuing support and goodwill. On behalf of the board, I take this opportunity to extend congratulations and best wishes to Gervase in his new role as President and CEO of the Neal & Massy Group of Companies.