

Highlights of the Unaudited Consolidated Financial Statements for the Nine Months Ended 30th June 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 Revenues from Continuing Operations increased by 2% from \$8.66 billion in 2016 to \$8.84 billion and the Group's YTD Profit Before Tax (PBT) from Continuing Operations increased by 2% over 2016 YTD PBT to \$610 million. However, with the increase in corporate income tax and Green Fund Levy in Trinidad and Tobago, the Group's effective tax rate increased from 32% to 36% resulting in Net Profit from Continuing Operations for the period of \$390 million versus prior year of \$409 million.

The Discontinued Operations in the Group's results include the sale of the Group's investment in an IT services company in Costa Rica in September 2016 and the sale of Massy Communications Ltd. ("MCL") to TSTT in July 2017. A Share Purchase Agreement ("SPA") was signed on 2nd May 2017, setting a deadline for completion of the transaction for 31st May 2017, but was subject to the consent of the Telecommunications Authority of Trinidad and Tobago ("TATT"). The transaction was concluded on Monday 31st July 2017, following delays by TATT in granting a formal consent letter acceptable to all parties. To extend the SPA beyond 31st May 2017, all parties had to agree on a date and mutually acceptable terms. After a series of negotiations, all parties agreed to a revised purchase price of \$215 million. Massy's loss on disposal of MCL is \$34.7 million and

that impairment together with MCL's operational losses YTD comprise the Loss from Discontinued Operations for the period under review. This ends Massy's participation in the telecommunications sector and the recurrent losses from MCL's operations.

PBT improvements to Continuing Operations were delivered by the Financial Services (Remittance Services), ITC, Gas Products and Distribution businesses. These improvements were reduced by PBT declines in the Automotive & Industrial Equipment Line of Business (LoB), Retail LoB and the Energy Services companies.

The Group's geographic diversification continues to prove beneficial to the Group. Massy Motors Colombia increased its PBT by 61% however, PBT contributions from our overall Colombia operations experienced a decline, based on the challenges facing the Energy Service company in that market. Improvements in PBT primarily from Eastern Caribbean, Guyana and Jamaica more than compensated for the decline in Colombia.

On the 31st May 2017, Massy Gas Products (Trinidad) Ltd. experienced a major accident when a cylinder containing anhydrous ammonia ruptured while two maintenance technicians were in the vicinity conducting work unrelated to the cylinder. As a result of the release of anhydrous ammonia, one employee succumbed to complications from exposure to

ammonia nine days following the incident. The other affected employee is receiving specialised medical care. Support continues to be provided to employees and family members affected by the incident. Massy is committed to ensuring that all appropriate actions are being taken to mitigate against any reoccurrence. All statutory notification procedures have been followed.

The Group continues to use several different avenues to meet its foreign exchange needs and remains able to meet its supplier obligations. The Group's Balance Sheet remains strong. The Group has \$1.9 billion in Cash and Cash Equivalents and continues well poised to fund future growth. Future investments will be focused on core industries and on companies with existing earning streams which can be enhanced by Massy's scale and experience.



**Robert Bermudez, Chairman
August 10, 2017**

CONSOLIDATED INCOME STATEMENT For the Nine Months Ended 30th June 2017

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		TWELVE MONTHS ENDED
	30-Jun-17 TTS'000	30-Jun-16 TTS'000	30-Jun-17 TTS'000	30-Jun-16 TTS'000	30-Sep-16 TTS'000
Continuing Operations:					
Revenue	2,893,046	2,789,965	8,840,141	8,660,690	11,514,056
Operating profit after finance costs	141,000	172,699	562,907	586,836	855,860
Share of results of associates and joint ventures	16,293	16,701	47,037	13,671	29,289
Profit before tax	157,293	189,400	609,944	600,507	885,149
Income tax expense	(61,969)	(65,564)	(219,523)	(191,067)	(272,260)
Profit for the period from continuing operations	95,324	123,836	390,421	409,440	612,889
Discontinued Operations:					
Loss for the period from discontinued operations	(49,685)	(14,519)	(72,323)	(19,945)	(76,729)
Profit for the period	45,639	109,317	318,098	389,495	536,160
Owners of the parent:					
Profit for the period from continuing operations	84,560	114,649	354,735	374,986	566,847
Loss for the period from discontinued operations	(46,879)	(11,797)	(63,858)	(15,330)	(68,290)
Profit attributable to owners of the parent	37,681	102,852	290,877	359,656	498,557
Non-controlling interests:					
Profit for the period from continuing operations	10,764	9,187	35,686	34,454	46,042
Loss for the period from discontinued operations	(2,806)	(2,722)	(8,465)	(4,615)	(8,439)
Profit attributable to non-controlling interests	7,958	6,465	27,221	29,839	37,603
Profit for the period	45,639	109,317	318,098	389,495	536,160
Earnings per share attributable to the owners of the parent (\$/cents):					
Basic (loss)/earnings per share	0.87	1.17	3.63	3.84	5.80
– from continuing operations	(0.48)	(0.12)	(0.65)	(0.16)	(0.70)
– from discontinued operations	0.39	1.05	2.98	3.68	5.10

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30th June 2017

	UNAUDITED 30-Jun-17 TTS'000	UNAUDITED 30-Jun-16 TTS'000	30-Sep-16 TTS'000
Assets			
Non-current assets			
Property, plant and equipment	2,691,567	2,562,040	2,558,127
Investments in associates and joint ventures	254,653	256,505	244,963
Financial assets	810,630	720,089	737,713
Other non-current assets	1,176,741	1,079,769	1,083,410
Current assets	4,933,591	4,618,403	4,624,213
Cash and cash equivalents	1,905,012	1,846,131	2,026,760
Other current assets	4,293,666	4,131,987	4,131,403
Assets of disposal group classified as held for sale	6,198,678	5,978,118	6,158,163
270,694	271,574	258,453	
Total assets	11,402,963	10,868,095	11,040,829
Equity and Liabilities			
Capital and reserves attributable to owners of the parent	4,882,679	4,630,210	4,789,943
Non-controlling interests	243,045	270,918	258,349
Total equity	5,125,724	4,901,128	5,048,292
Non-current liabilities			
Borrowings	1,918,555	1,852,399	1,870,654
Deferred tax liabilities	228,302	189,058	217,266
Other non-current liabilities	673,293	596,051	623,252
Current liabilities	2,820,150	2,637,508	2,711,172
Borrowings	349,083	368,177	343,460
Other current liabilities	3,049,040	2,951,299	2,901,243
Liabilities of disposal group classified as held for sale	3,398,123	3,319,476	3,244,703
58,966	9,983	36,662	
Total equity and liabilities	11,402,963	10,868,095	11,040,829

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the Nine Months Ended 30th June 2017

	UNAUDITED NINE MONTHS ENDED		TWELVE MONTHS ENDED
	30-Jun-17 TTS'000	30-Jun-16 TTS'000	30-Sep-16 TTS'000
Profit for the period	318,098	389,495	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	(1,020)	–	(440)
– currency translation differences	(3,408)	115,096	147,363
	(4,428)	115,096	146,923
Other comprehensive income for the period, net of tax	(4,428)	115,096	152,113
Total comprehensive income for the period	313,670	504,591	688,273
Attributable to:			
– owners of the parent	287,165	473,344	637,051
– non-controlling interests	26,505	31,247	51,222
Total comprehensive income for the period	313,670	504,591	688,273

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Nine Months Ended 30th June 2017

	UNAUDITED NINE MONTHS ENDED		TWELVE MONTHS ENDED
	30-Jun-17 TTS'000	30-Jun-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	290,877	359,656	498,557
Remeasurement of defined benefit pension plans	–	–	5,190
Dividends paid	(206,237)	(205,260)	(205,260)
Other reserve movements	8,096	121,857	137,499
	4,882,679	4,630,210	4,789,943

CONSOLIDATED STATEMENT OF CASH FLOWS For the Nine Months Ended 30th June 2017

	UNAUDITED NINE MONTHS ENDED		TWELVE MONTHS ENDED
	30-Jun-17 TTS'000	30-Jun-16 TTS'000	30-Sep-16 TTS'000
Cash flows from operating activities			
Operating Profit	562,907	586,836	855,860
Operating Losses from discontinued operations	(68,587)	(17,290)	(33,892)
Dividends from associates and joint ventures	21,251	12,900	40,421
Adjustments for non-cash items	258,227	245,423	314,525
Operating profit before working capital changes	773,798	827,869	1,176,914
Net working capital changes	85,823	4,898	115,493
Tax payments	(172,552)	(188,760)	(229,834)
Cash flows from operating activities	687,069	644,007	1,062,573
Investing activities	(533,649)	(361,998)	(511,383)
Financing activities	(269,567)	(192,876)	(197,166)
(Decrease)/increase in short-term funds	(116,147)	89,133	354,024

SEGMENT INFORMATION (TTS'000) CONTINUING OPERATIONS	Automotive and Industrial Equipment	Integrated Retail	Financial Services	Energy and Industrial Gases	ITC	Other Investments	Head Office and Other Adjustments	Total
Nine Months Ended 30th June 2017								
Group revenue	1,892,217	5,470,958	425,442	750,334	424,617	425,356	–	9,388,924
Inter-segment revenue	(82,220)	(363,124)	(2,398)	(11,071)	(32,125)	(57,845)	–	(548,783)
Third party revenue	1,809,997	5,107,834	423,044	739,263	392,492	367,511	–	8,840,141
Operating profit/(loss) after finance costs	112,341	260,165	78,534	111,598	50,345	60,333	(110,409)	562,907
Share of results of associates and joint ventures	–	–	–	47,915	(271)	(607)	–	47,037
Profit before income tax	112,341	260,165	78,534	159,513	50,074	59,726	(110,409)	609,944
Nine Months Ended 30th June 2016								
Group revenue	1,795,901	5,463,747	393,203	791,252	413,050	410,567	–	9,267,720
Inter-segment revenue	(89,433)	(428,281)	(2,812)	(7,894)	(29,255)	(49,355)	–	(607,030)
Third party revenue	1,706,468	5,035,466	390,391	783,358	383,795	361,212	–	8,660,690
Operating profit/(loss) after finance costs	131,256	253,756	74,119	119,927	42,861	67,280	(102,363)	586,836
Share of results of associates and joint ventures	–	–	–	14,265	(1,031)	437	–	13,671
Profit before income tax	131,256	253,756	74,119	134,192	41,830	67,717	(102,363)	600,507

	Group Revenue		Inter-Segment		Third Party Revenue		Profit before Tax	
	Jun-17	Jun-16	Jun-17	Jun-16	Jun-17	Jun-16	Jun-17	Jun-16
Trinidad and Tobago	4,156,914	4,493,504	(238,399)	(251,080)	3,918,515	4,242,424	344,158	324,712
Barbados	2,243,171	2,239,882	(189,362)	(267,690)	2,053,809	1,972,192	149,550	164,925
Eastern Caribbean	945,360	875,043	(9,909)	(2,473)	935,451	872,570	71,447	65,206
Guyana	714,843	630,691	(25,792)	(13,348)	689,051	617,343	98,679	88,512
Jamaica	511,998	517,334	(4,582)	(4,869)	507,416	512,465	55,396	43,705
Colombia	674,989	403,681	–	–	674,989	403,681	(2,343)	12,451
Other	141,649	107,585	(80,739)	(67,570)	60,910	40,015	3,466	3,359
Head Office and Other adjustments	–	–	–	–	–	–	(110,409)	(102,363)
	9,388,924	9,267,720	(548,783)	(607,030)	8,840,141	8,660,690	609,944	600,507

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 accessed online at www.massygroup.com