



UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2015

**MEDICAL DISPOSABLES
& SUPPLIES LIMITED**

RELEASE TO SHAREHOLDERS

The Board of Directors of Medical Disposables and Supplies Limited (MDS) is pleased to present the unaudited financial statements for the six months ended September 30, 2015.

FINANCIAL HIGHLIGHTS

Highlights of the six months ended September 30, 2015 compared to the six months ended September 30, 2014

	<u>Sept 2015</u>	<u>Sept 2014</u>	<u>Inc/(Dec)%</u>
✚ Sales revenue	\$599.2m	\$540.3m	10.9%
✚ Gross profit	\$166.7m	\$136.1m	22.5%
✚ Net profit after tax	\$42.7m	\$38.3m	11.5%
✚ Earnings per stock unit	9 cents	8 cents	12.5%
✚ Market share price	\$2.50	\$1.99	25.6%
✚ Total assets	\$937.7m	\$628.1m	49.3%
✚ Total stockholders' equity	\$434.6m	\$366.7m	18.5%

For first six months of the financial year 2016, sales revenue of \$599.2m increased by \$58.9m or 10.9% when compared to the same period last year. This was as a result of growth in the customer base, improved customer service and a widened array of brands and product offerings. The performance over the six months reflects progress in meeting the strategic targets that were approved by the Board of Directors.

Gross profit of \$166.7m increased by \$30.6m or 22.5% when compared to last year. This improvement was due to increased sales in all product categories, changes in the product mix and maintaining gross margin efficiency.

Total operational expenses of \$112.9m reflected an increase of \$18.4m or 19.4% over the same period last year. The increase in expenses was driven mainly by staff related costs, insurance, utilities, professional fees, information technology services and

expenses related to the new property purchased earlier in the year. Staff related expenses, in particular, increased because of the strategic decision to realign the staff complement and compensation to sustain the current growth, development and expansion of the business.

Profit after tax of \$42.7m increased by \$4.4m or 11.5%. The increase in profit was as a direct result of the improved performance in sales revenue for the period ended September 30, 2015.

Total assets grew by 49% or \$309.6m from \$628.1m to \$937.7m. This was mainly as a result of the increase in non-current assets, namely the property purchased. These assets were financed by shareholders' equity of \$434.6m and liabilities of \$508.1m. The company's liquidity position remains healthy.

Three months ended September 30, 2015 compared with the three months ended September 30, 2014

- Sales revenue of \$308.2m, an increase of \$25.2m or 8.9%
- Gross profit of \$82.6m, an increase of \$12.1m or 17.2%
- Operational costs of \$52.6m, an increase of \$4.6m or 9.5%
- Profit after tax of \$23.4m, an increase of \$1.9m or 9.2%

Despite a challenging economic environment, the company has experienced growth as forecasted in its corporate strategic plan. MDS is committed to maintaining high standards in efficient product movement and market penetration, while strengthening our relationships with customers, suppliers, employees and other stakeholders.

CORPORATE RESPONSIBILITY

During the second quarter, the company participated in the third staging of the Pharmaceutical Society of Jamaica's 5k Run/Walk. The Kidney Foundation of Jamaica was the beneficiary of the proceeds of the event.



Kurt Boothe
General Manager

October 27, 2015

Medical Disposables & Supplies Limited

Unaudited Statement of Comprehensive Income
For the Six Months Period Ended September 30, 2015

	Three Months To September 2015 \$	Three Months To September 2014 \$	Six Months To September 2015 \$	Six Months To September 2014 \$
Revenue	308,193,341	283,069,119	599,175,305	540,260,149
Cost of sales	(225,610,306)	(212,607,653)	(432,449,975)	(404,165,977)
Gross profit	82,583,035	70,461,466	166,725,330	136,094,172
Administrative expenses	(31,560,370)	(35,794,225)	(62,128,825)	(69,714,781)
Selling and promotional costs	(17,172,568)	(9,139,607)	(41,042,521)	(18,836,762)
Other operating expenses	(3,854,665)	(3,070,577)	(9,751,765)	(6,009,221)
Total Operational Costs	(52,587,603)	(48,004,409)	(112,923,111)	(94,560,764)
Profit after Operational Costs	29,995,432	22,457,057	53,802,219	41,533,408
Finance and other income	310,687	2,422,377	493,536	3,585,957
Gain on disposal of property, plant & equipment	-	-	-	300,000
Finance cost	(4,723,257)	(2,526,038)	(9,119,652)	(5,866,955)
Loss on foreign exchange	(1,686,740)	(864,053)	(1,959,398)	(1,208,947)
	(6,099,310)	(967,714)	(10,585,514)	(3,189,945)
Profit before tax	23,896,122	21,489,343	43,216,705	38,343,463
Tax expense	(498,583)	(60,000)	(528,583)	(60,000)
PROFIT FOR THE PERIOD	23,397,539	21,429,343	42,688,122	38,283,463
EARNINGS PER SHARE	0.09	0.08	0.16	0.15

Medical Disposables & Supplies Limited

Unaudited Statement of Financial Position

As At September 30, 2015

	6 Months To 30-Sept-15 \$	6 Months To 30-Sept-14 \$	Audited 31-Mar-15 \$
Assets			
Non- Current Assets			
Property, Plant and Equipment	350,994,879	95,696,673	351,627,170
Current Assets			
Inventories	256,106,927	181,926,656	266,401,044
Trade Receivables	211,798,679	239,875,356	236,589,731
Other Receivables & Prepayments	38,899,339	23,999,531	28,780,560
Tax Recoverable	2,952,684	-	-
Cash and Bank Balances	76,968,193	84,740,861	72,944,208
	<u>586,725,822</u>	<u>530,542,404</u>	<u>604,715,543</u>
Total Assets	<u>937,720,701</u>	<u>626,239,077</u>	<u>956,342,713</u>
Equity			
Capital and Reserve			
Share Capital	107,835,764	107,835,764	107,835,764
Revaluation Reserve	35,613,267	35,613,267	35,613,267
Retained Profits	291,175,149	223,254,297	259,013,343
Total Equity	<u>434,624,180</u>	<u>366,703,328</u>	<u>402,462,374</u>
Liabilities			
Non-Current Liabilities			
Interest-bearing borrowings	250,006,660	44,494,664	242,600,872
	<u>250,006,660</u>	<u>44,494,664</u>	<u>242,600,872</u>
Current Liabilities			
Trade Payables	142,150,019	84,138,532	191,251,200
Other payables	36,705,700	25,322,833	30,205,305
Income tax payable	-	13,344,339	10,166,097
Short Term Borrowings	50,000,000	50,000,000	56,895,560
Bank Overdraft	24,234,142	42,235,381	22,761,304
	<u>253,089,861</u>	<u>215,041,085</u>	<u>311,279,466</u>
Total Liabilities	<u>503,096,521</u>	<u>259,535,749</u>	<u>553,880,338</u>
Total Equity and Liabilities	<u>937,720,701</u>	<u>626,239,077</u>	<u>956,342,713</u>

Approved for issue by the Board of Directors on October 27, 2015 and signed on its behalf by:



Director



Director

Medical Disposables and Supplies Limited

Unaudited Statement of Changes In Equity

For the Six Months Period Ended September 30, 2015

	Share Capital \$	Revaluation Reserve \$	Retained Profit \$	Total \$
Balance at April 1, 2014	107,835,764	35,613,267	184,970,834	328,419,865
Changes in equity 2015				
Total comprehensive income for the period	-	-	38,283,463	38,283,463
BALANCE AT SEPTEMBER 30, 2014	107,835,764	35,613,267	223,254,297	366,703,328
Balance at April 1, 2015	107,835,764	35,613,267	259,013,343	402,462,374
Changes in equity 2016				
Dividends paid			(10,526,316)	(10,526,316)
Total comprehensive income for the period	-	-	42,688,122	42,688,122
BALANCE AT SEPTEMBER 30, 2015	107,835,764	35,613,267	291,175,149	434,624,180

Medical Disposables & Supplies Limited

Unaudited Statement of Cash Flows

For The Six Months Ended September 2015

	September 2015	September 2014
	\$	\$
Cash flows from operating activities:		
Profit before tax	43,216,705	38,343,463
Adjustments for:		
Depreciation	3,757,655	3,594,570
Interest expenses	9,119,652	5,866,955
Interest income	(493,536)	(3,585,957)
FX loss on loan	1,180,230	1,351,455
Gain on disposal of fixed asset	-	(300,000)
	<u>56,780,706</u>	<u>45,270,486</u>
Increase in inventories	10,294,118	17,412,575
Increase / (decrease) in trade and other receivables	14,672,274	(36,629,528)
Decrease in trade and other payables	(42,600,786)	(42,393,315)
	<u>39,146,312</u>	<u>(16,339,782)</u>
Cash provided by / (used in) operations	39,146,312	(16,339,782)
Income tax paid	(13,647,365)	(8,154,294)
Interest paid	(9,119,652)	(5,866,955)
Net cash provided by / (used in) operating activities	16,379,294	(30,361,031)
Cash flows from investing activities:		
Purchase of property, plant & equipment	(3,125,364)	(3,010,142)
Interest received	493,536	3,585,957
Net cash provided by / (used in) investing activities	(2,631,828)	575,815
Cash flows from financing activities:		
Dividend payments	(10,526,316)	-
Proceeds from borrowings	40,000,000	25,000,000
Repayment of borrowings	(40,670,002)	(5,548,799)
Proceeds on disposal of fixed asset		300,000
Net cash used in / (provided by) financing activities	(11,196,318)	19,751,201
Net increase / (decrease) in cash & cash equivalents	2,551,148	(10,034,015)
Cash and cash equivalent at beginning of period	50,182,904	52,539,495
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	52,734,052	42,505,480

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Six Months Ended September 30, 2015

1. Identification and activities

Medical Disposables and Supplies Limited is a limited liability company incorporated under the Laws of Jamaica on November 27, 1998.

The company is domiciled in Jamaica with its registered office located at Shop # 26, The Domes, 85 Hagley Park Road, Kingston 10.

The main activity of the company is the sale of medical disposables and supplies.

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 24, 2013.

2. Basis of preparation

The condensed interim financial statements for the six months ended September 30, 2015 have been prepared in accordance with IAS 34 – Interim Financial Reporting. The interim financial statements should be read in conjunction with the audited financial statements ended March 31, 2015 which have been prepared in accordance with IFRSs as issued by the International Accounting Standards Board (IASB).

3. Accounting Policies

There have been no changes in accounting policies since the most recent audited financial statements as at March 31, 2015.

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Six Months Ended September 30, 2015

4. Taxation

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 24, 2013. Consequently, the company is entitled to a waiver of income taxes for ten years in the proportions set out below, provided that the shares remain listed for at least fifteen years.

Year 1 – 5	100%
Year 6 – 10	50%

5. Shareholders' Information

Directors' Holdings As at September 30, 2015	No. Of Units
Kurt Boothe	50,450,000
Winston Boothe	50,000,000
Myrtis Boothe	50,000,000
Nikeisha Boothe	50,000,000
Dahlia McDaniel	1,073,100

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Six Months Ended September 30, 2015

Holdings of Senior Managers As at September 30, 2015	No. Of Units
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Kurt Boothe	50,450,000
Myrtis Boothe	50,000,000
Nikeisha Boothe	50,000,000
Janice Pitter *	87,000
Lenworth Murray	163,000
Gerard Whyte	54,000

* Includes shareholdings for connected parties

Top Ten Shareholders As at September 30, 2015	No. Of Units
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Kurt Boothe	50,450,000
Winston Boothe	50,000,000
Myrtis Boothe	50,000,000
Nikeisha Boothe	50,000,000
Mayberry West Indies Limited	10,434,114
Mayberry Managed Clients Account	8,240,884
Apex Pharmacy	3,496,926
Bamboo Group Holdings	3,350,631
Catherine Adella Peart	2,931,050
Leon O. W. Headley	1,596,957
Manwei International Ltd	1,527,288
Lawrence and Associates Limited	1,284,222