



Blue Power Soap Division
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Chairman's Report for the Quarter ended October 31, 2015

Combined sales for the quarter ended October 31, 2015 were \$297 million as compared to \$259 million for the same period last year, an increase of \$38 million or 14.7%. Lumber Depot division saw an increase in sales of \$43 million from \$176 million to \$219 million. Sales for the Blue Power division, however, declined by \$5 million from \$82 million in 2014 to \$77 million in 2015.

Profits before tax for the three months stood at \$17 million compared to \$23 million in the same period last year, a decline of 27%. However, the five-year concession in terms of tax-free status expired in April 2015 resulting in an estimated tax liability of \$3.53 million which reduces Net Profits to \$13.05 million which is \$9.79 million less than the comparative period last year. The contribution of Lumber Depot division to the after tax tally was \$4.55 million (\$11.11 million in 2014), while Blue Power division added \$8.50 million (\$11.73 million in 2014). Earnings per stock unit for the quarter moved down from \$0.40 to \$0.23.

The six-month period tells a similar story. Overall sales for the half year are up from \$536 million to \$598 million (+11.56%) with the Lumber Depot Division showing an increase of 19.48% and the Blue Power division declining by 4.71%. Profits after tax for the group stand at \$31.65 million as compared to \$51.52 million (-38.58%) with contributions from both divisions being negative when compared to last year. Lumber Depot division was down by 34.33% (from \$17.20m to \$11.30m) while the Blue Power division was down by 40.71% (from \$34.32m to \$20.35m) when compared to last year.

The most positive feature for the period is that we were able to improve our overall sales despite a substantial drop off in deliveries to one of our largest customers. In the soap division, we were able to replace most of the lost sales with increased exports, higher levels of sales of our own branded products to the retailers and the introduction of a new distributor for whom we have begun to produce on a contract basis. During the quarter we completed the trials for the manufacture of a salicylic bar for ariLabs called ariBritetone which will be launched this month. We have also begun to explore the possibility of internet sales of some of our popular products in the USA and expect that the trials will begin in December with an initial launch on Amazon.com backed by promotions on Facebook. With many requests for a product similar to our Blue Power bar which could be used in washing machines, we have created a powdered cake soap with detergent which is in the testing stage at this time.

On the expenditure side, on a comparative basis for this six-month period we recorded over \$5.1 million of extra estimated taxes (2015/2014) and over \$4.5 million in extra depreciation charges (2015/2014) which on a combined basis is more than 50% of the difference in profits this year compared to last year. Other increases in expenses were in advertising, wages and salaries and maintenance with the overall difference between the two periods being \$19.3 million.

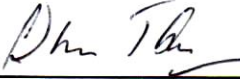
We continue to enjoy a good relationship with our customers, distributors, suppliers and staff which should enable us to compete successfully as we go forward.

Dhiru Tanna
Chairman
November 23, 2015

Blue Power Group Limited
Consolidated Statement of Financial Position
Six months ended October 31, 2015

	<u>Unaudited</u> <u>October 31, 2015</u>	<u>Unaudited</u> <u>October 31, 2014</u>	<u>Audited</u> <u>April 30, 2015</u>
ASSETS:			
Non-current assets			
Property, plant and equipment	66,862,328	63,272,753	72,321,671
Current assets			
Cash and cash equivalents	159,624,704	127,159,167	166,007,884
Accounts receivable and prepayments	106,123,821	96,658,024	75,374,886
Inventories	245,675,391	246,833,972	249,516,246
Taxation recoverable	2,776,977	2,252,449	2,416,874
	<u>514,200,893</u>	<u>472,903,612</u>	<u>493,315,890</u>
Current liabilities			
Accounts payable	51,523,604	62,844,982	64,157,906
Due to related party	349,590	349,590	349,590
Current portion of long term liabilities	988,002	-	1,976,004
Taxation	5,877,160	-	-
	<u>58,738,356</u>	<u>63,194,572</u>	<u>66,483,500</u>
Net Current Assets	<u>455,462,537</u>	<u>409,709,040</u>	<u>426,832,390</u>
Total Assets Less Current Liabilities	<u>522,324,866</u>	<u>472,981,793</u>	<u>499,154,061</u>
EQUITY			
Share capital	86,900,147	86,900,147	86,900,147
Retained earnings	427,689,119	386,081,646	404,518,314
	<u>514,589,266</u>	<u>472,981,793</u>	<u>491,418,461</u>
NON-CURRENT LIABILITIES			
Long-term loan	7,245,328	-	7,245,328
Deferred taxation	490,272	-	490,272
	<u>7,735,600</u>	<u>-</u>	<u>7,735,600</u>
Total Equity And Non-Current Liabilities	<u>522,324,866</u>	<u>472,981,793</u>	<u>499,154,061</u>

Approved for issue by the Board of Directors on Dec. 2nd, 2015 and signed on its behalf by:


 _____ Director
 Dr. Dhiru Tanna


 _____ Director
 Peter Millingen

Blue Power Group Limited
Consolidated Statement of Profit or loss and Other Comprehensive Income
Six months ended October 31, 2015

	Unaudited 3 months to October 31, 2015	Unaudited 3 months to October 31, 2014	Unaudited 6 months to October 31, 2015	Unaudited 6 months to October 31, 2014	Audited April 30, 2015
Revenue	296,566,050	258,591,579	598,492,881	536,481,897	1,060,257,891
Cost of revenue	<u>(239,729,120)</u>	<u>(201,711,533)</u>	<u>(477,349,675)</u>	<u>(413,597,483)</u>	<u>(838,984,243)</u>
Gross profit	56,836,930	56,880,046	121,143,206	122,884,414	221,273,648
Administrative and other expenses	<u>(42,272,447)</u>	<u>(34,438,726)</u>	<u>(88,307,225)</u>	<u>(74,789,222)</u>	<u>(156,692,137)</u>
	14,564,483	22,441,320	32,835,981	48,095,192	64,581,511
Other income	<u>2,978,326</u>	<u>86,184</u>	<u>5,519,548</u>	<u>2,949,189</u>	<u>2,157,621</u>
Profit before net finance costs and taxation	<u>17,542,809</u>	<u>22,527,504</u>	<u>38,355,529</u>	<u>51,044,381</u>	<u>66,739,132</u>
Finance income	173,899	1,222,339	1,449,898	2,389,904	7,736,912
Finance cost	<u>(1,143,556)</u>	<u>(912,611)</u>	<u>(2,446,103)</u>	<u>(1,913,952)</u>	<u>(3,865,280)</u>
Net financial income	<u>(969,657)</u>	<u>309,728</u>	<u>(996,205)</u>	<u>475,952</u>	<u>3,871,632</u>
Profit for the year	16,573,152	22,837,232	37,359,324	51,520,333	70,610,764
Taxation	<u>(3,531,121)</u>	<u>-</u>	<u>(5,713,669)</u>	<u>-</u>	<u>(653,763)</u>
Profit attributable to members, being total comprehensive income for the year	<u>13,042,031</u>	<u>22,837,232</u>	<u>31,645,655</u>	<u>51,520,333</u>	<u>69,957,001</u>
Earnings per stock unit	<u>\$ 0.23</u>	<u>\$ 0.40</u>	<u>\$ 0.56</u>	<u>\$ 0.91</u>	<u>\$ 1.24</u>

Blue Power Group Limited
Consolidated Statement of Changes in Equity
Six months ended October 31, 2015

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</u>
	\$	\$	\$
Balances as at April 30, 2014 (audited)	86,900,147	343,036,163	429,936,310
Dividends paid		(8,474,850)	(8,474,850)
Total comprehensive income for the quarter	<u>-</u>	<u>51,520,333</u>	<u>51,520,333</u>
Balances as at October 31, 2014 (unaudited)	<u>86,900,147</u>	<u>386,081,646</u>	<u>472,981,793</u>
Balances as at April 30, 2015 (audited)	86,900,147	404,518,314	491,418,461
Dividends paid		(8,474,850)	(8,474,850)
Total comprehensive income for the quarter	<u>-</u>	<u>31,645,655</u>	<u>31,645,655</u>
Balance at quarter end October 31, 2015 (unaudited)	<u>86,900,147</u>	<u>427,689,119</u>	<u>514,589,266</u>

Blue Power Group Limited
Consolidated Statement of Cash Flows
Six months ended October 31, 2015

	Unaudited October 31, 2015	Unaudited October 31, 2014	Audited April 30, 2015
Cash Flows From Operating Activities			
Profit for the quarter	31,645,655	51,520,333	69,957,001
Adjustments for:			
Interest Income	(1,449,898)	(2,389,904)	(3,485,463)
Interest expense	2,446,103	-	222,293
Depreciation	6,342,040	1,787,086	3,988,870
Taxation	5,713,669	-	653,763
	<u>44,697,569</u>	<u>50,917,515</u>	<u>71,336,464</u>
Inventories	3,840,855	(12,389,828)	(15,072,102)
Accounts receivables and prepayments	(30,748,935)	(18,798,914)	2,484,224
Accounts payable	(12,634,302)	(7,511,103)	(6,198,179)
Cash provided by operations	5,155,187	12,217,670	52,550,407
Interest paid	(2,446,103)	-	(222,293)
Interest received	1,449,898	2,389,904	3,485,463
Taxation deducted at source	(196,612)	(543,469)	(871,385)
Cash provided by operating activities	<u>3,962,370</u>	<u>14,064,105</u>	<u>54,942,192</u>
Cash Flows From Investing Activity			
Purchase of property, plant and equipment	(882,698)	(14,875,930)	(26,126,632)
Cash used by investing activity	<u>(882,698)</u>	<u>(14,875,930)</u>	<u>(26,126,632)</u>
Cash Flows From Financing Activities			
Proceeds from long -term loan			9,880,000
Related party advances received/(repaid)	-	162,095	162,095
Long-term loan repaid	(988,002)	-	(658,668)
Cash (used)/provided by Financing Activities	<u>(988,002)</u>	<u>162,095</u>	<u>9,383,427</u>
Net cash provided before dividends	2,091,670	(649,730)	38,198,987
Dividends paid	(8,474,850)	(8,474,850)	(8,474,850)
Net increase in cash and cash equivalents	(6,383,180)	(9,124,580)	29,724,137
Cash and cash equivalents at beginning of the period	166,007,884	136,283,747	136,283,747
Cash and cash equivalents at end of period	<u>\$ 159,624,704</u>	<u>127,159,167</u>	<u>166,007,884</u>
Comprised of:			
Cash and bank balances	<u>\$ 159,624,704</u>	<u>127,159,167</u>	<u>166,007,884</u>

Blue Power Group Limited
Consolidated Segment Reporting
Six months ended October 31, 2015

	Lumber Division	Soap Division	Total
	₹	₹	₹
Turnover	431,110,070	167,382,811	598,492,881
Profit from operations	10,319,945	22,516,036	32,835,981
Other income	4,082,874	1,436,674	5,519,548
Net finance income	(1,186,697)	190,492	(996,205)
Profit before taxation	13,216,122	24,143,202	37,359,324
Taxation	(1,920,244)	(3,793,425)	(5,713,669)
Profit for the period	11,295,878	20,349,777	31,645,655
Segment assets			
Non-current	30,828,871	36,033,457	66,862,328
Current assets	265,639,894	248,560,999	514,200,893
	<u>296,468,765</u>	<u>284,594,456</u>	<u>581,063,221</u>
Segment liabilities			
Current liabilities	38,834,050	19,904,306	58,738,356
Other segment items:			
Capital expenditure	382,174	500,524	882,698
Depreciation	1,903,243	4,438,797	6,342,040

Blue Power Group Limited
Consolidated Segment Reporting
Six months ended October 31, 2014

	Lumber Division	Soap Division	Total
	\$	\$	\$
Revenue	360,818,363	175,663,534	536,481,897
Profit from operations	14,946,939	33,148,253	48,095,192
Other income	2,128,236	820,953	2,949,189
Net finance costs	<u>122,181</u>	<u>353,771</u>	<u>475,952</u>
Profit before taxation	17,197,356	34,322,977	51,520,333
Taxation	-	-	-
Profit for the period	<u>17,197,356</u>	<u>34,322,977</u>	<u>51,520,333</u>
Segment assets			
Non-current	27,292,748	35,980,005	63,272,753
Current assets	<u>262,915,554</u>	<u>209,988,058</u>	<u>472,903,612</u>
	<u>290,208,302</u>	<u>245,968,063</u>	<u>536,176,365</u>
Segment liabilities			
Current liabilities	<u>50,465,791</u>	<u>12,728,781</u>	<u>63,194,572</u>
Other segment items:			
Capital expenditure	560,722	14,315,208	14,875,930
Depreciation	<u>633,131</u>	<u>1,153,955</u>	<u>1,787,086</u>

Blue Power Group Limited
Consolidated Segment Reporting
Year ended April 30, 2015

	Lumber Division \$	Soap Division \$	Total \$
Revenue	734,754,349	325,503,542	1,060,257,891
Profit from operations	23,934,732	40,646,779	64,581,511
Other income	2,157,621	-	2,157,621
Net finance income	-	3,871,632	3,871,632
Profit before taxation	26,092,353	44,518,411	70,610,764
Taxation	(653,763)	-	(653,763)
Profit for the period	<u>25,438,590</u>	<u>44,518,411</u>	<u>69,957,001</u>
Segment assets			
Non-current	32,349,941	39,971,730	72,321,671
Current assets	269,903,656	223,412,234	493,315,890
	<u>302,253,597</u>	<u>263,383,964</u>	<u>565,637,561</u>
Segment liabilities			
Current liabilities	<u>53,724,513</u>	<u>12,758,987</u>	<u>66,483,500</u>
Other segment items:			
Capital expenditure	6,560,592	19,566,040	26,126,632
Depreciation	1,575,809	2,413,061	3,988,870

1 Identification and principal activities

Blue Power Group Limited (the company) is incorporated and domiciled in Jamaica. The registered office of the company is located at 4 Victoria Avenue, Kingston CSO. The company is listed on the Junior Market of the Jamaica Stock Exchange. The company and its two wholly-owned subsidiaries are referred to as the "group"

The main activities of the company and the group comprise the manufacture and sale of soaps and the sale of lumber, hardware supplies and other related products.

2 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board, and comply with the relevant provisions of the Jamaican Companies Act. These financial statements are presented in Jamaica dollars.

3 Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

The group has two reportable segments, as described below, which are the group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The primary reportable segments are:

- (i) Soap division - Manufacture and sale of soaps
- (ii) Lumber division - Sale of lumber, hardware supplies and related products

The manufacturing operations are conducted at 4 Victoria Avenue, Kingston and the lumber division operations are carried out mainly at Papine in St. Andrew, Jamaica.

Transactions between business segments have been eliminated.

4 Significant accounting policies

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended April 30, 2015.

BLUE POWER GROUP LIMITED

OCTOBER 31, 2015

TOTAL SHARES OUTSTANDING: 56,499,000

DIRECTORS AND CONNECTED PARTIES REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
KENNETH BENJAMIN**	SELF	3,175,200	5.6199
FELICE CAMPBELL	SELF	0	0.0000
NOEL DAWES***	SELF	1,412,715	2.5004
JEFFREY HALL (SWEE TEEN CHUA)	SELF	257,070	0.4550
PETER MILLINGEN	SELF	921,100	1.6303
DHIRU TANNA* (LAURA TANNA)	SELF	10,000	0.0177
LAURA TANNA*	SELF	0	0.0000
*ANTIBES HOLDINGS LTD	CONNECTED PARTY	28,300,800	50.0908
**GUARDSMAN GROUP	CONNECTED PARTY	687,285	1.2165
***KAREL DAWES	CONNECTED PARTY	3,807	0.0067

SENIOR MANAGERS REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
LISA KONG	SELF	0	0.0000
VERONICA LOWE	SELF	0	0.0000

TOP 10 SHAREHOLDERS

PRIMARY HOLDER (JOINT HOLDER)	UNITS	PERCENTAGE
ANTIBES HOLDINGS LIMITED	28,300,800	50.09
MAYBERRY WEST INDIES LIMITED	11,635,567	20.59
KENNETH BENJAMIN	3,175,200	5.62
JANE FRAY	3,095,400	5.48
NOEL DAWES	1,412,715	2.50
SILVER INVESTMENTS LIMITED	1,077,816	1.91
JPS EMPLOYEE SUPERANNUATION FUND	921,451	1.63
PETER MILLINGEN	921,100	1.63
PAM-INDIVIDUAL RETIREMENT SCHEME	891,451	1.58
GUARDSMAN GROUP LTD	687,285	1.22