



UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 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 nine months ended December 31, 2015.

FINANCIAL HIGHLIGHTS

Highlights of the nine months ended December 31, 2015 compared to the nine months ended December 31, 2014

	<u>Dec 2015</u>	<u>Dec 2014</u>	<u>Inc/(Dec)%</u>
✚ Sales revenue	\$918.3m	\$847.7m	8.3%
✚ Gross profit	\$252.4m	\$216.5m	16.6%
✚ Net profit after tax	\$61.7m	\$56.2m	10.0%
✚ Earnings per stock unit	23 cents	21 cents	9.5%
✚ Market share price	\$3.55	\$1.75	102.9%
✚ Total assets	\$987.2m	\$671.0m	47.1%
✚ Total stockholders' equity	\$453.7m	\$374.1m	21.3%

For first nine months of the financial year 2016, sales revenue of \$918.3m increased by \$70.6m or 8.3% when compared to the same period in the previous 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 nine months reflects progress in meeting the strategic targets that were approved by the Board of Directors.

Gross profit of \$252.4m increased by \$35.9m or 16.6% when compared to same period in the previous 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 \$169.1m reflected an increase of \$22.2m or 15.1% over the same period last year. The increase in expenses was driven mainly by staff related costs, insurance, utilities 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 growth, development and expansion of the business.

Profit after tax of \$61.7m increased by \$5.7m or 10.2%. The increase in profit was a direct result of the improved performance in sales revenue for the period ended December 31, 2015.

Total assets grew by 47% or \$316.0m from \$671.2m to \$987.2m. 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 \$453.7m and liabilities of \$533.5m. The company's liquidity position remains healthy.

Three months ended December 31, 2015 compared with the three months ended December 31, 2014

- Sales revenue of \$319.1m, an increase of \$11.7m or 3.8%
- Gross profit of \$85.7m, an increase of \$5.3m or 6.6%
- Operational costs of \$56.1m, an increase of \$3.9m or 7.4%
- Profit after tax of \$19.1m, an increase of \$1.2m or 6.9%

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.

OTHER BUSINESS HIGHLIGHTS

At the end of the third quarter, the refurbishing of the new location at 83 Hagley Park Road, mainly warehouse and administrative offices, was substantially completed. The office was opened for business on January 4, 2016. An important point to note is the fact that the relocation exercise was conducted while the operations of the company continued, much to the delight of our valuable customers.



Kurt Boothe
General Manager

February 9, 2016

Medical Disposables & Supplies Limited

Unaudited Statement of Comprehensive Income

For the Nine Months Period Ended December 31, 2015

	Three Months To December 2015	Three Months To December 2014	Nine Months To December 2015	Nine Months To December 2014
	\$	\$	\$	\$
Revenue	319,141,905	307,479,622	918,317,210	847,739,771
Cost of sales	(233,409,402)	(227,060,753)	(665,859,377)	(631,226,730)
Gross profit	85,732,503	80,418,869	252,457,833	216,513,041
Administrative expenses	(31,546,025)	(36,760,648)	(93,756,495)	(106,475,429)
Selling and promotional costs	(19,544,615)	(11,885,950)	(60,587,135)	(30,722,711)
Other operating expenses	(5,021,376)	(3,603,926)	(14,773,141)	(9,613,147)
Total Operational Costs	(56,112,016)	(52,250,524)	(169,116,770)	(146,811,288)
Profit after Operational Costs	29,620,488	28,168,345	83,341,063	69,701,753
Finance and other income	401,499	515,908	895,035	4,101,865
Gain on disposal of property, plant & equipment	-	-	-	300,000
Finance cost	(10,735,972)	(10,466,012)	(19,855,624)	(16,332,967)
Gain / (loss) on foreign exchange	308,313	(334,477)	(1,651,085)	(1,543,424)
	(10,026,159)	(10,284,581)	(20,611,673)	(13,474,527)
Profit before tax	19,594,328	17,883,765	62,729,389	56,227,226
Tax expense	(468,583)	-	(997,167)	(60,000)
PROFIT FOR THE PERIOD	19,125,745	17,883,765	61,732,223	56,167,226
EARNINGS PER SHARE	0.07	0.07	0.23	0.21

Medical Disposables & Supplies Limited

Unaudited Statement of Financial Position

As At December 31, 2015

	9 Months To 31-Dec-15 \$	9 Months To 31-Dec-14 \$	Audited 31-Mar-15 \$
Assets			
Non- Current Assets			
Property, Plant and Equipment	402,557,061	105,394,277	351,627,170
Current Assets			
Inventories	254,112,503	200,135,289	266,401,044
Trade Receivables	212,627,661	237,142,845	236,589,731
Other Receivables & Prepayments	53,836,095	58,231,951	28,780,560
Tax Recoverable	2,584,024	-	-
Cash and Bank Balances	61,485,207	70,119,119	72,944,208
	<u>584,645,490</u>	<u>565,629,204</u>	<u>604,715,543</u>
Total Assets	<u>987,202,551</u>	<u>671,023,481</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	310,219,250	230,611,744	259,013,343
Total Equity	<u>453,668,281</u>	<u>374,060,775</u>	<u>402,462,374</u>
Liabilities			
Non-Current Liabilities			
Borrowings	250,070,659	49,718,665	242,600,873
	<u>250,070,659</u>	<u>49,718,665</u>	<u>242,600,873</u>
Current Liabilities			
Trade Payables	169,035,504	105,069,731	191,251,200
Other Payables	36,473,764	32,638,481	30,205,305
Income Tax Payable	-	13,217,190	10,166,097
Short Term Borrowings	50,000,000	50,000,000	56,895,560
Bank Overdraft	27,954,343	46,318,639	22,761,304
	<u>283,463,611</u>	<u>247,244,041</u>	<u>311,279,466</u>
Total Liabilities	<u>533,534,270</u>	<u>296,962,706</u>	<u>553,880,339</u>
Total Equity and Liabilities	<u>987,202,551</u>	<u>671,023,481</u>	<u>956,342,713</u>

Approved for issue by the Board of Directors on February 9, 2016 and signed on its behalf by:



Director



Director

Medical Disposables and Supplies Limited

Unaudited Statement of Changes In Equity

For the Nine Months Period Ended December 31, 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				
Dividends paid	-	-	(10,526,316)	(10,526,316)
Total comprehensive income for the period	-	-	56,167,226	56,167,226
BALANCE AT DECEMBER 31, 2014	107,835,764	35,613,267	230,611,744	374,060,775
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	-	-	61,732,223	61,732,223
BALANCE AT DECEMBER 31, 2015	107,835,764	35,613,267	310,219,250	453,668,281

Medical Disposables & Supplies Limited

Unaudited Statement of Cash Flows

For The Nine Months Ended December 2015

	December 2015	December 2014
	\$	\$
Cash flows from operating activities:		
Profit before tax	62,729,389	56,227,226
Adjustments for:		
Depreciation	6,744,934	5,393,714
Interest expenses	18,780,456	16,332,967
Interest income	(895,035)	(4,101,865)
FX loss on loan	1,579,230	1,351,455
Gain on disposal of fixed asset	-	(300,000)
	<u>88,938,974</u>	<u>74,903,497</u>
Increase / (decrease) in inventories	12,288,541	(796,057)
Decrease in trade and other receivables	(1,093,465)	(68,129,437)
Decrease in trade and other payables	(15,947,238)	(14,146,469)
	<u>84,186,812</u>	<u>(8,168,465)</u>
Cash provided by / (used in) operations		
Income tax paid	(13,747,288)	(8,281,443)
Interest paid	(18,780,456)	(16,332,967)
Net cash provided by / (used in) operating activities	<u>51,659,068</u>	<u>(32,782,876)</u>
Cash flows from investing activities:		
Purchase of property, plant & equipment	(57,674,825)	(14,506,889)
Interest received	895,035	4,101,865
Net cash used in investing activities	<u>(56,779,790)</u>	<u>(10,405,024)</u>
Cash flows from financing activities:		
Dividend payments	(10,526,316)	(10,526,316)
Proceeds from borrowings	80,000,000	95,000,000
Repayment of borrowings	(81,005,004)	(70,324,799)
Proceeds on disposal of fixed asset		300,000
Net cash (used in) / provided by financing activities	<u>(11,531,320)</u>	<u>14,448,886</u>
Net decrease in cash & cash equivalents	(16,652,041)	(28,739,014)
Cash and cash equivalent at beginning of period	50,182,904	52,539,495
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>33,530,863</u>	<u>23,800,481</u>

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Nine Months Ended December 31, 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 nine months ended December 31, 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

Nine Months Ended December 31, 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 December 31, 2015	No. Of Units
Kurt Boothe	50,700,000
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

Nine Months Ended December 31, 2015

Holdings of Senior Managers As at December 31, 2015	No. Of Units
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Kurt Boothe	50,700,000
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 December 31, 2015	No. Of Units
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Kurt Boothe	50,700,000
Winston Boothe	50,000,000
Myrtis Boothe	50,000,000
Nikeisha Boothe	50,000,000
Mayberry West Indies Limited	11,253,177
Mayberry Managed Clients Account	8,223,941
Apex Pharmacy	3,496,926
Bamboo Group Holdings	3,350,631
Catherine Adella Peart	2,411,357
Leon O. W. Headley	1,596,957
Manwei International Ltd	1,527,288
VMWM Stock Trading Account	1,312,514