



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2014

**MEDICAL DISPOSABLES
& SUPPLIES LIMITED**

RELEASE TO SHAREHOLDERS

The Directors of Medical Disposables and Supplies Limited (MDS) are pleased to release the Company's audited financial statements for the year ended March 31, 2014.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2014

	Year Ended March 31, 2014	Three months Ended March 31, 2014	Three months Ended March 31, 2013
Revenue	912,972,019	248,028,844	218,587,417
Cost of sales	(676,097,162)	(174,479,417)	(164,207,519)
Gross profit	236,874,857	73,549,427	54,379,898
Administrative expenses	(106,730,927)	(30,022,766)	(20,212,501)
Selling & promotional costs	(28,266,591)	(8,633,105)	(8,736,004)
Other operating expenses	(4,844,348)	(4,578,701)	(63,344)
Depreciation	(5,012,416)	(1,433,219)	(1,168,562)
Operating profit	92,020,575	28,881,636	24,199,487
Finance income	1,971,610	1,937,994	23,601
Gain on foreign exchange	-	-	41,653
Finance cost	(18,663,185)	(4,286,941)	(4,385,229)
Loss on foreign exchange	(5,050,938)	(4,400,981)	-
Profit before tax	70,278,062	22,131,708	19,879,512
Income tax expense	(13,734,081)	(1,407,384)	(5,259,987)
Profit for the year/period	56,543,981	20,724,324	14,619,525

Highlights of the year ended March 31, 2014

- Net profit of \$56.5 million
- Earnings per stock unit of \$0.51
- Total assets of \$632.5 million
- Total stockholders' equity of \$352 million

Three months ended March 31, 2014 compared with the three months ended March 31, 2013

Revenue for the three months ended March 31, 2014 grew by 13% to \$248 million, when compared to the same period in the previous year. This was partly attributable to an increase in product offerings as well as greater market penetration.

Gross profit of \$73.5 million for the three months ended March 31, 2014 grew by 35% when compared to the three months ended March 31, 2013.

Administrative expenses increased by \$9.6 million or 49% due to an increase in the staff complement and the addition of new storage facilities. Recruitments were made in the areas of operations and marketing in an effort to increase market penetration and to support the wider the product range. Notwithstanding the increased operating expenses and the adverse impact of the devaluation of the local currency, profit before tax grew by 11%, moving from \$19.9 million in March 2013 to \$22.1 million in March 2014.

The funds raised in the IPO have assisted with the expansion initiative by allowing MDS to increase inventory levels, expand its customer base and improve market penetration.

At the beginning of the fourth quarter, MDS introduced a new product line, Denk Pharma out of Germany, in line with our expansion strategy.

Despite a challenging economic environment, MDS is committed to maintaining high standards in efficient product movement and market penetration, while strengthening relationships with our customers, suppliers, employees and other stakeholders.

As we begin a new financial year, we pledge to grow our revenue, keep operating expenses in check through improved efficiencies, increase shareholder value and provide appropriate returns to our shareholders.



Director



Director

May 30, 2014