



MEDICAL DISPOSABLES
& SUPPLIES LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2014

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, 2014.

SECOND QUARTER FINANCIAL HIGHLIGHTS

Highlights of the three months ended September 30, 2014

	<u>Sept 2014</u>	<u>Sept 2013</u>	<u>Inc/(Dec)%</u>
✚ Sales revenue	\$283.1m	\$224.3	26.2%
✚ Net profit after tax	\$21.8m	\$13.1m	66.4%
✚ Earnings per stock unit	8 cents	5 cents	60.0%
✚ Total assets	\$652.4m	\$475m	37.3%
✚ Total stockholders' equity	\$391.2m	\$176m	122.3%

Three Months Ended September 30, 2014 compared to September 30, 2013

- **Sales revenue**

The company generated sales revenues of \$283.1m compared to \$224.3m; an increase of \$58.8m or 26.2%. This result was in keeping with the company's strategic forecast of growing market share and widening the customer base in all categories of its business operations.

- **Gross profit**

Gross profit of \$70.4m compared to \$54.5m; an increase of \$15.9m or 29%. This improvement was due to the increased sales in all categories and consistent review of our pricing structure to maintain gross margin efficiency.

- **Expenses**

Total operational expenses of \$47.6m compared to \$31.8m; an increase of \$15.8m or 50%.

This increase was driven mainly by staff related expenses, utilities, professional fees and information technology services. Staff related expenses, in particular, were driven by the strategic decision to realign the staff complement and compensation to sustain the current growth, development and expansion of the business.

Non operational expenses of \$0.97m compared to \$5.2m; a decrease of \$4.2m or 81%.

This was as a result of a reduction in interest expenses of \$2.4m as interest bearing debts were paid; whilst simultaneously, excess funds from the Initial Public Offering were placed on competitively priced interest bearing facilities to yield increased interest income of \$2.4m. The strategic intent is to utilise these funds for future expansion of the business.

- **Net Profit After Tax**

Net profit after tax for the period of \$21.8m compared to \$13.1m; an increased of \$8.7m or 66%.

The increase in profit was as a direct result of the improved performance in sales revenue in the period ended September 30, 2014.

Six Months Ended September 30, 2014 compared to September 30, 2013

- Sales revenue of \$540.3m, an increase of \$111.4m or 26%
- Gross profit of \$136.1m, an increase of \$30m or 28%
- Total operational expenses of \$93.8m, an increase of \$31m or 50%
- Total non operational expenses of \$3.5m, a decrease of \$7.5m or 68.4%
- Net profit after tax of \$38.7m, an increase of \$14.6m or 60.6%

Despite a challenging economic environment, the company has experienced growth as forecasted in the corporate strategic plan. 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.

DIVIDEND DECLARED

The Board of Directors of Medical Disposables & Supplies Limited has declared an interim dividend of \$0.04 per share payable on November 19, 2014 to shareholders on record as at November 14, 2014.

The ex-dividend date is November 12, 2014.

CORPORATE RESPONSIBILITY

During the second quarter, the company participated in the second staging of the Pharmaceutical Society of Jamaica 5k Run/Walk. Proceeds of this event went to the National Road Safety Council Jamaica.



Kurt Boothe
General Manager

October 28, 2014

Medical Disposables & Supplies Limited
Unaudited Statement of Comprehensive Income
For the Six Months Period Ended September 30, 2014

	Three Months To September 2014 ₹	Three Months To September 2013 ₹	Six Months To September 2014 ₹	Six Months To September 2013 ₹
Revenue	283,069,119	224,293,522	540,260,149	428,891,502
Cost of sales	(212,607,653)	(169,761,668)	(404,165,977)	(322,702,504)
Gross profit	70,461,466	54,531,854	136,094,172	106,188,999
Administrative expenses	(35,377,014)	(21,697,365)	(68,953,883)	(42,381,145)
Selling and promotional expenses	(9,139,607)	(8,864,534)	(18,836,762)	(17,445,021)
Other operating expenses	(3,070,577)	(1,210,918)	(6,009,221)	(2,786,191)
Total Operational Expenses	(47,587,199)	(31,772,817)	(93,799,865)	(62,612,357)
Profit after Operational Expenses	22,874,267	22,759,037	42,294,307	43,576,642
Finance income	2,422,377	9,934	3,585,957	23,449
Loss on foreign exchange	(864,053)	(332,286)	(1,208,947)	(801,906)
Finance cost	(2,526,038)	(4,896,175)	(5,866,955)	(10,252,310)
Total Non Operational Expenses	(967,715)	(5,218,527)	(3,489,945)	(11,030,767)
Profit before tax	21,906,553	17,540,510	38,804,362	32,545,875
Tax expense	(60,000)	(4,385,128)	(60,000)	(8,426,578)
PROFIT FOR THE PERIOD	21,846,553	13,155,382	38,744,362	24,119,297
EARNINGS PER SHARE	0.08	0.05	0.15	0.09

Medical Disposables & Supplies Limited

Unaudited Statement of Financial Position

As At September 30, 2014

	3 Months To 30-Sept-14 \$	3 Months To 30-Sept-13 \$	Audited 31-Mar-14 \$
Assets			
Non- Current Assets			
Property, Plant and Equipment	119,696,673	76,223,665	120,281,101
Current Assets			
Inventories	181,926,656	153,953,857	199,339,231
Trade Receivables	239,875,356	174,739,325	203,911,107
Other Receivables & Prepayments	23,781,375	52,014,932	23,304,842
Tax Recoverable	1,872,986	493,932	978,692
Cash and Bank Balances	85,259,137	17,571,485	85,684,996
	<u>532,715,510</u>	<u>398,773,529</u>	<u>513,218,868</u>
Total Assets	<u>652,412,183</u>	<u>474,997,195</u>	<u>633,499,971</u>
Equity			
Capital and Reserve			
Share Capital	107,835,764	20,000	107,835,764
Revaluation Reserve	59,613,267	22,906,969	59,613,267
Retained Profits	223,715,195	153,026,151	184,970,833
Total Equity	<u>391,164,226</u>	<u>175,953,120</u>	<u>352,419,864</u>
Liabilities			
Non-Current Liabilities			
Owing to Directors	-	26,350,299	-
Interest-bearing Borrowings	44,494,664	51,242,854	43,352,008
Deferred Tax Liability	-	34,402	-
	<u>44,494,664</u>	<u>77,627,555</u>	<u>43,352,008</u>
Current Liabilities			
Trade Payables	84,138,532	87,088,335	130,778,667
Other Payables	25,162,056	51,896,895	21,123,922
Income Tax Payable	15,217,325	23,453,542	22,417,325
Short Term Borrowings	50,000,000	20,000,000	30,340,000
Bank Overdraft	42,235,381	38,977,747	33,068,184
	<u>216,753,294</u>	<u>221,416,519</u>	<u>237,728,098</u>
Total Liabilities	<u>261,247,958</u>	<u>299,044,075</u>	<u>281,080,106</u>
Total Equity and Liabilities	<u>652,412,183</u>	<u>474,997,195</u>	<u>633,499,971</u>

Approved for issue by the Board of Directors on October 28, 2014 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, 2014

	Share Capital \$	Revaluation Reserve \$	Retained Profit \$	Total \$
Balance at April 1, 2013	20,000	22,906,969	128,906,854	151,833,823
Changes in equity 2014				
Total comprehensive income for the period	-	-	24,119,297	24,119,297
BALANCE AT SEPTEMBER 30, 2013	20,000	22,906,969	153,026,151	175,953,120
Balance at April 1, 2014	107,835,764	59,613,267	184,970,833	352,419,864
Changes in equity 2015				
Total comprehensive income for the period	-	-	38,744,362	38,744,362
BALANCE AT SEPTEMBER 30, 2014	107,835,764	59,613,267	223,715,195	391,164,226

Medical Disposables & Supplies Limited
Unaudited Statement of Cash Flows
For the Six Months Period Ended September 30, 2014

	September 2014	September 2013
	\$	\$
Cash flows from operating activities:		
Profit before tax	38,804,362	32,545,875
Adjustments for:		
Depreciation	3,594,570	2,550,545
Interest expenses	5,866,955	10,252,310
Interest income	(3,585,957)	(23,449)
FX loss on loan	972,660	1,351,455
Gain on disposal of fixed asset	(300,000)	-
	45,352,590	46,676,736
Decrease in owing to directors	-	(1,791,805)
Decrease in inventories	17,412,575	11,169,827
Increase in trade and other receivables	(36,440,782)	(41,949,456)
(Decrease) / Increase in trade and other payables	(42,602,000)	17,205,558
Cash (used in) / provided by operations	(16,277,617)	31,310,860
Income tax paid	(8,154,294)	(6,602,980)
Interest paid	(5,866,955)	(10,252,310)
Net cash (used in) / provided by operating activities	(30,298,866)	14,455,570
Cash flows from investing activities:		
Purchase of property, plant & equipment	(3,010,142)	(5,135,569)
Interest received	3,585,957	23,449
Net cash provided by / (used in) investing activities	575,815	(5,112,119)
Cash flows from financing activities:		
Proceeds from borrowings	60,000,000	45,000,000
Repayment of borrowings	(40,170,004)	(45,336,822)
Proceeds on disposal of fixed asset	300,000	-
Net cash provided by / (used in) financing activities	20,129,996	(336,822)
Net (decrease)/ increase in cash & cash equivalents	(9,593,055)	9,006,628
Cash and cash equivalent at beginning of period	52,616,811	(30,412,891)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	43,023,756	(21,406,262)

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Six Months Ended September 30, 2014

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 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 Jamaican Stock Exchange on December 24, 2013.

2. Basis of preparation

The condensed interim financial statements for the six months ended September 30, 2014 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, 2014 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, 2014.

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%

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Six Months Ended September 30, 2014

5. Shareholders' Information

No. Of Units

Directors' Holdings As at September 30, 2014

Winston Boothe	50,000,000
Myrtis Boothe	50,000,000
Kurt Boothe	50,000,000
Nikeisha Boothe	50,000,000
Dahlia McDaniel	546,000

Top Ten Shareholders As at September 30, 2014

Winston Boothe	50,000,000
Myrtis Boothe	50,000,000
Kurt Boothe	50,000,000
Nikeisha Boothe	50,000,000
Mayberry West Indies Limited	9,082,808
Mayberry Managed Clients Account	8,418,029
Apex Pharmacy	3,496,926
Bamboo Group Holdings	3,350,631
Catherine Adella Peart	2,931,050
Manwei International Ltd.	2,018,656

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Three Months Ended September 30, 2014

	No. Of Units
Holdings of Senior Managers As at September 30, 2014	
Myrtis Boothe	50,000,000
Kurt Boothe	50,000,000
Nikeisha Boothe	50,000,000
Janice Pitter *	82,000
Lenworth Murray	163,000
Gerard Whyte	54,000

* Includes shareholdings for connected parties