



UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2014

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, 2014.

FINANCIAL HIGHLIGHTS

Highlights of the nine months ended December 31, 2014 compared to the nine months ended December 31, 2013

	<u>Dec 2014</u>	<u>Dec 2013</u>	<u>Inc./(Dec)%</u>
✚ Sales revenue	\$847.7m	\$664.9m	27.5%
✚ Net profit after tax	\$57.4m	\$35.8m	60.2%
✚ Earnings per stock unit	29 cents	18 cents	61.1%
✚ Dividends paid per share	4 cents	nil	
✚ Total assets	\$698.2m	\$591.2m	18.1%
✚ Total stockholders' equity	\$399.2m	\$294.7m	35.5%

- Sales revenue of \$847.7m, an increase of \$182.8m or 27.5%.

The increase in revenue 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 of \$216.5m, an increase of \$53.2m or 32%.

This improvement was due to the increased sales in all categories and maintaining gross margin efficiency.

- Total operational expenses of \$145.7m, an increase of \$45.5m or 45.5%.

The increase in expenses was driven mainly by staff related expenses, utilities, professional fees and information technology services. 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.

- Total non operational expenses of \$13.3m, a decrease of \$1.6m or 11%

The reduction was as a result of lower interest expenses of \$1.9m 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 \$4.1m. The strategic intent is to utilise these funds for future expansion of the business.

- Profit after tax of \$57.4m, an increase of \$21.6m or 60.2%.

The increase in profit was as a direct result of the improved performance in sales revenue in the period ended December 31, 2014.

Three months ended December 31, 2014 compared to the three months ended December 31, 2013

- Sales revenue of \$307.5m compared to \$236.1m; an increase of \$71.4m or 30.3%.
- Gross profit of \$80.4m compared to \$57.1m; an increase of \$23.3m or 40.7%.
- Total operational expenses of \$51.9m compared to \$37.6m; an increase of \$14.3m or 38%.
- Non operational expenses of \$9.8m compared to \$3.9m; an increase of \$5.9m or 148%.
- Profit for the period of \$18.6m compared to \$11.7m; an increased of \$6.9m or 59.4%.

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 relationships with our customers, suppliers, employees and other stakeholders.

DIVIDEND PAYMENTS

The interim dividend of \$0.04 per share was made payable on November 19, 2014 to shareholders on record as at November 14, 2014.

OTHER BUSINESS HIGHLIGHTS

The Board of Directors of Medical Disposables and Supplies Limited is pleased to advise our shareholders that the Company has purchased an office and warehouse property from Kingston Properties Limited for US\$2m. The Sale Agreement became effective on January 6, 2015.



Kurt Boothe
General Manager

January 27, 2015


Medical Disposables & Supplies Limited
Unaudited Statement of Comprehensive Income
For the Nine Months Period Ended December 31, 2014

	Three Months To December 2014 ₹	Three Months To December 2013 ₹	Nine Months To December 2014 ₹	Nine Months To December 2013 ₹
Revenue	307,479,622	236,051,672	847,739,771	664,943,174
Cost of sales	(227,060,753)	(178,915,242)	(631,226,730)	(501,617,746)
Gross profit	80,418,869	57,136,430	216,513,041	163,325,428
Administrative expenses	(36,435,251)	(28,316,694)	(105,396,225)	(70,697,839)
Selling and promotional costs	(11,885,950)	(8,198,789)	(30,722,711)	(25,643,810)
Other operating expenses	(3,603,926)	(1,058,652)	(9,613,147)	(3,844,842)
Total Operational Costs	(51,925,127)	(37,574,135)	(145,732,083)	(100,186,491)
Profit after Operational Costs	28,493,742	19,562,295	70,780,958	63,138,937
Finance income	515,908	10,167	4,101,865	33,616
Loss on foreign exchange	103,953	151,950	(1,104,994)	(649,956)
Finance cost	(10,466,012)	(4,123,935)	(16,332,967)	(14,376,245)
	(9,846,152)	(3,961,818)	(13,336,097)	(14,992,585)
Profit before tax	18,647,591	15,600,477	57,444,861	48,146,352
Tax expense	-	(3,900,120)	(60,000)	(12,326,698)
PROFIT FOR THE PERIOD	18,647,591	11,700,357	57,384,861	35,819,654
EARNINGS PER SHARE	0.07	0.04	0.29	0.18

Medical Disposables & Supplies Limited
Unaudited Statement of Financial Position
As At December 31, 2014

	9 Months To 31-Dec-14 \$	9 Months To 31-Dec-13 \$	Audited 31-Mar-14 \$
Assets			
Non- Current Assets			
Property, Plant and Equipment	129,331,777	80,728,157	120,281,102
Current Assets			
Inventories	200,135,289	158,470,683	199,339,231
Trade Receivables	237,142,845	186,526,299	203,911,107
Other Receivables & Prepayments	58,603,478	15,926,123	23,304,842
Tax Recoverable	2,000,135	495,213	978,692
Cash and Bank Balances	71,003,482	149,050,208	85,684,996
	<u>568,885,229</u>	<u>510,468,527</u>	<u>513,218,868</u>
Total Assets	<u>698,217,005</u>	<u>591,196,684</u>	<u>633,499,971</u>
Equity			
Capital and Reserve			
Share Capital	107,835,764	107,069,446	107,835,764
Revaluation Reserve	59,613,267	22,906,969	59,613,267
Retained Profits	231,829,377	164,726,508	184,970,834
Total Equity	<u>399,278,409</u>	<u>294,702,923</u>	<u>352,419,865</u>
Liabilities			
Non-Current Liabilities			
Owing to Directors	-	19,583,689	-
Interest-bearing borrowings	49,409,183	61,059,394	43,352,008
Deferred liability	-	34,402	-
	<u>49,409,183</u>	<u>80,677,485</u>	<u>43,352,008</u>
Current Liabilities			
Trade Payables	105,069,731	110,161,083	130,778,667
Other payables	32,923,690	25,008,674	21,123,922
Income tax payable	15,217,325	24,703,662	22,417,325
Short Term Borrowings	50,000,000	25,000,000	30,340,000
Bank Overdraft	46,318,667	30,942,857	33,068,184
	<u>249,529,413</u>	<u>215,816,276</u>	<u>237,728,097</u>
Total Liabilities	<u>298,938,596</u>	<u>296,493,761</u>	<u>281,080,105</u>
Total Equity and Liabilities	<u>698,217,005</u>	<u>591,196,684</u>	<u>633,499,971</u>

Approved for issue by the Board of Directors on January 27, 2015 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, 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				
Issue of shares	107,049,446	-	-	107,049,446
Transaction with owners	107,069,446	22,906,969	128,906,854	258,883,269
Total comprehensive income for the period	-	-	35,819,654	35,819,654
BALANCE AT DECEMBER 31, 2013	107,069,446	22,906,969	164,726,508	294,702,923
Balance at April 1, 2014	107,835,764	59,613,267	184,970,833	352,419,864
Changes in equity 2015				
Dividends paid	-	-	(10,526,316)	(10,526,316)
Total comprehensive income for the period	-	-	57,384,861	57,384,861
BALANCE AT DECEMBER 31 ,2014	107,835,764	59,613,267	231,829,378	399,278,409

Medical Disposables & Supplies Limited
Unaudited Statement of Cash Flows
For the Nine Months Period Ended December 31, 2014

	December 2014	December 2013
	\$	\$
Cash flows from operating activities:		
Profit before tax	57,444,861	48,146,352
Adjustments for:		
Depreciation	5,393,714	3,579,197
Interest expenses	16,332,967	14,376,245
Interest income	(4,101,865)	(33,616)
Loss on FX on Loan	972,660	1,351,455
Gain on disposal of fixed asset	(300,000)	-
	75,742,337	67,419,633
Decrease in owing to directors	-	(8,558,415)
(Increase) / decrease in inventories	(796,057)	6,653,001
Increase in trade and other receivables	(68,530,374)	(17,647,622)
(Decrease) / increase in trade and other payables	(13,909,167)	13,390,085
	(7,493,261)	61,256,682
Cash (used in) / provided by operations		
Income tax paid	(8,281,443)	(9,254,262)
Interest paid	(16,332,967)	(14,376,245)
Net cash (used in) / provided by operating activities	(32,107,671)	37,626,175
Cash flows from investing activities:		
Purchase of property, plant & equipment	(14,444,388)	(10,668,712)
Interest received	4,101,865	33,616
Net cash used in investing activities	(10,342,523)	(10,635,096)
Cash flows from financing activities:		
Proceeds from shares issue net of transaction costs	-	107,049,446
Dividend payments	(10,526,316)	-
Proceeds from borrowings	95,000,000	45,000,000
Repayment of borrowings	(70,255,485)	(30,520,283)
Proceeds on disposal of fixed asset	300,000	-
Net cash provided by financing activities	14,518,199	121,529,163
Net (decrease) / increase in cash & cash equivalents	(27,931,996)	148,520,242
Cash and cash equivalents at beginning of period	52,616,811	(30,412,891)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	24,684,816	118,107,351

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

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

Nine Months Ended December 31, 2014

5. Shareholders' Information

Directors' Holdings As at December 31, 2014	No. Of Units
Winston Boothe	50,000,000
Myrtis Boothe	50,000,000
Kurt Boothe	50,000,000
Nikeisha Boothe	50,000,000
Dahlia McDaniel	546,000

Holdings of Senior Managers As at December 31, 2014	No. Of Units
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

Medical Disposables & Supplies Limited
Notes to the Unaudited Financial Statements
Nine Months Ended December 31, 2014

Top Ten Shareholders As at December 31, 2014	No. Of Units
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	8,302,129
Apex Pharmacy	3,496,926
Bamboo Group Holdings	3,350,631
Catherine Adella Peart	2,931,050
Manwei International Ltd.	2,148,432
Leon O. W. Headley	1,596,957
Lawrence and Associates Limited	1,284,222
Konrad Limited	1,204,337