



Blue Power Soap Division
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Chairman's Report for the Quarter ended January 31, 2016

Combined sales for the quarter ended January 31, 2016 were \$306 million as compared to \$264 million for the same period last year, an increase of \$42 million or 16%. Lumber Depot division saw an increase in sales of \$28 million from \$185 million to \$213 million. Sales for the Blue Power division increased by \$14 million from \$79 million to \$93 million.

Profits before tax for the three months stood at \$26 million compared to \$12 million in the same period last year, an increase of 117%. However, the five-year concession in terms of tax-free status expired in April 2015 resulting in an estimated tax liability of \$0.61 million which reduces Net Profits to \$25 million which is \$13 million more than the comparative period last year. Estimated tax for this quarter is low due to an overprovision in the previous two quarters. The contribution of Lumber Depot division to the after tax tally was \$8 million (\$4 million in 2015), while Blue Power division added \$17 million (\$9 million in 2015). Earnings per stock unit for the quarter moved up from \$0.22 to \$0.45.

The nine-month period shows increased sales but a small reduction in after tax profits because of the need to provide for corporate taxes in this financial year and increases in expenses such as depreciation, provision for overdue receivables, etc. Overall sales for the nine months are up from \$800 million to \$905 million (+13%) with the Lumber Depot Division showing an increase of 18% and the Blue Power division increasing by 2%. Although profits before tax are roughly the same for both years, profits after tax for the group stand at \$57 million as compared to \$64 million (-11 %) with contributions from both divisions being negative when compared to last year. Lumber Depot division was down by 6% (from \$21m to \$19m) while the Blue Power division was negative by 13% (from \$43m to \$37m) when compared to last year.

. It is useful to note that

1. Profits before tax are the same for the two nine-month periods even though the current year has substantially higher administrative and tax expenses compared to the previous year.
2. Export sales increased by over 51% during the nine-month period
3. One of our main customers has resumed their purchases on a large scale.
4. Our efforts to penetrate the retail space have had some success.
5. Our cash balances continue to improve and the exchange rate changes are proving to be of benefit as a result of our cash balances.

On the expenditure side, on a comparative basis for this nine-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.

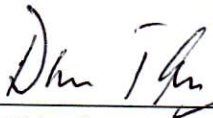
We continue to enjoy a good relationship with our customers, distributors, suppliers and staff which should enable us to compete successfully as we go forward.

Dhiru Tanna
Chairman
February 16, 2016

Blue Power Group Limited
Consolidated Statement of Financial Position
Nine months ended January 31, 2016

	Unaudited <u>January 31, 2016</u>	Unaudited <u>January 31, 2015</u>	Audited <u>April 30, 2015</u>
ASSETS:			
Non-current assets			
Property, plant and equipment	64,614,587	73,775,565	72,321,671
Current assets			
Cash and cash equivalents	219,948,547	178,289,379	166,007,884
Accounts receivable and prepayments	90,989,409	80,428,636	75,374,886
Inventories	222,961,929	210,722,712	249,516,246
Taxation recoverable	3,313,823	2,476,738	2,416,874
	<u>537,213,708</u>	<u>471,917,465</u>	<u>493,315,890</u>
Current liabilities			
Accounts payable	46,900,506	59,957,556	64,157,906
Due to related party	349,590	349,590	349,590
Current portion of long term liabilities	494,001	-	1,976,004
Taxation	6,487,641	-	-
	<u>54,231,738</u>	<u>60,307,146</u>	<u>66,483,500</u>
Net Current Assets	<u>482,981,970</u>	<u>411,610,319</u>	<u>426,832,390</u>
Total Assets Less Current Liabilities	<u>547,596,557</u>	<u>485,385,884</u>	<u>499,154,061</u>
EQUITY			
Share capital	86,900,147	86,900,147	86,900,147
Retained earnings	452,960,810	398,485,737	404,518,314
	<u>539,860,957</u>	<u>485,385,884</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>547,596,557</u>	<u>485,385,884</u>	<u>499,154,061</u>

Approved for issue by the Board of Directors on _Feb 25, 2016 and signed on its behalf by:



Director
Dr. Dhuru Tanna



Director
Peter Millingen

Blue Power Group Limited
Consolidated Statement of Profit or loss and Other Comprehensive Income
Nine months ended January 31, 2016

	Unaudited 3 months to January 31, 2016	Unaudited 3 months to January 31, 2015	Unaudited 9 months to January 31, 2016	Unaudited 9 months to January 31, 2015	Audited April 30, 2015
Revenue	306,152,733	263,870,869	904,645,614	800,352,766	1,060,257,891
Cost of revenue	<u>(236,724,914)</u>	<u>(213,300,960)</u>	<u>(714,074,588)</u>	<u>(626,898,443)</u>	<u>(838,984,243)</u>
Gross profit	69,427,819	50,569,909	190,571,026	173,454,323	221,273,648
Administrative and other expenses	<u>(48,009,337)</u>	<u>(41,265,414)</u>	<u>(136,316,562)</u>	<u>(116,054,636)</u>	<u>(156,692,137)</u>
	21,418,483	9,304,495	54,254,464	57,399,687	64,581,511
Other income	<u>2,886,844</u>	<u>3,108,876</u>	<u>8,406,392</u>	<u>6,058,065</u>	<u>2,157,621</u>
Profit before net finance costs and taxation	<u>24,305,327</u>	<u>12,413,371</u>	<u>62,660,856</u>	<u>63,457,752</u>	<u>66,739,132</u>
Finance income	2,467,925	897,140	3,917,823	3,287,044	7,736,912
Finance cost	<u>(891,080)</u>	<u>(906,420)</u>	<u>(3,337,183)</u>	<u>(2,820,372)</u>	<u>(3,865,280)</u>
Net financial income	<u>1,576,845</u>	<u>(9,280)</u>	<u>580,640</u>	<u>466,672</u>	<u>3,871,632</u>
Profit for the year	25,882,172	12,404,091	63,241,496	63,924,424	70,610,764
Taxation	<u>(610,480)</u>	<u>-</u>	<u>(6,324,150)</u>	<u>-</u>	<u>(653,763)</u>
Profit attributable to members, being total comprehensive income for the year	<u>25,271,692</u>	<u>12,404,091</u>	<u>56,917,346</u>	<u>63,924,424</u>	<u>69,957,001</u>
Earnings per stock unit	<u>\$ 0.45</u>	<u>\$ 0.22</u>	<u>\$ 1.01</u>	<u>\$ 1.13</u>	<u>\$ 1.24</u>

Blue Power Group Limited
Consolidated Statement of Changes in Equity
Nine months ended January 31, 2016

	<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>63,924,424</u>	<u>63,924,424</u>
Balances as at January 31, 2015 (unaudited)	<u>86,900,147</u>	<u>398,485,737</u>	<u>485,385,884</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>56,917,346</u>	<u>56,917,346</u>
Balance as quarter end January 31, 2016 (unaudited)	<u>86,900,147</u>	<u>452,960,810</u>	<u>539,860,957</u>

Blue Power Group Limited
Consolidated Statement of Cash Flows
Nine months ended January 31, 2016

	Unaudited January 31, 2016	Unaudited January 31, 2015	Audited April 30, 2015
Cash Flows From Operating Activities			
Profit for the quarter	56,917,346	63,924,424	69,957,001
Adjustments for:			
Interest Income	(3,917,823)	(3,287,044)	(3,485,463)
Interest expense	615,061	1,144	222,293
Depreciation	9,556,692	2,680,132	3,988,870
Taxation	6,324,150	-	653,763
	<u>69,495,426</u>	<u>63,318,656</u>	<u>71,336,464</u>
Inventories	26,554,317	23,721,432	(15,072,102)
Accounts receivables and prepayments	(15,614,523)	(2,569,526)	2,484,224
Accounts payable	<u>(17,257,400)</u>	<u>(10,398,529)</u>	<u>(6,198,179)</u>
Cash provided by operations	63,177,820	74,072,033	52,550,407
Interest paid	(615,061)	(1,144)	(222,293)
Interest received	3,917,823	3,287,044	3,485,463
Taxation deducted at source	<u>(733,458)</u>	<u>(767,758)</u>	<u>(871,385)</u>
Cash provided by operating activities	<u>65,747,124</u>	<u>76,590,175</u>	<u>54,942,192</u>
Cash Flows From Investing Activity			
Purchase of property, plant and equipment	<u>(1,849,608)</u>	<u>(26,271,788)</u>	<u>(26,126,632)</u>
Cash used by investing activity	<u>(1,849,608)</u>	<u>(26,271,788)</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	<u>(1,482,003)</u>	<u>-</u>	<u>(658,668)</u>
Cash (used)/provided by Financing Activities	<u>(1,482,003)</u>	<u>162,095</u>	<u>9,383,427</u>
Net cash provided before dividends	62,415,513	50,480,482	38,198,987
Dividends paid	<u>(8,474,850)</u>	<u>(8,474,850)</u>	<u>(8,474,850)</u>
Net increase in cash and cash equivalents	53,940,663	42,005,632	29,724,137
Cash and cash equivalents at beginning of the period	<u>166,007,884</u>	<u>136,283,747</u>	<u>136,283,747</u>
Cash and cash equivalents at end of period	<u>\$ 219,948,547</u>	<u>178,289,379</u>	<u>166,007,884</u>
Comprised of:			
Cash and bank balances	<u>\$ 219,948,547</u>	<u>178,289,379</u>	<u>166,007,884</u>

Blue Power Group Limited
Consolidated Segment Reporting
Nine months ended January 31, 2016

	Lumber Division	Soap Division	Total
	₹	₹	₹
Turnover	644,387,545	260,258,069	904,645,614
Profit from operations	15,410,693	38,843,771	54,254,464
Other income	5,722,925	2,683,467	8,406,392
Net finance income	523,153	57,487	580,640
Profit before taxation	21,656,771	41,584,725	63,241,496
Taxation	(2,165,677)	(4,158,473)	(6,324,150)
Profit for the period	19,491,094	37,426,252	56,917,346
Segment assets			
Non-current	30,129,120	34,485,467	64,614,587
Current assets	310,137,464	227,076,244	537,213,708
	<u>340,266,584</u>	<u>261,561,711</u>	<u>601,828,295</u>
Segment liabilities			
Current liabilities	42,404,089	11,827,649	54,231,738
Other segment items:			
Capital expenditure	651,100	1,198,508	1,849,608
Depreciation	2,871,920	6,684,772	9,556,692

Blue Power Group Limited
Consolidated Segment Reporting
Nine months ended January 31, 2015

	Lumber Division	Soap Division	Total
	₹	₹	₹
Revenue	545,676,759	254,676,007	800,352,766
Profit from operations	17,457,390	39,942,297	57,399,687
Other income	3,140,252	2,917,813	6,058,065
Net finance costs	<u>128,371</u>	<u>338,301</u>	<u>466,672</u>
Profit before taxation	20,726,013	43,198,411	63,924,424
Taxation	-	-	-
Profit for the period	<u>20,726,013</u>	<u>43,198,411</u>	<u>63,924,424</u>
Segment assets			
Non-current	33,572,886	40,202,679	73,775,565
Current assets	<u>260,303,258</u>	<u>211,614,207</u>	<u>471,917,465</u>
	<u>293,876,144</u>	<u>251,816,886</u>	<u>545,693,030</u>
Segment liabilities			
Current liabilities	<u>56,348,022</u>	<u>3,959,124</u>	<u>60,307,146</u>
Other segment items:			
Capital expenditure	7,157,425	19,114,363	26,271,788
Depreciation	<u>949,697</u>	<u>1,730,435</u>	<u>2,680,132</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

JANUARY 31, 2016

TOTAL SHARES OUTSTANDING: 56,499,000

DIRECTORS AND CONNECTED PARTIES REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
KENNETH BENJAMIN**	SELF	3,130,200	5.5403
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
**SHEILA BENJAMIN MCNEIL	CONNECTED PARTY	155,265	0.2748
**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	11,571,932	20.48
KENNETH BENJAMIN & SISTER	3,285,465	5.82
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