



**MEDICAL DISPOSABLES
& SUPPLIES LIMITED**

UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2016

RELEASE TO SHAREHOLDERS

The Board of Directors of Medical Disposables and Supplies Limited (MDS) is pleased to present the unaudited financial statements for the three months ended June 30, 2016.

FINANCIAL HIGHLIGHTS

Highlights of the three months ended June 30, 2016 compared to the three months ended June 30, 2015

	<u>June 2016</u>	<u>June 2015</u>	<u>Inc/(Dec)%</u>
■ Sales revenue	\$425.3m	\$291.0m	46.1%
■ Gross profit	\$99.2m	\$84.1m	17.9%
■ Net profit after tax	\$17.8m	\$19.3m	(7.6%)
■ Earnings per stock unit	\$0.068	\$0.073	(6.8%)
■ Dividends paid per share	\$0.043	\$0.040	7.5%
■ Total assets	\$1.15b	\$927m	24.0%
■ Total stockholders' equity	\$494.5m	\$411.2m	20.3%

- Sales revenue of \$425.3m, an increase of \$134.3m or 46.1%.

The Board of Directors has approved a strategic plan which forecast growth in market share, increase product offerings and widening of the customer base in all categories of its business operations. The performance in the first quarter which is the highest sales revenue in the company's history, reflects progress in meeting these strategic targets.

- Gross profit of \$99.2m, an increase of \$15.1m or 17.9%.

This improvement in dollar value of gross profit was driven by increased sales of a broader range of products.

- Total operational expenses of \$68.8m, an increase of \$8.5m or 14.1%.

The increase in expenses was driven mainly by staff related expenses, insurance, utilities, security, depreciation and amortization charges 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 current growth, development and expansion of the business.

- Total non operational expenses of \$12.5m, an increase of \$8m or 179%

The increase was a result of:

- Interest on loan used to purchase property at 83 Hagley Park Road
- Loss on the foreign exchange calculated on loan balances and costs of goods purchased

- Profit after tax of \$17.8m, a decrease of \$1.5m or 7.6%.

The decrease in profit was a direct result of the increase in non operational expenses during the period ended June 30, 2016.

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 Board of Directors, at its meeting held on April 4, 2016, declared an interim dividend of \$0.043 per ordinary stock unit based on the projections of the company for the financial year ended March 31, 2016. The dividend was payable on April 29, 2016 to stockholders on record as at April 18, 2016.



Kurt Boothe
General Manager

July 26, 2016

Medical Disposables & Supplies Limited

Unaudited Statement of Comprehensive Income
For the Period Ended June 30, 2016

	Three Months To June 2016 ₹	Three Months To June 2015 ₹	Audited March 2016 ₹
Revenue	425,356,659	290,981,964	1,327,249,471
Cost of sales	(326,149,754)	(206,839,670)	(977,021,426)
Gross profit	99,206,905	84,142,294	350,228,045
Other income	1,046,948	-	1,020,180
Administrative expenses	(37,629,097)	(30,568,455)	(158,382,977)
Selling and promotional costs	(25,741,037)	(23,869,953)	(51,190,581)
Other operating expenses	(6,502,330)	(5,897,100)	(20,920,672)
Total Operational Expenses	(68,825,516)	(60,335,508)	(229,474,050)
Profit after Operational Expenses	30,381,389	23,806,786	120,753,995
Finance income	71,881	182,850	1,106,753
Finance cost	(9,001,509)	(4,396,394)	(23,509,349)
Loss on foreign exchange	(3,599,639)	(272,659)	(965,030)
Total Non Operational Expenses	(12,529,267)	(4,486,203)	(23,367,626)
Profit before tax	17,852,122	19,320,583	97,386,369
Tax expense	(30,000)	(30,000)	(1,309,555)
PROFIT FOR THE PERIOD / YEAR	17,822,122	19,290,583	96,076,814
EARNINGS PER SHARE	0.068	0.073	0.365

Medical Disposables & Supplies Limited

Unaudited Statement of Financial Position

As At June 30, 2016

	3 Months To 30-Jun -16 \$	3 Months To 30-Jun -15 \$	Audited 31-Mar-16 \$
Assets			
Non- Current Assets			
Property, Plant and Equipment	477,091,108	350,881,847	475,180,340
Current Assets			
Inventories	298,223,831	259,064,817	287,124,748
Trade Receivables	273,301,440	210,311,720	261,869,037
Other Receivables & Prepayments	49,476,196	36,527,208	44,720,258
Tax Recoverable	2,333,077	222,617	2,316,112
Cash and Bank Balances	49,921,251	69,893,056	50,486,935
	<u>673,255,795</u>	<u>576,019,418</u>	<u>646,517,090</u>
Total Assets	<u>1,150,346,903</u>	<u>926,901,265</u>	<u>1,121,697,430</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	351,070,174	267,777,611	344,563,841
Total Equity	<u>494,519,205</u>	<u>411,226,642</u>	<u>488,012,872</u>
Liabilities			
Non-Current Liabilities			
Interest-bearing borrowings	303,777,375	249,731,281	245,792,748
	<u>303,777,375</u>	<u>249,731,281</u>	<u>245,792,748</u>
Current Liabilities			
Trade Payables	198,341,096	148,744,935	266,654,250
Other payables	45,402,354	32,122,266	49,655,445
Income tax payable	-	3,877,458	-
Short Term Borrowings	50,000,000	50,000,000	50,000,000
Bank Overdraft	58,306,873	31,198,683	21,582,115
	<u>352,050,323</u>	<u>265,943,342</u>	<u>387,891,810</u>
Total Liabilities	<u>655,827,698</u>	<u>515,674,623</u>	<u>633,684,558</u>
Total Equity and Liabilities	<u>1,150,346,903</u>	<u>926,901,265</u>	<u>1,121,697,430</u>

Approved for issue by the Board of Directors on July 26, 2016 and signed on its behalf by:




Medical Disposables and Supplies Limited

Unaudited Statement of Changes In Equity

For the Period Ended June 30, 2016

	Share Capital \$	Revaluation Reserve \$	Retained Profit \$	Total \$
Balance at April 1, 2015	107,835,764	35,613,267	259,013,344	402,462,375
Changes in equity 2016				
Dividends paid	-	-	(10,526,316)	(10,526,316)
Total comprehensive income for the period	-	-	19,290,583	19,290,583
BALANCE AT JUNE 30, 2015	107,835,764	35,613,267	267,777,611	411,226,642
Balance at April 1, 2016	107,835,764	35,613,267	344,563,841	488,012,872
Changes in equity 2017				
Dividends paid	-	-	(11,315,789)	(11,315,789)
Total comprehensive income for the period	-	-	17,822,122	17,822,122
BALANCE AT JUNE 30, 2016	107,835,764	35,613,267	351,070,174	494,519,205

Medical Disposables & Supplies Limited

Unaudited Statement of Cash Flows

For The Three Months Ended June 2016

	June 2016 \$	June 2015 \$
Cash flows from operating activities:		
Profit before tax	17,852,122	19,320,583
Adjustments for:		
Depreciation	5,835,673	2,987,279
Interest expenses	7,543,340	4,396,394
Interest income	(71,881)	(182,850)
FX loss on loan	1,314,000	972,660
	32,473,254	27,494,066
Increase / (decrease) in inventories	(11,099,083)	7,405,792
Increase / (decrease) in trade and other receivables	(16,188,341)	14,641,065
Decrease in trade and other payables	(72,566,244)	(36,768,571)
Cash (used in) / provided by operations	(67,380,414)	12,772,352
Income tax paid	(46,964)	(6,541,256)
Interest paid	(7,543,340)	(4,396,394)
Net cash (used in) provided by operating activities	(74,970,718)	1,834,702
Cash flows from investing activities:		
Purchase of property, plant & equipment	(7,746,444)	(2,241,957)
Interest received	71,881	182,850
Net cash used in investing activities	(7,674,563)	(2,059,107)
Cash flows from financing activities:		
Dividend payments	(11,315,789)	(10,526,316)
Proceeds from borrowings	40,000,000	30,000,000
Repayment of borrowings	16,670,628	(30,737,811)
Net cash provided by / (used in) financing activities	45,354,839	(11,264,127)
Net decrease in cash & cash equivalents	(37,290,442)	(11,488,532)
Cash and cash equivalent at beginning of period	28,904,820	50,182,904
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	(8,385,622)	38,694,372

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Three Months Ended June 30, 2016

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 83 Hagley Park Road, Kingston 10.

The main activity of the company is the sale of pharmaceuticals, medical and other 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 three months ended June 30, 2016 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, 2016 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, 2016.

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Three Months Ended June 30, 2016

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 June 30, 2016

No. Of Units

Kurt Boothe	50,710,000
Winston Boothe	50,000,000
Myrtis Boothe	50,000,000
Nikeisha Boothe	50,000,000
Dahlia McDaniel	1,373,100

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Three Months Ended June 30, 2016

Holdings of Senior Managers As at June 30, 2016

No. Of Units

Kurt Boothe	50,710,000
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 June 30, 2016

No. Of Units

Kurt Boothe	50,710,000
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	8,229,314
Apex Pharmacy	3,496,926
Bamboo Group Holdings	3,350,631
Catherine Adella Peart	2,182,713
Leon O. W. Headley	1,737,957
Manwei International Ltd.	1,527,288
VMWM Stock Trading A/C	1,322,514