

**BERGER PAINTS JAMAICA LIMITED
UNAUDITED SIX MONTHS FINANCIAL RESULTS
FOR PERIOD ENDED 30 SEPTEMBER 2017**

BERGER PAINTS JAMAICA LIMITED

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**Directors' Statement - Unaudited six months Financial Results for
period ended 30 September 2017**

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**BERGER PAINTS JAMAICA LIMITED
UNAUDITED Q2 FINANCIAL STATEMENTS
DIRECTORS' STATEMENT**

Berger Paints Jamaica Limited reported a Net Profit of \$77.340 million for the period ended September 30, 2017. This was 18.23%* above the net profit of \$65.415* million for the comparative period ended September 30, 2016. The net profit of \$53.924 million for the second quarter ended September 30, 2017 represents a 21.86%* increase over the comparative quarter ended September 30, 2016.

Total net sales for the six months ended September 30, 2017 totaled \$1,075.536 million, an increase of 5.6% over the corresponding period last year, and an increase of 21% over the previous quarter.

Total operating expenses for the period ended September 30, 2017 amounted to \$980.434 million, an increase of 5% over the corresponding period ended September 30, 2016. This increase was due primarily to costs associated with publication of the Directors' Circular re Take-over Bid Offer by Ansa Coatings International Limited.

Total assets of \$1,485.586 million represented an increase of \$254.399 million year over year. This was primarily attributable to increase in current assets of \$235.391 million and property, plant and equipment of \$7.691 million.

We thank our customers, employees, suppliers and other stakeholders for their support and valuable contribution to the company's performance to date, and look forward to their continued support of the Berger brand of quality.

On behalf of the Board

Ray A. Sumairsingh
Chairman

*Amended

BERGER PAINTS JAMAICA LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	(Audited)	
	<u>September 30,</u> 2017 \$'000	<u>September 30,</u> 2016 \$'000
		<u>March 31,</u> 2017 \$'000
ASSETS		
Non-current assets		
Property, plant & equipment	204,346	196,655
Deferred tax assets	6,412	16,590
Post employment benefits	150,128	128,633
	<u>360,886</u>	<u>341,878</u>
Current assets		
Inventories	412,410	382,279
Due from fellow subsidiaries	17,493	12,182
Trade and other receivables	470,720	347,793
Cash and bank balances	224,077	147,055
Total current assets	<u>1,124,700</u>	<u>889,309</u>
Total Assets	<u>1,485,586</u>	<u>1,231,187</u>
EQUITY AND LIABILITIES		
Shareholders' Equity		
Share capital	141,793	141,793
Revaluation reserve	45,145	44,995
Revenue reserve		
Profit & loss account	760,164	504,765
	<u>947,102</u>	<u>691,553</u>
Non-current liabilities		
Post employment benefits	141,577	160,524
Current Liabilities		
Due to immediate parent company	18,126	14,872
Due to fellow subsidiaries	3,166	6,263
Dividends payable	22,072	20,058
Provisions	16,764	19,546
Trade and other payables	308,573	300,316
Income tax payable	28,206	18,055
Total current liabilities	<u>396,907</u>	<u>379,110</u>
Total equity and liabilities	<u>1,485,586</u>	<u>1,231,187</u>

Approved by:

Approved by:

BERGER PAINTS JAMAICA LIMITED
UNAUDITED INCOME STATEMENT
SIX MONTHS ENDED 30 SEPTEMBER 2017

	QUARTER ENDED September 30, 2017 \$'000	QUARTER ENDED September 30, 2016 \$'000	SIX MONTHS ENDED September 30, 2017	SIX MONTHS ENDED September 30, 2016	YEAR ENDED March 31, 2017 \$'000
Sales (net of discount and rebates)	620,983	512,246	1,075,536	1,018,427	2,363,088
Raw materials & consummable used Changes in inventories of finished goods and work in progress (net)	(319,389)	(274,131)	(522,989)	(494,829)	(1,080,705)
Manufacturing expenses	19,176	57,486	20,938	34,998	28,641
Depreciation	(24,802)	(26,475)	(51,821)	(50,876)	(116,461)
Employee benefits expense	(6,362)	(8,661)	(13,353)	(17,135)	(31,997)
Other operating expenses	(125,864)	(115,566)	(248,150)	(233,711)	(481,224)
Other income	(99,588) *	(87,325) *	(165,059)	(171,433)	(322,172)
	501	1,387	774	1,738	6,518
PROFIT BEFORE TAXATION	64,655	58,961	95,876	87,179	365,688
Taxation	(10,731)	(14,710)	(18,536)	(21,764)	(50,133)
NET (LOSS)/PROFIT	53,924	44,251	77,340	65,415	315,555
Earnings per stock unit	\$0.25	\$0.21	\$0.36	\$0.31	\$1.47

* - Amended

BERGER PAINTS JAMAICA LIMITED
UNAUDITED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED 30 SEPTEMBER 2017

	<u>September 30,</u> <u>2017</u> \$'000	<u>September 30,</u> <u>2016</u> \$'000	<u>March 31,</u> <u>2017</u> \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit / (Loss)	77,340	65,415	315,555
<i>Adjustments for:</i>			
Depreciation	13,353	17,135	31,997
Net provision charge	367	450	(2,337)
Gain on sale of property, plant & equipment	(120)	(670)	(1,334)
Post retirement benefit charge	9,368	10,055	19,966
Impairment loss on trade & other receivables	6,016	98	2,206
Income tax expense	18,536	21,764	50,133
	<u>124,860</u>	<u>114,247</u>	<u>416,186</u>
Increase in trade and other receivables	(81,194)	(22,375)	(72,061)
Increase in inventories	(69,793)	(44,285)	(4,623)
Increase in trade and other payables	7,161	15,711	15,796
Decrease in due to fellow subsidiaries	(4,358)	(849)	(8,749)
Increase/(Decrease) in due to immediate parent company	5,235	(488)	1,924
Post employment benefits contribution	(1,192)	(1,071)	(12,827)
	<u>(19,281)</u>	<u>60,890</u>	<u>335,646</u>
Cash generated from operations	(19,281)	60,890	335,646
Income tax paid	(20,432)	(14,185)	(31,739)
	<u>(39,713)</u>	<u>46,705</u>	<u>303,907</u>
Net Cash flows from operating activities	(39,713)	46,705	303,907
Investing Activities			
Acquisition of property, plant & equipment	(20,914)	(332)	(15,462)
Proceeds from sale of property, plant & equipment	120	670	1,338
Net cash from (used) in investing activities	(20,794)	338	(14,124)
Financing Activities			
Dividends paid	(101,981)	(38,773)	(41,940)
Net cash used in financing activities	(101,981)	(38,773)	(41,940)
NET (DECREASE) INCREASE IN CASH AND BANK BALANCES	(162,488)	8,270	247,843
OPENING CASH AND BANK BALANCES	386,565	138,722	138,722
CLOSING CASH AND BANK BALANCES	224,077	146,992	386,565

BERGER PAINTS JAMAICA LIMITED
UNAUDITED STATEMENT OF CHANGES STOCKHOLDERS' EQUITY
SIX MONTHS ENDED 30 SEPTEMBER 2017

	<u>Share Capital</u>	<u>Revaluation reserve</u>	<u>Revenue Reserve - Profit & Loss Account</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
Balance at April 1, 2016	141,793	44,995	482,214	669,002
Net Profit for six months	-	-	65,415	65,415
Total comprehensive income for the period	-	-	65,415	65,415
Final Dividend Paid	-	-	(42,864)	(42,864)
Balance at September 30, 2016	<u>141,793</u>	<u>44,995</u>	<u>504,765</u>	<u>691,553</u>
Balance at April 1, 2017	141,793	45,145	789,985	976,923
Net Profit for six months	-	-	77,340	77,340
Total comprehensive income for the period	-	-	77,340	77,340
Final Dividend Paid	-	-	(107,161)	(107,161)
Balance at September 30, 2017	<u>141,793</u>	<u>45,145</u>	<u>760,164</u>	<u>947,102</u>

BERGER PAINTS JAMAICA LIMITED
NOTES TO THE UNAUDITED FINANCIAL RESULTS
SIX MONTHS ENDED 30 SEPTEMBER 2017

1. Basis of preparation

The unaudited financial results for the six-month period ended 30 September 2017 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

2. Significant accounting policies

These unaudited results have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The same accounting policies, presentation and methods of computation have been followed in these unaudited financial results as were applied in the preparation of the company's audited financial statements for the year ended March 31, 2017.

3. Related Party Transactions

The company carried out transactions in the ordinary course of business during the period with its affiliates. Balances at the period end were:

	Amount owed by/ (to) Related Parties	
	2017	2016
	\$'000	\$'000
Immediate parent		
Lewis Berger Overseas Holding	(18,126)	(14,872)
Fellow subsidiaries		
Berger Trinidad	13,454	8,575
Berger Barbados	873	758

4. Dividends

A special dividend of 20 cents per share totaling \$42.86 million and a final dividend of 30 cents per share totaling \$64.30 million for the year ended March 31, 2017 was approved at the company's Annual General Meeting of July 28, 2017 and paid August 11, 2017.

5. Issued Share Capital

There were no movements in the issued capital of the company in either the current or the prior interim reporting periods.

6. Earnings per stock unit

The calculation of the earnings per stock unit is based on the profit after tax and the number of stock units in issue during the period of 214,322,393.

BERGER PAINTS JAMAICA LIMITED

**LIST OF SHAREHOLDERS
AS AT 30 SEPTEMBER 2017**

10 LARGEST SHAREHOLDERS

SHAREHOLDERS	SHAREHOLDING	% OF ISSUED CAPITAL
LEWIS BERGER (OVERSEAS)	109,332,222	51.01
SAGHCOOR POOLED EQUITY FUND	22,284,944	10.40
IDEAL GROUP CORPORATION LIMITED	10,988,500	5.13
IDEAL PORTFOLIO SERVICES COMPANY LIMITED	5,335,851	2.49
IDEAL BETTING COMPANY LIMITED	4,624,152	2.16
IDEAL GLOBAL INVESTMENTS LIMITED	4,020,000	1.88
KEY INSURANCE CO. LTD.	3,799,999	1.77
MAYBERRY WEST INDIES LIMITED	3,173,970	1.48
JCSD TRUSTEE SERVICES LTD - SIGMA OPTIMA	3,082,116	1.44
FIRST JAM./H.E.A.R.T/NTA PENSION SCHEME	2,433,500	1.14
TOTAL	169,075,254	78.89

**DIRECTORS' SHAREHOLDINGS
AS AT 30 SEPTEMBER 2017**

DIRECTORS	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
MANISH CHOKSI	NIL		
WARREN McDONALD	419,655		
POKERDAS CHANDIRAM CHATANI	NIL	POKERDAS CHANDIRAM CHATANI/SATI CHANDIRAM/ VINOD CHANRA	45,000
MICHAEL FENNEL	9,213		
MILTON SAMUDA	NIL	MILTON SAMUDA/ ELIZABETH SAMUDA	12,007
TOM THOMAS	NIL		
MUSTAFA TURRA	NIL		
TOTAL	428,868		57,007

**SENIOR MANAGEMENT SHAREHOLDING
AS AT 30 SEPTEMBER 2017**

SENIOR MANAGEMENT	SHAREHOLDING
NEWTON ABRAHAMS	NIL
GLADYS MILLER	18,240
HURON GORDON	2,352
CASEY PERUE	NIL
ANGELA SCOTT-BROWN	NIL
MUSTAFA TURRA	NIL
SREEJITH VENUGOPAL	NIL
JACQUELINE WARREN-WILSON	3,799
TOTAL	24,391