

**BERGER PAINTS JAMAICA LIMITED  
UNAUDITED THREE MONTHS FINANCIAL RESULTS  
FOR PERIOD ENDED MARCH 31, 2018**

**BERGER PAINTS JAMAICA LIMITED**

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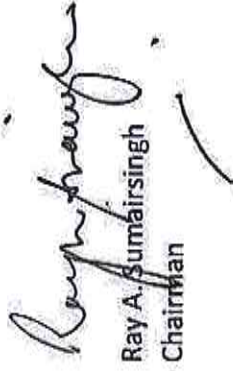
BERGER PAINTS JAMAICA LIMITED  
UNAUDITED Q1 FINANCIAL STATEMENTS  
DIRECTORS' STATEMENT

The reported quarter, January to March, now represents the first quarter in the new financial year of Berger Paints Jamaica Limited (BPJL), whereas previously January to March was the last quarter of our financial year. Consequently, readers should be aware that the periods are not directly comparable as the former would have included year end valuations and audit entries.

Net sales for the quarter increased by \$56.3 million but our cost of sales also increased by \$51.8 million. Profit Before Tax (PBT) decreased by \$34 million mainly due to the impact of the IFRS 9 implementation with an additional provision for aged receivables totaling \$18.5M, together with increases in fixed expenses of \$11.6 million arising from marketing programs occurring earlier than last year. In addition, prior period operating expenses included \$12 million of IAS19 reductions to employee benefit expenses not recurring in this quarter.

We are committed to a full year result which will reflect the strategies for improved market penetration and operational efficiencies which will create better value for our stakeholders.

On behalf of the Board

  
Ray A. Sumairsingh  
Chairman

14.05.2018.

**BERGER PAINTS JAMAICA LIMITED**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	<u>March 31</u> <u>2018</u> \$'000	<u>March 31</u> <u>2017</u> \$'000	<u>December 31</u> <u>2017</u> \$'000
		(Audited)	(Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	291,943	197,583	188,325
Post employment benefits	163,230	148,936	162,610
Deferred tax assets	4,566	6,412	4,566
<b>Total non-current assets</b>	<u>459,739</u>	<u>352,931</u>	<u>355,501</u>
<b>Current Assets</b>			
Inventories	505,610	342,616	408,734
Due from fellow subsidiaries	20,856	11,641	13,427
Trade and other receivables	571,356	395,220	673,800
Cash and bank balances	111,834	386,565	231,996
<b>Total Current Assets</b>	<u>1,209,656</u>	<u>1,136,042</u>	<u>1,327,957</u>
<b>Total Assets</b>	<u>1,669,395</u>	<u>1,488,973</u>	<u>1,683,458</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share capital	141,793	141,793	141,793
Revaluation reserve	45,295	45,145	45,295
Revenue reserve	871,820	789,985	870,395
	<u>1,058,908</u>	<u>976,923</u>	<u>1,057,483</u>
<b>Non-current liabilities</b>			
Post employment benefits	136,796	132,209	131,747
<b>Current Liabilities</b>			
Due to immediate parent company	16,982	12,891	27,476
Due to fellow subsidiaries	193,596	2,215	9,058
Dividends payable	11,191	16,892	11,191
Provisions	19,443	15,964	19,443
Trade and other payables	228,988	301,646	380,795
Income tax payable	3,491	30,233	46,265
<b>Current Liabilities</b>	<u>473,691</u>	<u>379,841</u>	<u>494,228</u>
<b>Total equity and liabilities</b>	<u>1,669,395</u>	<u>1,488,973</u>	<u>1,683,458</u>

Approved by:



Ray A. Sumsairsingh  
 Chairman

Approved by:



Hon. Michael Fennell  
 Director

**BERGER PAINTS JAMAICA LIMITED**  
**UNAUDITED INCOME STATEMENT**  
**THREE MONTHS ENDED 31 MARCH 2018**

	Audited		
	QUARTER ENDED March 31 2018 \$'000	QUARTER ENDED March 31 2017 \$'000	9 MONTHS ENDED December 31 2017 \$'000
Sales (net of discount and rebates)	506,098	449,702	1,910,488
Raw materials and consumable used			
Changes in inventories of finished goods and work in progress (net)	(269,954)	(224,417)	(900,483)
Manufacturing expenses	22,353	28,641	(31,416)
Depreciation	(22,699)	(32,967)	(96,326)
Employee benefits expense	(7,276)	(7,105)	(19,398)
Other operating expenses	(118,027)	(106,752)	(381,241)
Other income	(99,410)	(64,816)	(284,999)
	139	3,281	11,614
<b>PROFIT BEFORE TAXATION</b>	<b>11,224</b>	<b>45,567</b>	<b>208,239</b>
Taxation	(3,491)	20,134	(34,110)
<b>NET PROFIT</b>	<b>7,733</b>	<b>65,701</b>	<b>174,129</b>
Other Comprehensive Income			
Other comprehensive income for year net of tax	-	-	13,592
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>7,733</b>	<b>65,701</b>	<b>187,721</b>
Earnings per stock unit	\$0.04	\$0.31	\$0.81

**BERGER PAINTS JAMAICA LIMITED**  
**UNAUDITED STATEMENT OF CASH FLOWS**  
**THREE MONTHS ENDED 31 MARCH 2018**

	<u>March 31</u> 2018 \$'000	<u>March 31</u> 2017 \$'000	<u>Audited</u> <u>December 31</u> 2017 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Profit	7,733	65,701	174,129
<i>Adjustments for:</i>			
Depreciation	7,276	7,104	19,398
Net provision charge/(write-back)	-	20,662	6,725
Gain on sale of property, plant & equipment	-	(680)	-
Post retirement benefit charge	5,049	4,940	14,445
Impairment loss on trade & other receivables	10,837	(7,562)	19,972
Income tax expense	3,491	(20,134)	34,110
	<u>34,386</u>	<u>70,031</u>	<u>268,779</u>
Decrease/(increase) in trade and other receivables	140,770	306,422	(298,552)
Increase in inventories	(96,876)	(52,409)	(66,118)
(Decrease)/increase in trade and other payables	(151,807)	(20,686)	79,149
Increase/(Decrease) in due to fellow subsidiaries	177,109	(5,347)	5,057
Provisions utilised	-	(22,999)	(3,246)
Increase/(Decrease) in due to immediate parent company	(10,494)	(8,631)	14,585
Post employment benefits contribution	(620)	(11,756)	(10,658)
	<u>92,468</u>	<u>254,625</u>	<u>(11,004)</u>
<b>Cash generated from operations</b>	<u>92,468</u>	<u>254,625</u>	<u>(11,004)</u>
Income tax paid	(101,736)	(10,523)	(20,563)
	<u>(9,268)</u>	<u>244,102</u>	<u>(31,567)</u>
<b>Net Cash flows from operating activities</b>	<u>(9,268)</u>	<u>244,102</u>	<u>(31,567)</u>
<b>Investing Activities</b>			
Acquisition of property, plant & equipment	(110,894)	(15,789)	(10,140)
Proceeds from sale of property, plant & equipment	-	759	-
<b>Net cash from (used) in investment activities</b>	<u>(110,894)</u>	<u>(15,030)</u>	<u>(10,140)</u>
<b>Financing Activities</b>			
Dividends paid	-	(546)	(112,862)
<b>Net cash used in financing activities</b>	<u>-</u>	<u>(546)</u>	<u>(112,862)</u>
<b>NET (DECREASE) INCREASE IN CASH AND BANK BALANCES</b>	<u>(120,162)</u>	<u>228,526</u>	<u>(154,569)</u>
<b>OPENING CASH AND BANK BALANCES</b>	231,996	158,039	386,565
<b>CLOSING CASH AND BANK BALANCES</b>	<u>111,834</u>	<u>386,565</u>	<u>231,996</u>

**BERGER PAINTS JAMAICA LIMITED**  
**UNAUDITED STATEMENT OF CHANGES STOCKHOLDERS' EQUITY**  
**AS AT 31 MARCH 2018**

	<u>Share Capital</u>	<u>Revaluation reserve</u>	<u>Revenue Reserve - Profit &amp; Loss Account</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
Balance at January 31, 2017	141,793	44,995	689,879	876,667
Net profit for three months	-	-	65,701	65,701
Other comprehensive income for the year	-	150	35,080	35,230
Total comprehensive income for the period	-	150	100,781	100,931
<b>Balance at 31 March 2017</b>	<b>141,793</b>	<b>45,145</b>	<b>790,660</b>	<b>977,598</b>
Balance at January 31, 2018	141,793	45,295	870,395	1,057,483
Adjustment for the impact of IFRS9	-	-	(6,308)	(6,308)
Net profit for three months	-	-	7,733	7,733
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the period	-	-	7,733	7,733
<b>Balance at 31 March 2018</b>	<b>141,793</b>	<b>45,295</b>	<b>871,820</b>	<b>1,058,908</b>

**BERGER PAINTS JAMAICA LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL RESULTS**  
**THREE MONTHS ENDED 31 MARCH 2018**

**1. Basis of preparation**

The unaudited financial results for the three-month period ended 31 March 2018 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 nine (9) months ended December 31, 2017.

***New standard effective in the current year***

**IFRS 9, 'Financial Instruments'**

The company adopted this standard effective January 1, 2018. Retrospective application of these standards was not required; therefore, the resulting adjustments were made to retained earnings as at 1 January 2018. The adjustment required up to 31 March 2018 was made through the Consolidated Statement of Comprehensive Income however this amount was not material. In accordance with the transitional provisions in IFRS 9 [7.2.15], comparative figures have not been restated.

**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	
	2018	2017
	\$'000	\$'000
Ultimate Parent Company		
Asian Paints Limited	-	(1,422)
Immediate parent		
Lewis Berger Overseas Holding	(16,982)	(12,891)
Fellow subsidiaries		
Berger Trinidad	23,185	11,641
Berger Barbados	3,924	(181)
Berger Singapore	-	(527)
Berger Emirates	-	(85)
Ansa Coatings Jamaica	(124,136)	-
Ansa Mcal Enterprise	(3,190)	-
Ansa Mcal Trading	(72,523)	-



**4. Dividends**

A final dividend of 28.5 cents per share totaling \$61.08 million for the nine months ended December 31, 2017 was recommended by the Board of Directors to be paid on May 28, 2018 to shareholders of the Company's register of members at the close of business on May 11, 2018.

**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 31 MARCH 2018**

**10 LARGEST SHAREHOLDERS**

SHAREHOLDERS	SHAREHOLDING	% OF ISSUED CAPITAL
LEWIS BERGER (OVERSEAS)	109,332,222	51.01%
SAGICOR POOLED EQUITY FUND	22,284,944	10.40%
IDEAL GROUP CORPORATION LIMITED	10,988,500	5.13%
ANSA COATINGS INTERNATIONAL LIMITED - BUYING A/C	6,667,570	3.11%
IDEAL PORTFOLIO SERVICES COMPANY LIMITED	5,477,111	2.56%
IDEAL BETTING COMPANY LIMITED	4,624,152	2.16%
IDEAL GLOBAL INVESTMENTS LIMITED	4,020,000	1.88%
JCSD TRUSTEE SERVICES LTD - SIGMA OPTIMA	3,082,116	1.44%
GUARDIAN LIFE LTD - GUARDIAN EQUITY FUND	2,750,000	1.28%
FIRST JAM./H.E.A.R./NTA PENSION SCHEME	2,433,500	1.14%
<b>TOTAL</b>	<b>171,660,115</b>	<b>80%</b>

**DIRECTORS' SHAREHOLDINGS  
AS AT 31 MARCH 2018**

DIRECTORS	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
MICHAEL FENNEL**	9,213		
ANDY MAHADEO	NIL		
ANDY MAHARAJ	NIL		
WARRAEN McDONALD	NIL		
ADAM SABGA*	NIL		
MILTON SAMUDA	NIL	MILTON SAMUDA/	12,007
RAY A. SUMAIRSINGH	NIL	ELIZABETH SAMUDA**	
<b>TOTAL</b>	<b>9,213</b>		<b>12,007</b>

**SENIOR MANAGEMENT SHAREHOLDING  
AS AT 31 MARCH 2018**

SENIOR MANAGEMENT	SHAREHOLDING
NEWTON ABRAHAMS	NIL
HURON GORDON**	2,352
GLADYS MILLER	NIL
CASEY PERUE	NIL
ANGELA SCOTT-BROWN	NIL
JACQUELINE WARREN-WILSON	3,799
<b>TOTAL</b>	<b>6,151</b>

**Notes:**

\* Effective 1 February 2018, Adam Sabga was appointed to the Board of Directors

\*\* Directors Michael Fenell and Milton Samuda and the Company Secretary Huron Gordon accepted the offer which was paid on 18 October 2017. Their shareholdings are in the process of being transferred.