

**BERGER PAINTS JAMAICA LIMITED  
UNAUDITED SIX MONTHS FINANCIAL RESULTS  
FOR PERIOD ENDED JUNE 30, 2019**

**BERGER PAINTS JAMAICA LIMITED**

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**BERGER PAINTS JAMAICA LIMITED**  
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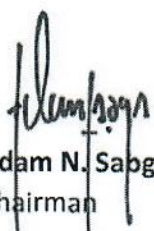
For the second quarter ended June 30, 2019, Berger Paints Jamaica Limited reported a Net Profit of \$27.9 million, a 5% improvement over the comparative period in 2018 totaling \$26.5 million. Revenue totaled \$602 million, a 2% decline over the comparative quarter of \$615 million.

The quarter's performance was further impacted by a 2% increase in Cost of Sales, primarily due to supplier increases during the period. However, with management's continued focus on controlling expenses, total operating expenses for the quarter was 7% below the comparative period in 2018.

For the six-month period ended June 30, 2019, Net Profit totaled \$32 million, compared to \$34 million in 2018. Cost of sales increased by 4% for this period when compared to prior year, same period for reasons as noted above.

Management continues to re-align its market focus and through diligent partnerships with local stakeholders, we expect this direction to yield improved returns.

On behalf of the Board

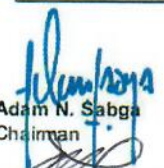



Adam N. Sabga  
Chairman

**BERGER PAINTS JAMAICA LIMITED**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30 2019**

		(Unaudited)	(Audited)
	<u>June 30</u>	<u>June 30</u>	<u>December 31</u>
	<u>2019</u>	<u>2018</u>	<u>2018</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant & equipment	232,298	254,873	243,700
Post employment benefits	137,275	163,786	136,563
Right-of-use asset	19,674	-	-
Deferred tax assets	5,473	4,566	5,473
<b>Total non-current assets</b>	<b>394,720</b>	<b>423,225</b>	<b>385,736</b>
<b>Current Assets</b>			
Inventories	447,398	478,527	471,996
Due from fellow subsidiaries	24,416	18,270	17,122
Trade and other receivables	358,195	666,389	636,597
Income tax recoverable	54,551	-	62,760
Cash and bank balances	474,890	156,037	353,795
<b>Total Current Assets</b>	<b>1,359,450</b>	<b>1,319,223</b>	<b>1,542,270</b>
<b>Total Assets</b>	<b>1,754,170</b>	<b>1,742,448</b>	<b>1,928,006</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share capital	141,793	141,793	141,793
Revaluation reserve	45,445	45,295	45,445
Revenue reserve	919,269	837,271	953,145
	<b>1,106,507</b>	<b>1,024,359</b>	<b>1,140,383</b>
<b>Non-current Liabilities</b>			
Post employment benefits	143,502	141,844	133,582
Lease liabilities	20,452	-	-
	<b>163,954</b>	<b>141,844</b>	<b>133,582</b>
<b>Current Liabilities</b>			
Due to immediate parent company	46,687	29,978	75,194
Due to fellow subsidiaries	164,361	289,068	276,231
Dividends payable	18,160	13,359	11,895
Provisions	15,830	21,177	15,830
Trade and other payables	238,671	208,041	274,891
Income tax payable	-	14,622	-
<b>Current Liabilities</b>	<b>483,709</b>	<b>576,245</b>	<b>654,041</b>
<b>Total Equity and Liabilities</b>	<b>1,754,170</b>	<b>1,742,448</b>	<b>1,928,006</b>

Approved by:

  
Adam N. Sabga  
Chairman

  
Hon. Michael Fennell  
Director

Approved by:

**BERGER PAINTS JAMAICA LIMITED**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**SIX MONTHS ENDED JUNE 30 2019**

	Audited				
	QUARTER ENDED June 30 2019 \$'000	QUARTER ENDED June 30 2018 \$'000	SIX MONTHS ENDED June 30 2019 \$'000	SIX MONTHS ENDED June 30 2018 \$'000	YEAR ENDED December 31 2018 \$'000
Revenue from contracts with customers	601,539	615,265	1,099,611	1,121,363	2,714,994
Raw materials and consumable used	(343,786)	(315,692)	(591,365)	(585,646)	(1,384,371)
Changes in inventories of finished goods and work in progress (net)	38,115	16,985	24,557	39,338	34,733
Manufacturing expenses	(30,662)	(37,078)	(49,491)	(59,778)	(132,595)
Depreciation	(9,251)	(9,527)	(17,318)	(16,803)	(40,805)
Employee benefits expense	(147,896)	(133,762)	(280,808)	(251,789)	(530,389)
Other operating expenses	(72,502)	(98,847)	(144,147)	(198,257)	(450,225)
Finance costs	-	-	(376)	-	-
Other income	187	321	358	460	818
<b>PROFIT BEFORE TAXATION</b>	<b>35,744</b>	<b>37,665</b>	<b>41,021</b>	<b>48,888</b>	<b>212,160</b>
Taxation	(7,781)	(11,131)	(9,100)	(14,622)	(38,610)
<b>NET PROFIT</b>	<b>27,963</b>	<b>26,534</b>	<b>31,921</b>	<b>34,266</b>	<b>173,550</b>
Other Comprehensive Income					
Other comprehensive income net of tax	-	-	-	-	(15,488)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>27,963</b>	<b>26,534</b>	<b>31,921</b>	<b>34,266</b>	<b>158,062</b>
Earnings per stock unit	\$0.13	\$0.12	\$0.15	\$0.16	\$0.81

**BERGER PAINTS JAMAICA LIMITED**  
**UNAUDITED STATEMENT OF CASH FLOWS**  
**SIX MONTHS ENDED JUNE 30 2019**

	<u>June 30</u> <u>2019</u> \$'000	Unaudited <u>June 30</u> <u>2018</u> \$'000	Audited <u>December 31</u> <u>2018</u> \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Profit	31,921	34,266	173,550
<i>Adjustments for:</i>			
Depreciation	17,317	16,803	40,805
Net provision charge	-	1,734	425
Post retirement benefit charge	10,212	10,097	20,195
(Reversal)/Impairment loss on trade & other receivables	(7,846)	14,588	18,301
Interest expense	376		
Income tax expense	9,100	14,622	38,610
Impact of IFRS 9 & 15 adoption	-	-	(14,081)
Operating cashflows before movements in working capital:	61,080	92,110	277,805
Decrease in trade and other receivables	286,248	(7,177)	25,354
Decrease/(Increase) in inventories	24,598	(69,783)	(33,217)
Decrease in trade and other payables	(36,220)	(172,754)	(105,904)
(Decrease)/Increase in due to fellow subsidiaries	(104,576)	275,166	143,171
Provisions utilised	(5,279)	-	(4,038)
(Decrease)/Increase in due to immediate parent company	(28,507)	2,502	47,718
Post employment benefits contribution	(9,338)	(1,176)	(13,164)
<b>Cash generated from operations</b>	<b>188,006</b>	<b>118,888</b>	<b>337,725</b>
Income tax paid	-	(52,582)	(143,179)
<b>Net Cash flows from operating activities</b>	<b>188,006</b>	<b>66,306</b>	<b>194,546</b>
<b>Investing Activities</b>			
Acquisition of property, plant & equipment	(5,915)	(83,351)	(12,370)
<b>Net cash used in investment activities</b>	<b>(5,915)</b>	<b>(83,351)</b>	<b>(12,370)</b>
<b>Financing Activities</b>			
Dividends paid	(60,996)	(58,914)	(60,377)
<b>Net cash used in financing activities</b>	<b>(60,996)</b>	<b>(58,914)</b>	<b>(60,377)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>	<b>121,095</b>	<b>(75,959)</b>	<b>121,799</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>353,795</b>	<b>231,996</b>	<b>231,996</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>474,890</b>	<b>156,037</b>	<b>353,795</b>

**BERGER PAINTS JAMAICA LIMITED**
**UNAUDITED STATEMENT OF CHANGES STOCKHOLDERS' EQUITY  
AS AT JUNE 30 2019**

	<u>Share Capital</u>	<u>Revaluation reserve</u>	<u>Revenue Reserve - Profit &amp; Loss Account</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
<b>Balance at January 31, 2018</b>	<b>141,793</b>	<b>45,295</b>	<b>870,395</b>	<b>1,057,483</b>
Adjustment for impact of of IFRS 9	-	-	(6,308)	(6,308)
Net profit for six months	-	-	34,266	34,266
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the period	-	-	34,266	34,266
Dividends	-	-	(61,082)	(61,082)
<b>Balance at June 30 2018</b>	<b>141,793</b>	<b>45,295</b>	<b>837,271</b>	<b>1,024,359</b>
<b>Balance at January 31, 2019</b>	<b>141,793</b>	<b>45,445</b>	<b>953,145</b>	<b>1,140,383</b>
Net profit for six months	-	-	31,921	31,921
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the period	-	-	31,921	31,921
Dividends	-	-	(65,797)	(65,797)
<b>Balance at June 30 2019</b>	<b>141,793</b>	<b>45,445</b>	<b>919,269</b>	<b>1,106,507</b>

**BERGER PAINTS JAMAICA LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL RESULTS**  
**SIX MONTHS ENDED JUNE 30, 2019**

**1. Basis of preparation**

The unaudited financial results for the six-month period ended June 30, 2019 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 December 31, 2018.

**IFRS 9**

The Group implemented Phase II – Impairment of IFRS 9, 'Financial Instruments' and adopted IFRS 15, 'Revenue from Contracts with Customers' effective 1 January 2018. Phase III – Hedge Accounting of IFRS 9 was not applicable to the Company.

**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)	
	<u>Related Parties</u>	
	2019	2018
	\$'000	\$'000
Immediate parent		
Lewis Berger Overseas Holding	(46,687)	(29,978)
Fellow subsidiaries		
Berger Trinidad	18,393	23,185
Berger Barbados	(1,387)	3,924
Penta Paints (Caribbean)	(126,070)	(106,182)
Ansa McAL (US) Inc.	(29,841)	(155,061)
Ansa Mcal Limited	(3,599)	(3,171)
Ansa Barbados	(85)	150
Ansa McAL Enterprise Ltd	(2,461)	(3,171)
Ansa Mcal Chemicals	4,838	-
Ansa Polymer	201	(4,246)
Sissons Paints	28	

#### **4. Initial Application of IFRS 16 Leases**

The Company applied IFRS 16 leases and has not restated prior periods as allowed by the Standard.

On adoption of IFRS 16, the Company recognised a liability in relation to leases, which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. The liability is measured at the present value of the remaining lease payments, discounted using appropriate weighted average incremental borrowing rates applied on 1 January 2019 was 7.5%. The associated right-of-use asset for the property lease is measured at the amount equal to the lease liability

#### **5. Dividends**

A final dividend of 30.7 cents per share totaling \$65.79 million for the year ended December 31, 2018 was approved and paid on May 28, 2019 to shareholders on the company's register of members at the close of business on May 10, 2019.

#### **6. Issued share capital**

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

#### **7. 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 JUNE 2019**

**10 LARGEST SHAREHOLDERS**

<b>SHAREHOLDERS</b>	<b>SHAREHOLDING</b>	<b>% OF ISSUED CAPITAL</b>
ANSA COATINGS INTERNATIONAL LIMITED	116,023,364	54.13
SAGICOR POOLED EQUITY FUND	22,284,944	10.40
IDEAL GROUP CORPORATION LIMITED	10,988,500	5.13
IDEAL PORTFOLIO SERVICES COMPANY LIMITED	5,562,855	2.60
IDEAL BETTING COMPANY LIMITED	4,624,152	2.16
IDEAL GLOBAL INVESTMENTS LIMITED	4,020,000	1.88
JCSD TRUSTEE SERVICES LTD - SIGMA EQUITY	3,082,116	1.44
GUARDIAN LIFE LTD - GUARDIAN EQUITY FUND	2,750,000	1.28
FIRST JAM./H.E.A.R.T/NTA PENSION SCHEME	2,433,500	1.14
KARL P WRIGHT	1,903,829	0.89
<b>TOTAL</b>	<b>173,673,260</b>	<b>81.03</b>

**DIRECTORS' SHAREHOLDINGS**

**AS AT 30 JUNE 2019**

<b>DIRECTORS</b>	<b>SHAREHOLDING</b>	<b>CONNECTED PARTY</b>	<b>SHAREHOLDING</b>
ADAM SABGA ( CHAIRMAN)	NIL		
MICHAEL FENNELL	NIL		
ANDY MAHADEO	NIL		
ANEAL MAHARAJ	NIL		
ADAM SABGA	NIL		
MILTON SAMUDA	NIL	MILTON SAMUDA/ ELIZABETH SAMUDA	NIL
JACQUELINE SHARP	NIL	JACQUELINE SHARP/ JASON SHARP	NIL
RAY A. SUMAIRSINGH	NIL		
<b>TOTAL</b>	<b>0</b>		<b>0</b>

**SENIOR MANAGEMENT SHAREHOLDINGS**

**AS AT 30 JUNE 2019**

<b>SENIOR MANAGEMENT</b>	<b>SHAREHOLDING</b>	<b>CONNECTED PARTY</b>	<b>SHAREHOLDING</b>
NEWTON ABRAHAMS	NIL		
BARRINGTON GRAHAM	NIL	BARRINGTON GRAHAM/GEORGE HALL	1,500
HURON GORDON	NIL		
PETA GAYE LEVENE-THOMAS	NIL		
GLADYS MILLER	NIL		
ANGELA SCOTT-BROWN	NIL		
JACQUELINE WARREN-WILSON	3,799		
<b>TOTAL</b>	<b>3,799</b>		<b>1,500</b>