



GODDARD ENTERPRISES LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED MARCH 31, 2014

Consolidated Statement of Income Highlights

	% Change	Unaudited 6 months To 31/03/14 Bds \$000's	Unaudited 6 months To 31/03/13 Bds \$000's	Audited 12 months To 30/09/13 Bds \$000's
Revenue	-0.1%	486,767	487,325	962,625
Profit from operations				
before the following:	19.8%	32,605	27,219	48,684
Other gains/(losses) – net	193.4%	1,465	(1,569)	(2,232)
Profit from operations	32.8%	34,070	25,650	46,452
Finance costs	5.4%	(6,137)	(5,820)	(12,641)
Share of income of associated companies	40.9%	27,933	19,830	33,811
Income before taxation	-36.0%	2,855	4,458	9,802
Taxation	26.8%	30,788	24,288	43,613
Net income for the period	39.4%	(7,295)	(5,233)	(9,625)
	23.3%	23,493	19,055	33,988
Attributable to:				
Equity holders of the Company	34.0%	15,841	11,820	21,135
Non-controlling interests	5.8%	7,652	7,235	12,853
	23.3%	23,493	19,055	33,988
Earnings per share – basic	37.1%	27.0¢	19.7¢	35.2¢
Earnings per share – diluted	35.0%	26.6¢	19.7¢	35.1¢

Consolidated Balance Sheet Highlights

	Unaudited At 31/03/14 Bds \$000's	Unaudited At 31/03/13 Bds \$000's	Audited At 30/09/13 Bds \$000's
Current assets	359,715	360,862	372,641
Current liabilities	(222,929)	(236,818)	(250,903)
Working capital	136,786	124,044	121,738
Property, plant & equipment, financial investments & other non-current assets	535,156	547,196	547,164
Long term liabilities	(110,752)	(98,570)	(96,091)
Net assets employed	561,190	572,670	572,811
Equity			
Share capital	32,808	44,275	44,557
Other reserves	92,908	107,815	100,899
Retained earnings	327,025	308,564	315,845
	452,741	460,654	461,301
Non-controlling interests	108,449	112,016	111,510
	561,190	572,670	572,811

Consolidated Statement of Comprehensive Income Highlights

	Unaudited 6 months To 31/03/14 Bds \$000's	Unaudited 6 months To 31/03/13 Bds \$000's	Audited 12 months To 30/09/13 Bds \$000's
Net income for the period	23,493	19,055	33,988
Other comprehensive income:			
Items net of tax that may be recycled to income in the future:			
Unrealised gains on available-for-sale investments	885	1,349	898
(Gains)/losses transferred to income on disposal of financial investments	(108)	55	2
Impairment of financial investments	–	357	195
Currency translation differences	(16,188)	(2,586)	(5,764)
Hyperinflationary adjustments	1,125	1,499	4,983
Items net of tax that will not be recycled to income in the future:	(14,286)	674	314
Increase/(decrease) of revaluation surplus	–	19	(4,302)
Other comprehensive (loss)/income for the period, net of tax	(14,286)	693	(3,988)
Total comprehensive income for the period	9,207	19,748	30,000
Attributable to:			
Equity holders of the Company	7,833	12,562	16,729
Non-controlling interests	1,374	7,186	13,271
	9,207	19,748	30,000

Consolidated Statement of Cash Flows Highlights

	Unaudited 6 months To 31/03/14 Bds \$000's	Unaudited 6 months To 31/03/13 Bds \$000's	Audited 12 months To 30/09/13 Bds \$000's
Income before taxation	30,788	24,288	43,613
Adjustments for non-cash items	4,934	14,011	30,996
	35,722	38,299	74,609
Non-cash working capital changes	3,706	(10,000)	(3,261)
	39,428	28,299	71,348
Net interest, taxation and pension contributions paid	(10,113)	(12,897)	(28,760)
Net cash from operating activities	29,315	15,402	42,588
Net cash used in investing activities	(1,376)	(12,340)	(26,587)
Net cash used in financing activities	(13,082)	(5,950)	(14,054)
Net increase/(decrease) in cash and cash equivalents	14,857	(2,888)	1,947
Cash and cash equivalents – beginning of year	28,202	26,255	26,255
Cash and cash equivalents – end of period	43,059	23,367	28,202

Consolidated Statement of Changes in Equity Highlights

Bds \$000's	Share capital	Other reserves	Retained earnings	Non- controlling interests	Total
Balance as at October 1, 2012	43,842	107,080	302,842	107,538	561,302
Net income for the year	–	–	21,135	12,853	33,988
Other comprehensive (loss)/income	–	(6,274)	1,868	418	(3,988)
Disposal of subsidiary	–	–	–	4	4
Fair value of net liabilities transferred to non-controlling interests	–	–	215	(215)	0
Fair value of assets disposed of by non-controlling interests	–	–	–	(3,674)	(3,674)
Increase in advances to non-controlling interests	–	–	–	1,978	1,978
Value of employee services	–	93	–	–	93
Issue of common shares	715	–	–	–	715
Dividends declared	–	–	–	(7,392)	(7,392)
Dividends paid	–	–	(10,215)	–	(10,215)
Balance at September 30, 2013 (audited)	44,557	100,899	315,845	111,510	572,811
Net income for the period	–	–	15,841	7,652	23,493
Other comprehensive loss	–	(8,008)	–	(6,278)	(14,286)
Acquisition of a subsidiary company	–	–	–	2,450	2,450
Decrease in advances to non-controlling interests	–	–	–	(2,169)	(2,169)
Value of employee services	–	17	–	–	17
(Repurchase)/issue of common shares	(11,749)	–	–	–	(11,749)
Dividends declared	–	–	–	(4,716)	(4,716)
Dividends paid	–	–	(4,661)	–	(4,661)
Balance at March 31, 2014 (unaudited)	32,808	92,908	327,025	108,449	561,190

BOARD REVIEW FOR THE SIX MONTHS ENDED MARCH 31, 2014

The Board of Directors of Goddard Enterprises Limited is pleased to present its half-year results.

Net income for the period attributable to equity holders of the company increased by 34.0% and the earnings per share for the period was 27.0 cents, an increase of 37.1% over the same period in the prior year.

While Group Revenues marginally decreased below prior year by 0.1% to \$486.8m, gross margin increased to 37.1% from 36.7% in the corresponding period in the prior year. This was as a result of improvements in operational efficiencies across all three divisions.

We have begun to see the benefit of the restructuring exercises undertaken in St. Lucia and Barbados in the previous year. Profit from operations before other gains/(losses) - net increased by 19.8% with selling and administrative expenses declining by 2.1%. As a percentage of revenues, selling and administrative expenses were 30.8%, compared to 31.4% in the comparative period.

The increase in other gains/(losses) - net was mainly due to a gain on disposal of property and equipment in St. Lucia and an increase in rental income from rental of office space in our new headquarters.

Overall profit from operations was \$34.1m; an increase of 32.8%.

Finance costs increased by 5.4% as a result of an increase in our long term borrowings to finance the repurchase of some outstanding shares. However, our overall average cost of debt has decreased as a result of us continuing to receive favourable borrowing rates from lending institutions.

Our share of income from associates fell by 36.0% as a result of a reduction in income from our major associates, Sagicor General Insurance Inc., Globe Finance Inc. and National Rums of Jamaica Limited.

Overall, our net income increased by 23.3% to \$23.5m with earnings per share achieved of 27.0 cents.

During the period we recorded a currency translation loss of \$16.2m in the statement of comprehensive income. This is attributable mainly to a translation loss of \$13.2m on the conversion of the net assets of our subsidiaries in Venezuela at the new official SICAD II rate of 49.81 bolivars to 1 US\$ compared to the official rate used in the comparative period of 6.30 bolivars to 1 US\$. Our share of this translation loss is \$6.7m.

Our Balance Sheet remains very healthy with our liquidity and leverage ratios being within acceptable industry ranges.

We remain cautiously optimistic that the second half of the financial year will continue to yield positive results for us and overall performance for the financial year will be above the prior year.

A. Charles Herbert
Chairman
May 26, 2014

Anthony H. Ali
Managing Director