



GODDARD ENTERPRISES LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2014 UNAUDITED

Consolidated Statement of Income Highlights

	% Change	3 months To 31/12/14 Bds \$000's	3 months To 31/12/13 Bds \$000's	Audited Year ended To 30/09/14 Bds \$000's
Revenue	3.9%	265,030	255,099	954,111
Profit from operations before the following:	7.4%	19,416	18,070	50,126
Other (losses)/gains – net	-133.4%	(703)	2,102	14,579
Profit from operations	-7.2%	18,713	20,172	64,705
Finance costs	-4.9%	(3,174)	(3,338)	(12,287)
Share of income of associated companies	-7.7%	15,539	16,834	52,418
Income before taxation	-44.6%	927	1,674	6,569
Taxation	-11.0%	16,466	18,508	58,987
Net income for the period	-17.4%	(3,109)	(3,766)	(10,084)
Attributable to:	-9.4%	13,357	14,742	48,903
Equity holders of the Company	-8.7%	9,853	10,792	36,402
Non-controlling interests	-11.3%	3,504	3,950	12,501
Earnings per share – basic	-9.4%	13,357	14,742	48,903
Earnings per share – diluted	-8.2%	16.9¢	18.4¢	62.1¢
	-7.3%	16.6¢	17.9¢	61.0¢

Consolidated Balance Sheet Highlights

	31/12/14 Bds \$000's	31/12/13 Bds \$000's	Audited 30/09/14 Bds \$000's
Current assets	393,956	376,977	380,151
Current liabilities	(240,861)	(238,925)	(239,677)
Working capital	153,095	138,052	140,474
Property, plant & equipment, financial investments & other non-current assets	535,926	536,245	540,071
Long-term liabilities	(110,126)	(107,857)	(115,209)
Net assets employed	578,895	566,440	565,336
Equity			
Share capital	43,829	32,369	43,829
Other reserves	90,813	96,887	91,823
Retained earnings	335,922	326,637	326,069
	470,564	455,893	461,721
Non-controlling interests	108,331	110,547	103,615
	578,895	566,440	565,336

Consolidated Statement of Comprehensive Income Highlights

	3 months To 31/12/14 Bds \$000's	3 months To 31/12/13 Bds \$000's	Audited Year ended 30/09/14 Bds \$000's
Net income for the period	13,357	14,742	48,903
Other comprehensive income:			
Items net of tax that may be recycled to income in the future:			
Unrealised (losses)/gains on available-for-sale investments	(494)	559	751
Gains transferred to income on disposal of financial investments	(729)	(116)	(400)
Impairment of financial investments	171	–	302
Currency translation differences	(846)	(8,007)	(18,939)
Hyperinflationary adjustments	1,188	435	907
	(710)	(7,129)	(17,379)
Items net of tax that will not be recycled to income in the future:			
Decrease of revaluation surplus	–	–	(261)
Remeasurement of employee benefits - group	–	–	(178)
Remeasurement of employee benefits - associated	–	–	199
Other comprehensive loss for the period, net of tax	(710)	(7,129)	(17,619)
Total comprehensive income for the period	12,647	7,613	31,284
Attributable to:			
Equity holders of the Company	8,843	6,763	27,747
Non-controlling interests	3,804	850	3,537
	12,647	7,613	31,284

Consolidated Statement of Cash Flows Highlights

	3 months To 31/12/14 Bds \$000's	3 months To 31/12/13 Bds \$000's	Audited Year ended To 30/09/14 Bds \$000's
Income before taxation	16,466	18,508	58,987
Adjustments for non-cash items	9,855	916	19,809
	26,321	19,424	78,796
Non-cash working capital changes	(27,353)	(2,861)	10,058
	(1,032)	16,563	88,854
Net interest, taxation and pension contributions paid	(5,189)	(4,509)	(22,994)
Net cash used in operating activities	(6,221)	12,054	65,860
Net cash (used in)/from investing activities	(3,157)	4,536	(18,746)
Net cash used in financing activities	(236)	(1,637)	(24,834)
Net (decrease)/increase in cash and cash equivalents	(9,614)	14,953	22,280
Cash and cash equivalents – beginning of year	50,482	28,202	28,202
Cash and cash equivalents – end of period	40,868	43,155	50,482

Consolidated Statement of Changes in Equity Highlights

Bds \$000's	Share capital	Other reserves	Retained earnings	Non-controlling interests	Total
Balance at October 1, 2013	44,557	100,899	308,030	111,828	565,314
Net income for the year	–	–	36,402	12,501	48,903
Other comprehensive (loss)/income	–	(9,194)	539	(8,964)	(17,619)
Acquisition of subsidiary	–	–	–	2,450	2,450
Investment in subsidiary company	–	–	–	167	167
Fair value of assets disposed of by non-controlling interests	–	–	–	(53)	(53)
Decrease in advances to non-controlling interests	–	–	–	(468)	(468)
Value of employee services	–	118	–	–	118
(Repurchase)/issue of common shares - net	(728)	–	(10,743)	–	(11,471)
Dividends declared	–	–	–	(13,846)	(13,846)
Dividends paid	–	–	(8,159)	–	(8,159)
Balance at September 30, 2014 (audited)	43,829	91,823	326,069	103,615	565,336
Net income for period	–	–	9,853	3,504	13,357
Other comprehensive (loss)/income	–	(1,010)	–	300	(710)
Investment in subsidiary company	–	–	–	600	600
Increase in advances to non-controlling interests	–	–	–	312	312
Balance at December 31, 2014 (unaudited)	43,829	90,813	335,922	108,331	578,895

BOARD REVIEW FOR THE THREE MONTHS ENDED DECEMBER 31, 2014

For the first three months of the 2015 financial year, GEL has recorded a 3.9% increase in revenues and a 7.4% increase in profit from operations before other (losses)/gains - net. Overall net income has however declined by 9.4% and earnings per share by 8.2%. This is attributable to a decline in other (losses)/gains - net and share of income of Associated companies.

Increases in sales in both the Import Distribution and the Catering Divisions resulted in the 3.9% increase in revenues for the quarter. Total revenues increased by \$10M from \$255M in the prior year to \$265M in the current period. A decline in gross margin in the Manufacturing Division resulted in an overall gross margin achieved during the period of 37.0% in comparison to 37.3% in the comparative period. Selling, marketing and administrative expenses incurred for the period under review were \$79.4M; a 1.7% increase over the comparative period. There was an increase in payroll costs for the period with the acquisition of Calloway Catering in Aruba and also an increase in overtime costs during the period.

Other (losses)/gains - net declined from a gain of \$2.1M in the prior period to a loss of \$703K during the current period. The main reasons for this change are a one-off gain on disposal of property, plant and equipment of \$1.5M recorded in the prior year and an increase of \$750K in inflation expense during the current year.

As a result of the above, profit from operations declined by 7.2% to \$18.7M for the quarter.

Finance costs marginally declined by 5%.

Our share of income from Associated companies decreased by 44.6% from \$1.7M to \$927K during the period due mainly to a decline in profitability from our associate, National Rums of Jamaica.

After all of the above therefore, overall net income attributable to equity holders was \$9.9M; an 8.7% decline below the comparative period and earnings per share fell by 8.2%, from 18.4 cents to 16.9 cents.

During the quarter, total comprehensive income increased from \$7.6M to \$12.6M, an increase of 66.1%, due to an \$8M currency translation loss recorded in the prior year as we translated our Venezuelan subsidiaries at the SICAD II rate.

Turning to our Balance Sheet, our net assets employed increased from \$566M to \$579M. The Group remains in a very healthy cash flow position and during the upcoming year we will seek ways to invest in order to create value for our shareholders.

Despite the harsh economic environment in the Caribbean region, the balance of the year is not expected to be dissimilar to the prior year. The Company continues to advance its strategies which are expected to lead to growth in the longer term.

A. Charles Herbert
Chairman
February 24, 2015

Anthony H. Ali
Managing Director