



GODDARD ENTERPRISES LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED MARCH 31, 2015

Consolidated Statement of Income Highlights

| | % Change | Unaudited 6 months To 31/03/15 Bds \$000's | Unaudited 6 months To 31/03/14 Bds \$000's | Audited 12 months To 30/09/14 Bds \$000's |
|---|----------|---|---|--|
| Revenue | 3.9% | 505,759 | 486,767 | 954,111 |
| Profit from operations | | | | |
| before the following: | 2.3% | 33,362 | 32,605 | 50,126 |
| Other gains/(losses) – net | -92.2% | 114 | 1,465 | 14,579 |
| Profit from operations | -1.7% | 33,476 | 34,070 | 64,705 |
| Finance costs | 1.8% | (6,249) | (6,137) | (12,287) |
| | -2.5% | 27,227 | 27,933 | 52,418 |
| Share of income of associated companies | -47.6% | 1,496 | 2,855 | 6,569 |
| Income before taxation | -6.7% | 28,723 | 30,788 | 58,987 |
| Taxation | -20.2% | (5,825) | (7,295) | (10,084) |
| Net income for the period | -2.5% | 22,898 | 23,493 | 48,903 |
| Attributable to: | | | | |
| Equity holders of the Company | -6.3% | 14,848 | 15,841 | 36,402 |
| Non-controlling interests | 5.2% | 8,050 | 7,652 | 12,501 |
| | -2.5% | 22,898 | 23,493 | 48,903 |
| Earnings per share – basic | -5.9% | 25.4¢ | 27.0¢ | 62.1¢ |
| Earnings per share – diluted | -5.3% | 25.2¢ | 26.6¢ | 61.0¢ |

Consolidated Balance Sheet Highlights

| | Unaudited At 31/03/15 Bds \$000's | Unaudited At 31/03/14 Bds \$000's | Audited At 30/09/14 Bds \$000's |
|---|---|---|---------------------------------------|
| Current assets | 380,006 | 359,715 | 380,151 |
| Current liabilities | (233,210) | (222,929) | (239,677) |
| Working capital | 146,796 | 136,786 | 140,474 |
| Property, plant & equipment, financial investments & other non-current assets | 530,113 | 535,156 | 540,071 |
| Long term liabilities | (108,195) | (110,752) | (115,209) |
| Net assets employed | 568,714 | 561,190 | 565,336 |
| Equity | | | |
| Share capital | 44,371 | 32,808 | 43,829 |
| Other reserves | 87,795 | 92,908 | 91,823 |
| Retained earnings | 334,651 | 327,025 | 326,069 |
| | 466,817 | 452,741 | 461,721 |
| Non-controlling interests | 101,897 | 108,449 | 103,615 |
| | 568,714 | 561,190 | 565,336 |

Consolidated Statement of Comprehensive Income Highlights

| | Unaudited 6 months To 31/03/15 Bds \$000's | Unaudited 6 months To 31/03/14 Bds \$000's | Audited 12 months To 30/09/14 Bds \$000's |
|--|---|---|--|
| Net income for the period | 22,898 | 23,493 | 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 | (237) | 885 | 751 |
| Gains transferred to income on disposal of financial investments | (575) | (108) | (400) |
| Impairment of financial investments | 171 | – | 302 |
| Currency translation differences | (3,334) | (16,188) | (18,939) |
| Hyperinflationary adjustments | 308 | 1,125 | 907 |
| | (3,667) | (14,286) | (17,379) |
| Items net of tax that will not be recycled to income in the future: | | | |
| Decrease of revaluation surplus | (75) | – | (261) |
| Remeasurement of employee benefits – group | – | – | (178) |
| Remeasurement of employee benefits – associated | 1,103 | – | 199 |
| Other comprehensive loss for the period, net of tax | (2,639) | (14,286) | (17,619) |
| Total comprehensive income for the period | 20,259 | 9,207 | 31,284 |
| Attributable to: | | | |
| Equity holders of the Company | 13,520 | 7,833 | 27,747 |
| Non-controlling interests | 6,739 | 1,374 | 3,537 |
| | 20,259 | 9,207 | 31,284 |

Consolidated Statement of Cash Flows Highlights

| | Unaudited 6 months To 31/03/15 Bds \$000's | Unaudited 6 months To 31/03/14 Bds \$000's | Audited 12 months To 30/09/14 Bds \$000's |
|---|---|---|--|
| Income before taxation | 28,723 | 30,788 | 58,987 |
| Adjustments for non-cash items | 18,038 | 4,934 | 19,809 |
| | 46,761 | 35,722 | 78,796 |
| Non-cash working capital changes | (10,954) | 3,706 | 10,058 |
| | 35,807 | 39,428 | 88,854 |
| Net interest, taxation and pension contributions paid | (9,916) | (10,113) | (22,994) |
| Net cash from operating activities | 25,891 | 29,315 | 65,860 |
| Net cash used in investing activities | (12,992) | (1,376) | (18,746) |
| Net cash used in financing activities | (12,425) | (13,082) | (24,834) |
| Net increase in cash and cash equivalents | 474 | 14,857 | 22,280 |
| Cash and cash equivalents – beginning of year | 50,482 | 28,202 | 28,202 |
| Cash and cash equivalents – end of period | 50,956 | 43,059 | 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 the period | – | – | 14,848 | 8,050 | 22,898 |
| Other comprehensive (loss)/income | – | (4,028) | 2,700 | (1,311) | (2,639) |
| Investment in subsidiary company | – | – | – | 600 | 600 |
| Fair value of assets disposed of by non-controlling interests | – | – | – | (8,251) | (8,251) |
| Increase in advances to non-controlling interests | – | – | – | 439 | 439 |
| (Repurchase)/issue of common shares | 542 | – | (786) | – | (244) |
| Dividends declared | – | – | – | (1,245) | (1,245) |
| Dividends paid | – | – | (8,180) | – | (8,180) |
| Balance at March 31, 2015 | 44,371 | 87,795 | 334,651 | 101,897 | 568,714 |

BOARD REVIEW FOR THE SIX MONTHS ENDED MARCH 31, 2015

For the first six months of the 2015 financial year, the Group recorded a 3.9% increase in revenues, moving from \$486.8M in the previous period to \$505.8M in the current period. Revenues from both the Import Distribution and the Catering Divisions increased by 3.3% and 11.5% respectively, while revenues from our Manufacturing Division decreased by 4.8%. Despite the overall increase in turnover, the Group recorded a 2.5% decrease in net income and a 5.9% decrease in earnings per share.

Our gross margin improved slightly, from 37.1% in the comparative period to 37.3% in the current period. Selling, marketing and administrative expenses incurred for the period under review amounted to \$157.0M as compared to \$149.8M in the prior period, an increase of 4.8%. This was due in the most part to accrued vacation pay which was not included in the comparative period and the inclusion of Calloway Catering Inc. in Aruba which was acquired in February 2014.

Other gains/(losses) – net decreased by \$1.4M due mainly to the net of one-off gains on disposal of property, plant and equipment in St. Lucia of \$2.5M in the prior year, and a reduction of \$0.9M in inflation expense in the current period.

As a result of the above, profit from operations decreased by 1.7%.

Our share of income from associated companies decreased by 47.6%, from \$2.9M in the first half of the prior year to \$1.5M in the period under review. This was due mainly to a decline in profitability from our associates, National Rums of Jamaica Ltd. and Sagcor General Insurance Inc.

After taking the above into consideration, income for the period under review amounted to \$22.9M as opposed to \$23.5M for the corresponding period. Net income attributable to equity holders was \$14.8M, a 6.3% decrease over the prior period, and earnings per share was 25.4 cents, compared to 27.0 cents in the comparative period.

During the prior year, we recorded a translation loss of \$16.2M in the Statement of Comprehensive Income. This was as a result of the change in the bolivar exchange rate in Venezuela from VEF 6.30 to VEF 49.81 to the US dollar. In the first half of this year, the bolivar exchange rate deteriorated further to VEF 192.95 to the US dollar following the introduction of a new exchange mechanism, known as SIMADI. This has resulted in an additional translation loss of \$3.3M in the Statement of Comprehensive Income for the period under review.

Our cash flows from operating activities remain positive at \$25.9M which is more than adequate to finance our short-term requirements. Our investing activities during the period included the acquisition of the non-controlling interest in a subsidiary in St. Lucia as well as purchases of property, plant and equipment. The Group remains in a healthy cash flow position and will continue to seek investment opportunities that will add positive economic value.

Our balance sheet remains strong with net assets employed of \$568.7M, a working capital ratio of 1.63 and debt to equity ratio of 38:62 as at March 31, 2015.

A. Charles Herbert
Chairman
May 21, 2015

Anthony H. Ali
Managing Director