


ANSA McAL
GROUP OF COMPANIES

CHAIRMAN'S STATEMENT - Q3 2018

I am pleased to report another quarter of good growth.

For the nine month period ended 30th September 2018, revenues grew by 4% to \$4.5 billion (\$4.4 billion - 2017) whilst profit before tax (PBT) improved by 7% to \$642 million (\$598 million - 2017). Profit after tax improved by 9% to \$454 million (\$417 million - 2017) with an earnings per share (EPS) growth of 11% to \$2.25 per share (\$2.02 per share - 2017). This was due to a one-off deferred tax expense increase in 2017 combined with higher relative growth in the 100% controlled subsidiaries compared with those which are not fully controlled.

The Manufacturing, Packaging and Brewing Segment recorded 11% growth in revenues; Automotive, Trading & Distribution improved by 3% whilst Media, Retail, Services and Parent Company were up by 7%. The Financial Services Segment declined by 5% due to lower yields in the investment portfolios.

Our Media business, Guardian Media Limited (GML), is mid-way through its transformation process and the losses incurred reflect the significant contraction in national advertising spend. We are confident that once this transformation process is completed, GML will return to profitability.

Our strategy continues to work and we look forward to closing 2018 with strong results.

A. Norman Sabga

CHAIRMAN
By order of the board

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	\$'000 UNAUDITED AS AT 30-SEP-18	\$'000 UNAUDITED AS AT 30-SEP-17	\$'000 AUDITED AS AT 31-DEC-17
ASSETS			
Fixed Assets and Investment Properties	2,351,384	2,152,371	2,297,275
Investment in associates and joint venture interests	172,072	162,592	159,372
Other Long Term Assets	6,768,511	5,119,896	6,124,745
Current Assets	5,670,102	6,631,590	5,768,319
Total Assets	14,962,069	14,066,449	14,349,711
EQUITY AND LIABILITIES			
Stated Capital	175,316	175,316	175,316
Reserves	6,935,954	6,670,491	6,876,079
	7,111,270	6,845,807	7,051,395
Non-controlling Interests	782,420	797,065	809,266
Total Equity	7,893,689	7,642,872	7,860,661
Non-current Liabilities	3,131,913	3,207,944	3,098,078
Current Liabilities	3,936,466	3,215,633	3,390,972
Total Liabilities	7,068,379	6,423,577	6,489,050
Total Equity and Liabilities	14,962,069	14,066,449	14,349,711

A. Norman Sabga

CHAIRMAN
By Order of the Board

David B. Sabga

DEPUTY CHAIRMAN
By Order of the Board

SEGMENT INFORMATION

	Manufacturing, packaging & brewing			Automotive, trading & distribution			Insurance & financial services			Media, services, retail & parent company			Total		
	\$'000 UNAUDITED NINE MONTHS ENDED 30-SEP		\$'000 AUDITED YEAR ENDED 31-DEC 2017	\$'000 UNAUDITED NINE MONTHS ENDED 30-SEP		\$'000 AUDITED YEAR ENDED 31-DEC 2017	\$'000 UNAUDITED NINE MONTHS ENDED 30-SEP		\$'000 AUDITED YEAR ENDED 31-DEC 2017	\$'000 UNAUDITED NINE MONTHS ENDED 30-SEP		\$'000 AUDITED YEAR ENDED 31-DEC 2017	\$'000 UNAUDITED NINE MONTHS ENDED 30-SEP		\$'000 AUDITED YEAR ENDED 31-DEC 2017
	2018	2017	2017	2018	2017	2017	2018	2017	2017	2018	2017	2017	2018	2017	2017
Revenue															
Total gross revenue	2,015,139	1,815,137	2,676,666	1,879,620	1,810,256	2,549,560	646,107	675,673	873,548	770,834	733,964	1,037,285	5,311,700	5,035,030	7,137,059
Inter-segment	(189,877)	(183,922)	(255,693)	(38,822)	(30,831)	(43,103)	(35,102)	(31,069)	(32,821)	(495,566)	(417,837)	(560,960)	(759,367)	(663,659)	(892,577)
Third party revenue	1,825,262	1,631,215	2,420,973	1,840,798	1,779,425	2,506,457	611,005	644,604	840,727	275,268	316,127	476,325	4,552,333	4,371,371	6,244,482
Results															
Finance costs	9,294	5,926	9,416	3,266	2,724	3,838	25,924	26,190	35,069	528	540	1,211	39,012	35,380	49,534
Depreciation	182,426	111,087	242,791	22,782	19,585	25,492	28,265	28,174	37,622	24,446	23,172	31,628	257,919	182,018	337,533
Impairments	-	-	-	-	-	205	(2,263)	-	-	-	-	-	(2,263)	-	205
Reportable segment profit before tax	288,863	273,041	443,891	111,710	43,338	125,067	189,395	230,356	309,539	52,224	51,328	89,218	642,192	598,062	967,715
Income tax expense	100,869	95,823	170,471	37,799	15,956	47,974	53,944	57,473	81,284	(5,211)	11,986	20,032	187,401	181,238	319,761
Share of results of associate and joint venture interests	-	-	-	-	-	-	-	-	-	19,871	18,793	26,751	18,871	18,793	26,751
Total Assets include															
Reportable Segment assets	3,090,561	2,935,207	3,157,697	1,526,364	1,705,065	1,473,825	7,018,887	6,366,800	6,400,010	3,326,257	3,059,377	3,318,179	14,962,069	14,066,449	14,349,711
Investment in associates and joint venture interests	-	-	-	-	-	-	-	-	-	172,072	162,592	159,372	172,072	162,592	159,372
Capital expenditure	146,217	54,718	239,158	25,311	30,036	68,815	51,548	57,012	77,013	53,000	47,935	69,504	276,076	189,701	454,490
Liabilities															
Reportable Segment liabilities	983,227	982,880	1,000,727	506,245	386,522	468,964	5,256,918	4,768,785	4,764,133	321,989	285,390	255,226	7,068,379	6,423,577	6,489,050

NOTES:

All monetary amounts are stated in thousands of Trinidad and Tobago dollars. These interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards and in accordance with the accounting policies described in "Note 2" of the consolidated financial statements for the year ended 31st December 2017 except as described below. 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 Group. 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 30 September 2018 was made through the Summary Consolidated Statement of Income however this amount was not material.

SUMMARY CONSOLIDATED INCOME STATEMENT

	\$'000 UNAUDITED THREE MONTHS ENDED 30-SEP-18	\$'000 UNAUDITED THREE MONTHS ENDED 30-SEP-17	\$'000 UNAUDITED NINE MONTHS ENDED 30-SEP-18	\$'000 UNAUDITED NINE MONTHS ENDED 30-SEP-17	\$'000 AUDITED YEAR ENDED 31-DEC-17
Revenue	1,495,299	1,472,070	4,552,333	4,371,371	6,244,482
Operating profit	196,337	174,644	661,333	614,649	990,498
Finance costs	(13,500)	(13,378)	(39,012)	(35,380)	(49,534)
Share of results of associates and joint venture interests	4,993	4,829	19,871	18,793	26,751
Profit before taxation	187,830	166,095	642,192	598,062	967,715
Taxation	(55,991)	(56,380)	(187,401)	(181,238)	(319,761)
Profit for the period/year	131,839	109,715	454,791	416,825	647,954
Attributable to:					
Equity holders of the parent	110,317	89,816	388,547	347,867	543,588
Non-controlling Interests	21,522	19,900	66,244	68,958	104,366
	131,839	109,715	454,791	416,825	647,954
Basic earnings per share	\$0.64	\$0.52	\$2.25	\$2.02	\$3.15
Diluted earnings per share	\$0.64	\$0.52	\$2.25	\$2.02	\$3.15

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	\$'000 UNAUDITED THREE MONTHS ENDED 30-SEP-18	\$'000 UNAUDITED THREE MONTHS ENDED 30-SEP-17	\$'000 UNAUDITED NINE MONTHS ENDED 30-SEP-18	\$'000 UNAUDITED NINE MONTHS ENDED 30-SEP-17	\$'000 AUDITED YEAR ENDED 31-DEC-17
Profit for the period/year	131,839	109,715	454,791	416,825	647,954
Other comprehensive income:					
Re-measurement losses on defined benefit plans (net)	-	-	-	-	(13,020)
Currency translation differences	(3,944)	(5,512)	(287)	11,015	5,345
Other comprehensive income/(expense)	(3,944)	(5,512)	(287)	11,015	(7,675)
Total comprehensive income for the period/year	127,895	104,203	454,504	427,840	640,279
Total comprehensive income attributable to:					
Equity holders of the parent	103,472	84,303	387,378	358,000	536,680
Non-controlling Interests	24,423	19,900	67,126	69,840	103,599
	127,895	104,203	454,504	427,840	640,279

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	\$'000 STATED CAPITAL	\$'000 RESERVES	\$'000 NON-CONTROLLING INTERESTS	\$'000 TOTAL
Balance as at 1 January, 2018	175,316	6,876,079	809,266	7,860,661
Impact of implementation of IFRS 9 and IFRS 15	-	(124,247)	(20,860)	(145,107)
Balance as at 1 January 2018 as adjusted	175,316	6,751,832	788,406	7,715,554
Total comprehensive income for the period	-	387,378	67,126	454,504
Transfers and other movements	-	3,605	-	3,605
Net movement in unallocated shares	-	(2,621)	-	(2,621)
Dividends to equity holders	-	(203,343)	-	(203,343)
Dividends of subsidiaries	-	-	(74,009)	(74,009)
Balance as at 30 September 2018 (Unaudited)	175,316	6,936,851	781,523	7,893,689
Balance as at 1 January, 2017	175,316	6,601,906	807,567	7,584,789
Total comprehensive income for the period	-	358,000	69,840	427,840
Transfers and other movements	-	(11,441)	33,711	22,270
Net movement in unallocated shares	-	(4,076)	-	(4,076)
Dividends to equity holders	-	(273,898)	-	(273,898)
Dividends of subsidiaries	-	-	(114,053)	(114,053)
Balance as at 30 September, 2017 (Unaudited)	175,316	6,670,491	797,065	7,642,872
Balance as at 1 January, 2017	175,316	6,601,906	807,567	7,584,789
Total comprehensive income for the year	-	536,680	103,599	640,279
Transfers and other movements	-	(2,763)	(23)	(2,786)
Net movement in unallocated shares	-	(1,095)	-	(1,095)
Acquired in business combination	-	-	34,756	34,756
Acquisition of non-controlling interest	-	-	(7,011)	(7,011)
Value of equity settled share based compensation	-	-	-	-
Dividends to equity holders	-	(258,649)	-	(258,649)
Dividends of subsidiaries	-	-	(129,622)	(129,622)
Balance as at 31 December, 2017 (Audited)	175,316	6,876,079	809,266	7,860,661

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	\$'000 UNAUDITED NINE MONTHS ENDED 30-SEP-18	\$'000 UNAUDITED NINE MONTHS ENDED 30-SEP-17	\$'000 AUDITED YEAR ENDED 31-DEC-17
Profit before taxation	642,192	598,062	967,715
Adjustment for items not affecting working capital	155,400	79,876	177,451
Operating profit before working capital changes	797,592	677,938	1,145,166
Net change in working capital	249,894	101,878	471,036
Cash flows from operating activities	1,047,486	779,816	1,616,202
Other cash applications	(146,338)	(159,379)	(212,379)
Net cash flows from operating activities	901,148	620,437	1,403,823
Investing activities	(670,669)	(562,434)	(941,958)
Financing activities	(357,185)	(77,367)	(189,732)
Net (decrease)/increase in cash and cash equivalents	(126,706)	(19,364)	272,133
Translation difference on cash held by foreign subsidiaries	(380)	294	316
Cash and cash equivalents at the beginning of the period/year	1,956,127	1,683,678	1,683,678
Cash and cash equivalents at the end of the period/year	1,829,041	1,664,608	1,956,127