



# GODDARD ENTERPRISES LIMITED

## CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED MARCH 31, 2013

### Consolidated Statement of Income Highlights

	% Change	Unaudited 6 months To 31/03/13 Bds \$000's	Unaudited 6 months To 31/03/12 Bds \$000's	Audited 12 months To 30/09/12 Bds \$000's
<b>Revenue</b>	-6.0%	487,325	518,492	999,148
<b>Profit from operations before the following:</b>				
before the following:	-10.7%	27,219	30,497	52,786
Other (losses)/gains – net	-366.8%	(1,569)	588	(1,640)
<b>Profit from operations</b>	-17.5%	25,650	31,085	51,146
Finance costs	-6.9%	(5,820)	(6,253)	(12,393)
	-20.1%	19,830	24,832	38,753
Share of income of associated companies	13.3%	4,458	3,935	7,866
<b>Income before taxation</b>	-15.6%	24,288	28,767	46,619
Taxation	-22.7%	(5,233)	(6,773)	(12,705)
<b>Net income</b>	-13.4%	19,055	21,994	33,914
<b>Attributable to:</b>				
Equity holders of the Company	-22.2%	11,820	15,189	24,696
Non-controlling interests	6.3%	7,235	6,805	9,218
	-13.4%	19,055	21,994	33,914
<b>Earnings per share – Basic</b>	-22.1%	19.7¢	25.3¢	41.2¢
<b>Earnings per share – Diluted</b>	-20.9%	19.7¢	24.9¢	40.8¢

### Consolidated Statement of Comprehensive Income Highlights

	Unaudited 6 months To 31/03/13 Bds \$000's	Unaudited 6 months To 31/03/12 Bds \$000's	Audited 12 months To 30/09/12 Bds \$000's
<b>Net income</b>	19,055	21,994	33,914
<b>Other comprehensive income:</b>			
Increase/(decrease) of revaluation surplus	19	5	(6,430)
Unrealised gains on available-for-sale investments	1,349	1,675	1,318
Losses transferred to income on disposal of financial investments	55	87	141
Impairment of financial investments	357	–	–
Currency translation differences	(2,586)	122	(671)
Hyperinflationary adjustments	1,499	762	1,430
<b>Total other comprehensive income/(loss)</b>	693	2,651	(4,212)
<b>Total comprehensive income</b>	19,748	24,645	29,702
<b>Attributable to:</b>			
Equity holders of the Company	12,562	17,315	23,853
Non-controlling interests	7,186	7,330	5,849
	19,748	24,645	29,702

### BOARD REVIEW FOR THE SIX MONTHS ENDED MARCH 31, 2013

During the period under review the Group recorded a 6.0% decline in revenues compared to prior year. This decline occurred in our Import, Distribution and Marketing Division, where sales of our St. Lucia subsidiaries were adversely affected by depressed market conditions exacerbated by the implementation of VAT there on October 1, 2012.

There was an improvement in gross profit margin from 34.5% in the prior year to 36.7% during the period. This is attributable to improved efficiencies across all divisions as well as on-going improvements in procurement strategy.

Our selling, marketing and administrative expenses, however, as a percentage of revenues were 31.4% compared to 28.9% in the prior year. This is due mainly to mandated increases in payroll costs in some of our Latin American countries as well as difficulties reducing costs quickly enough to compensate for declining sales. Across the Caribbean, economies continue to be depressed and are showing few signs of recovery; as a result, our cost base will need a thorough review.

Other (losses)/gains – net declined from a gain of \$588k to a \$1.6m loss during the period. This is as a result of an increase in inflation expenses recorded by two subsidiaries in Venezuela. This is required by International Financial Reporting Standards as Venezuela is considered a hyper-inflationary economy.

Profit from operations fell by 17.5% to \$25.7m. Group Finance costs were 6.9% below the prior year.

Overall net income for the period was \$19.1m compared to \$22.0m in the prior year, representing a decrease of 13.4%. After deducting non-controlling interests, net income attributable to equity holders of the company was \$11.8m with a basic earnings per share of 19.7 cents, a decline of 22.1%. Turning to our balance sheet, our cash flow continues to be adequate and our debt to equity ratio remains healthy at 37:63.

A. Charles Herbert  
Chairman  
May 22, 2013

John S. Taylor  
Managing Director (Ag.)

### Consolidated Balance Sheet Highlights

	Unaudited At 31/03/13 Bds \$000's	Unaudited At 31/03/12 Bds \$000's	Audited At 30/09/12 Bds \$000's
Current assets	360,862	346,310	353,565
Current liabilities	(236,818)	(231,304)	(234,920)
Working capital	124,044	115,006	118,645
Property, plant & equipment, financial investments & other non-current assets	547,196	547,188	543,611
Long term liabilities	(98,570)	(97,199)	(100,954)
<b>Net Assets Employed</b>	<b>572,670</b>	<b>564,995</b>	<b>561,302</b>
<b>Equity</b>			
Share capital	44,275	43,694	43,842
Other reserves	107,815	110,354	107,080
Retained earnings	308,564	297,118	302,842
	460,654	451,166	453,764
Non-controlling interests	112,016	113,829	107,538
	572,670	564,995	561,302

### Consolidated Statement of Cash Flows Highlights

	Unaudited 6 months To 31/03/13 Bds \$000's	Unaudited 6 months To 31/03/12 Bds \$000's	Audited 12 months To 30/09/12 Bds \$000's
<b>Income before taxation</b>	24,288	28,767	46,619
Adjustments for non-cash items	14,011	15,817	33,937
	38,299	44,584	80,556
Non-cash working capital changes	(10,000)	445	8,652
	28,299	45,029	89,208
Net interest, taxation and pension contributions paid	(12,897)	(10,657)	(25,162)
Net cash from operating activities	15,402	34,372	64,046
Net cash used in investing activities	(12,340)	(24,937)	(37,754)
Net cash used in financing activities	(5,950)	(8,466)	(13,259)
Net (decrease)/increase in cash and cash equivalents	(2,888)	969	13,033
Cash and cash equivalents – beginning of year	26,255	13,222	13,222
Cash and cash equivalents – end of period	23,367	14,191	26,255

### Consolidated Statement of Changes in Equity Highlights

Bds \$000's	Share capital	Other reserves	Retained earnings	Non- controlling interests	Total
<b>Balance at October 1, 2011</b>	43,337	108,228	285,526	110,308	547,399
Net income	–	–	24,696	9,218	33,914
Other comprehensive (loss)/income	–	(1,258)	415	(3,369)	(4,212)
Fair value of assets disposed of by non-controlling interests	–	–	–	(8)	(8)
Increase in advances to non-controlling interests	–	–	–	1,235	1,235
Value of employee services	–	110	–	–	110
Issue of common shares	505	–	–	–	505
Dividends declared	–	–	–	(9,846)	(9,846)
Dividends paid	–	–	(7,795)	–	(7,795)
<b>Balance at September 30, 2012 (audited)</b>	43,842	107,080	302,842	107,538	561,302
Net income	–	–	11,820	7,235	19,055
Other comprehensive income/(loss)	–	742	–	(49)	693
Fair value of assets transferred to non-controlling interests	–	–	510	(510)	–
Fair value of assets disposed of by non-controlling interests	–	–	–	(118)	(118)
Increase in advances to non-controlling interests	–	–	–	477	477
Value of employee services	–	(7)	–	–	(7)
Issue of common shares	433	–	–	–	433
Dividends declared	–	–	–	(2,557)	(2,557)
Dividends paid	–	–	(6,608)	–	(6,608)
<b>Balance at March 31, 2013 (unaudited)</b>	<b>44,275</b>	<b>107,815</b>	<b>308,564</b>	<b>112,016</b>	<b>572,670</b>