

Wisynco Group Limited

Interim Report

Second Quarter ended

31 December 2017

Wisynco Group Limited (Wisynco) – Interim Report to Shareholders

The Directors of Wisynco welcome all new shareholders to the Wisynco Family and present our report on the unaudited financial results for the second quarter ended December 31, 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Revenues for the quarter of $6.14 billion represented an increase of 14.5% over the $5.36 billion achieved in the corresponding quarter of the previous year. Gross profit for the quarter amounted to $2.39 billion or 26.3% over the $1.90 billion achieved in the corresponding quarter of the previous year. Gross Margin improved to 39% for the quarter compared to 35.3% for corresponding quarter of the previous year; and for the 6 months ended December 31 2017 Gross Margin was ahead by 1.4%.

Selling, Distribution & Administrative Expenses for the quarter totaled $1.54 billion or 15.7% more than the $1.33 billion for the corresponding quarter of the prior year. Expenses for the quarter included $26 million of costs related to the May 2016 fire and $71 million for the year to date, and the Directors feel these should be fully behind us by the middle of the 4th Quarter. Additionally, included in Finance Costs for the quarter is a loss on the revaluation of our US$ deposits of approximately $79 million due to the JA$ revaluation to a quarter end rate of 125.00 at the end of December 2017.

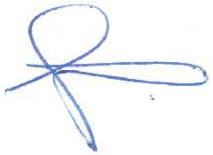
Wisynco recorded profits attributable to shareholders of $578 million or 16 cents per share for the quarter compared to 13 cents per share for the corresponding quarter of the previous year.

The quarter in question saw some challenges even as we recorded fairly good growth in top line revenue. We had some of the highest level of rainfall in many years during the quarter which does not auger well for our customers' businesses as well as beverage sales generally. The construction of our cold storage facilities has also been delayed slightly due to the rains and this would have impacted on our chilled and frozen business. We now expect our cold storage facility to be complete during the 4th quarter which will result in improved distribution and cost synergies.

During the quarter we continued to look at ways to reduce sugar intake for consumers through initiatives such as reducing portion sizes in our full sugar products as well as reduced sugar formulas for our beverage portfolio. The company also continues to work with the government and industry to find ways to improve the reduction and recycling of plastics and will continue to work towards the Coca Cola global goal of recycling 100% of all our packaging from products by 2030, or before.

We thank the Wisynco Team for all their efforts, many of whom are now shareholders in the Company, and also thank our Customers for their continued support for all Wisynco Brands.





William Mahfood
Chairman

Andrew Mahfood
Chief Executive Officer

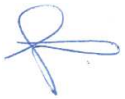
Wisynco Group Limited
Group Statement of Comprehensive Income
Quarter ended 31 December 2017

	Note	Quarter ended 31 December 2017 $'000	Quarter ended 31 December 2016 $'000	Six Months ended 31 December 2017 $'000	Six Months ended 31 December 2016 $'000
Revenue		6,140,312	5,361,286	12,253,034	10,585,293
Cost of Sales		(3,745,647)	(3,466,258)	(7,668,440)	(6,765,558)
Gross Profit		**2,394,665**	**1,895,028**	**4,584,594**	**3,819,735**
Other operating income		25,417	40,765	41,039	61,744
Selling and distribution expenses		(1,305,462)	(1,196,606)	(2,636,587)	(2,333,310)
Administration expenses		(234,851)	(133,967)	(312,423)	(254,991)
Operating Profit		**879,769**	**605,220**	**1,676,623**	**1,293,178**
Finance income		13,894	32,398	31,217	105,879
Finance costs		(133,458)	(31,481)	(144,602)	(73,646)
Profit before Taxation		**760,205**	**606,137**	**1,563,238**	**1,325,411**
Taxation		(190,402)	(150,413)	(380,587)	(227,701)
Profit from continuing operations		**569,803**	**455,724**	**1,182,651**	**1,097,710**
Profit from discontinued operations	**5**	8,203	14,325	41,555	48,681
Net Profit		**578,006**	**470,049**	**1,224,206**	**1,146,391**
Other Comprehensive Income					
Items that may be subsequently reclassified to profit or loss					
Unrealised gains on available-for-sale investments		4,404	7,994	8,308	8,201
Total Comprehensive Income		**582,410**	**478,043**	**1,232,514**	**1,154,592**
Net Profit attributable to:					
Shareholders of Wisynco Group Limited		578,006	470,047	1,224,242	1,146,406
Non-controlling interest		-	2	(36)	(15)
		578,006	**470,049**	**1,224,206**	**1,146,391**
Total Comprehensive Income attributable to:					
Shareholders of Wisynco Group Limited		582,410	478,041	1,232,550	1,154,607
Non-controlling interest		-	2	(36)	(15)
		582,410	**478,043**	**1,232,514**	**1,154,592**
Earnings per share	**3**	**$0.16**	**$0.13**	**$0.34**	**$0.32**

Wisynco Group Limited
Group Statement of Financial Position
31 December 2017

	Note	Unaudited 31 December 2017 $'000	Unaudited 31 December 2016 $'000	Audited 30 June 2017 $'000
Non-Current Assets				
Property, Plant and Equipment	5	5,091,110	3,724,787	5,175,738
Investment in Associates	5	-	602,621	664,854
Intangibles	5	-	58,245	56,786
Available-for-sale investments		423,514	311,136	293,452
Deferred Tax Asset		-	-	52,156
Investment Property		-	13,449	13,449
		5,514,624	**4,710,238**	**6,256,435**
Current Assets				
Inventories	5	1,976,396	1,623,362	1,957,852
Receivables and prepayments	5	2,562,881	2,232,843	1,910,075
Available-for-sale investments - current portion		-	183,940	184,386
Cash and short-term deposits	5	3,334,634	3,101,315	3,385,944
		7,873,911	**7,141,460**	**7,438,257**
Current Liabilities				
Trade and other payables	5	2,153,203	2,052,687	3,186,245
Short-term borrowings	5	428,527	441,594	432,840
Taxation payable		346,208	651,333	177,797
Due to parent company		-	259,745	259,745
Net Current Assets		2,927,938	3,405,359	4,056,627
		4,945,973	**3,736,101**	**3,381,630**
		10,460,597	**8,446,339**	**9,638,065**
Shareholders' Equity				
Share capital	4	1,192,647	57,927	57,927
Capital reserve		124,526	128,763	116,218
Translation Reserve		1,202	2,829	3,233
Retained earnings		6,523,321	6,685,790	7,377,182
		7,841,696	**6,875,309**	**7,554,560**
Non-controlling interest		**-**	**5,745**	**5,740**
		7,841,696	**6,881,054**	**7,560,300**
Non-current Liabilities				
Deferred tax liabilities		213,560	246,408	215,015
Borrowings	5	2,405,341	1,318,877	1,862,750
		2,618,901	1,565,285	2,077,765
		10,460,597	**8,446,339**	**9,638,065**





William Mahfood

Andrew Mahfood

Wisynco Group Limited
Group Statement of Changes in Equity
Six Months ended 31 December 2017

	Number of Shares Stock Units	Share Capital $'000	Capital Reserves $'000	Retained Earnings $'000	Translation Reserve $'000	Non Controlling Interest $'000	Total Equity $'000
Balance as at July 1, 2016	**3,600,585,424**	**57,927**	**120,562**	**6,134,911**	**3,254**	**5,760**	**6,322,414**
Total comprehensive income	-	-	8,201	1,146,406		(15)	**1,154,592**
Exchange differences on translating foreign subsidiary					(425)		(425)
Transactions with Owners:							
Dividends Paid	-	-	-	(595,527)	-	-	**(595,527)**
Balance as at December 31, 2016	**3,600,585,424**	**57,927**	**128,763**	**6,685,790**	**2,829**	**5,745**	**6,881,054**
Balance as at July 1, 2017	**3,600,585,424**	**57,927**	**116,218**	**7,377,182**	**3,233**	**5,740**	**7,560,300**
Total comprehensive income	**-**	**-**	8,308	1,232,550	**-**	**-**	**1,240,858**
Exchange differences on translating foreign subsidiary	-	-	-	-	(2,031)	-	**(2,031)**
Sale of Ordinary Shares (IPO) (Net)	149,414,576	1,134,720	-	-	-	-	**1,134,720**
Transactions with Owners:							
Dividends Paid	-	-	-	(1,068,683)	-	-	**(1,068,683)**
Transfer to owners consequent on reorganization (Note 5)	-	-	-	(1,017,728)	-	(5,740)	**(1,023,468)**
Balance as at December 31, 2017	**3,750,000,000**	**1,192,647**	**124,526**	**6,523,321**	**1,202**	**-**	**7,841,696**

Wisynco Group Limited
Group Statement of Cash Flows
Six Months ended 31 December 2017

	Six months ended 31 December 2017 $'000	Six months ended 31 December 2016 $'000
Net profit from operations	**1,224,206**	**1,146,391**
Items not affecting cash:		
Unremitted equity in associates	-	(18,862)
Depreciation	363,680	287,277
Amortization	-	6,864
Gain on sale of property, plant and equipment	(2,305)	(24,128)
Interest income	(30,570)	(33,737)
Dividend income	(646)	(2,338)
Interest expense	100,665	59,886
Taxation expense	380,587	227,701
Exchange gain on foreign currency balances	8,148	23,113
	2,043,765	**1,672,167**
Changes in operating assets and liabilities:		
Inventories	(36,014)	(31,000)
Receivables and prepayments	(697,630)	175,814
Trade and other payables	(918,574)	(1,367,683)
Cash generated from operations	**391,547**	**449,298**
Taxation paid	(213,193)	(142,976)
Cash provided by operating activities	**178,354**	**306,322**
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(582,999)	(647,828)
Proceeds from the sale of property, plant and equipment	5,034	24,128
Purchase of investments (net)	(557,298)	(265,630)
Proceeds from sale of investments	611,298	-
Dividend received	(647)	(2,338)
Interest received	30,570	33,947
Cash used in investing activities	**(494,042)**	**(857,721)**
Cash Flows from Financing Activities		
Interest paid	(50,839)	(51,080)
Long-term loans repaid	(213,780)	(894,944)
Long-term loans received	725,000	1,389,090
Proceeds from IPO	1,134,720	-
Finance leases repaid	(20,571)	(26,790)
Dividend paid	(1,068,683)	(595,527)
Cash provided by/(used in) financing activities	**505,847**	**(179,251)**
Effects of changes in foreign exchange rates	(3,906)	52,472
Increase/(Decrease) in cash and cash equivalents	186,253	(678,178)
Cash and cash equivalents at beginning of year	**3,148,381**	**3,779,493**
Cash and Cash Equivalents at end of Period	**3,334,634**	**3,101,315**

Wisynco Group Limited
Notes to the Interim Financial Statements
31 December 2017

1. Basis of preparation

These financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been expressed in Jamaican dollars unless otherwise indicated.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended June 30, 2017.

2. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses and whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment. Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker. The chief operating decision maker is the Chief Executive Officer (CEO).

The CODM regularly reviews local versus export sales however the export sales do not meet the threshold of a reportable segment under IFRS 8 and as such no separate segment information is presented. There are no individual customers that constitute more than 10% of total revenue and the CODM does not review assets on a segment basis.

3. Earnings per share

Earnings per share is calculated on net profit and is based on the weighted average number of ordinary shares in issue during both years.

	Quarter ended 31 December 2017	Quarter ended 31 December 2016	Six months ended 31 December 2017	Six months ended 31 December 2016
Net profit attributable to ordinary shareholders ($'000)	578,006	470,047	1,224,242	1,146,406
Weighted average number of ordinary shares in issue ('000) at the start of the period	3,600,585	3,600,585	3,600,585	3,600,585
Issue of shares during the period ('000)	1,637	-	1,637	-
Weighted average number of ordinary shares in issue ('000) at the end of the period	3,602,222	3,600,585	3,602,222	3,600,585
Basic earnings per share	**0.16**	**0.13**	**0.34**	**0.32**

4. Share Capital

Consequent on the decision to become a publicly listed company the existing shares in the Company were sub-divided into 3,382 for each share in issue. This resulted in the number of shares in issue increasing from 1,064,632 to 3,600,585,424. The company also had an IPO in which 149,414,576 shares were issued bringing the total number of shares issued to 3,750,000,000. Additionally, the authorized share capital was increased to 4,000,000,000 shares.

5. Reconstruction of the Wisynco Group of Companies

On 30 October 2017, the Company effected a Scheme of Reconstruction ('the reconstruction") approved by the Tax Administration Jamaica under the laws of Jamaica. This resulted in the Company retaining its core businesses along with the operations of its subsidiary Indies Insurance Company Limited. The ownership of the other subsidiaries and associates namely Wisynco Foods Limited, Seville Development Corporation Limited and Fusion Limited were transferred to separate legal entities of the ultimate parent company.

As a result of this reconstruction effective 30 October 2017 these entities are no longer a part of the Wisynco Group Limited and are a deemed disposal.

The net assets of the entities involved in the reconstruction at 30 October 2017 transferred to the owners were as follows:

The financial performance and cash flow information presented are for six months ended 31 December 2017.

	Quarter ended 31 December 2017 $'000	Quarter ended 31 December 2016 $'000	Six months ended 31 December 2017 $'000	Six months ended 31 December 2016 $'000
Revenue	**147,392**	**156,177**	**595,457**	**306,175**
Cost of sales	(97,354)	(103,698)	(390,977)	(209,088)
Gross Profit	**50,038**	**52,479**	**204,481**	**97,087**
Other income	51	950	1,255	2,032
Administration and other expenses	(46,608)	(34,337)	(180,530)	(56,916)
Operating Profit	**3,481**	**19,093**	**25,205**	**42,203**
Finance income	(2,067)	1,411	(1,220)	4,655
Finance costs	(1,516)	(2,496)	(4,892)	(4,910)
Profit before taxation	**(102)**	**18,008**	**19,094**	**41,948**
Taxation	(10)	(7,391)	(4,057)	(12,199)
Net profit after tax of discontinued operations	**(112)**	**10,617**	**15,036**	**29,749**
Share of results of associate	8,315	3,708	26,519	18,862
Profit for the period from discontinued operations	**8,203**	**14,325**	**41,555**	**48,681**

5. Reconstruction of the Wisynco Group of Companies, Cont'd …

	Six months ended 31 December 2017	Six months ended 31 December 2016
	$'000	**$'000**
Operating cash flows	39,270	145,071
Investing cash flows	(47,312)	(92,376)
Financing cash flows	(25,156)	(27,546)
outflows	(41,542)	-
Effect of exchange rate changes	1,430	(910)
Net cash flows	**(73,310)**	**24,239**

Details of the net assets of the subsidiaries and associates transferred to owners

	31 December 2017 $'000
The carrying amounts of assets and liabilities as at the date of the sale were:	
Intangible Asset	15,879
Property, plant and equipment	330,280
Investment Property	13,449
Receivables	138,594
Inventories	18,098
Cash & short term deposits	135,108
Total assets	**651,408**
Payables	(243,357)
Net assets	**408,051**
Borrowings	(119,868)
Net assets from subsidiaries	**288,183**
Cost of invesments transferred (net)	467,670
Share of associates profits	261,875
Transfer to owners	**1,017,728**

No consideration was received on derecognition of these entities. The transaction was deemed to be between shareholders, the effects of which are recorded in equity.

6. Subsequent Events

The Directors confirm that there have been no material events subsequent to the end of the interim reporting period that have not been reflected in these financial statements.