Chairman's Report

ROBERT BERMUDEZ
Chairman of the Board

Dear Shareholders

Despite setbacks and challenges faced, the Massy Group of companies performed well in the 2017 Financial Year. The Group remains financially strong with market leading positions in its core industries. In FY2017, the Group's Third Party Revenue grew by 2% despite the economic slow-down in its 2 key markets, Trinidad and Tobago and Barbados. Excluding the Discontinued Operations (from the sale of Massy Communications), Profit Before Tax declined by 15% or $131 million. It is worthwhile to note that the losses which were incurred as a result of hurricanes Irma and Maria through the Group's insurance programs were $86 million. Also contributing to the PBT decline were declines of $26 million in PBT from Massy Energy Colombia which lost a major maintenance services contract with a significant client, and $22 million, $14 million and $20 million reduction in PBT from Massy Motors, Massy Machinery and Massy Stores resulting from the slow-down of the Trinidad and Tobago economy. The favourable movement of $38 million in associates as a result of the major maintenance cost incurred in the Oxygen plant in 2016 which did not recur in 2017 helped to reduce the impact of these declines.

Commendable performance was delivered by the businesses in Jamaica, Guyana and the Eastern Caribbean which produced double digit growth in these territories; and by the Integrated Retail Business Unit which increased PBT over prior year by 6% despite declining profits at Massy Stores in Trinidad and Barbados.

The sale of Massy Communications crystalized a further loss of $68 million and with an increased corporate tax rate in Trinidad and Tobago, the Group's Profit After Tax (PAT) declined from $536 million to $412 million. Despite these extraordinary events, the Group's Balance Sheet and profit-making engines remain strong.

Further, executive management of the Group have embarked on a number of profit enhancing initiatives including, cost containment, procurement, shared services and continuous improvement initiatives. I am optimistic that these initiatives will help to reduce the operating costs of the Group and thereby make the Group more competitive. The Board is paying close attention to monitoring the results of these initiatives.

Governance

I am pleased to say that over the past year, one of the Board's main areas of focus was the strengthening the Group's governance structure. In so doing the Board has and continues to keep abreast of global trends and governance standards, to facilitate the Massy Group's adherence to the highest governance standards. Although, we may not yet be where we want to be, we certainly are determined to keep working towards this goal and as such, great focus has been placed on developing a more robust policy, compliance and risk framework. As we recognise that corporate governance does not exist in isolation nor can it be reduced to compliance with checklists and codes we continue to have re-enforcing conversations and remain guided by our Group's Purpose and our Core Values, which form the basis for our approach to leadership, governance and business.

The Governance and Compensation Committee and the Board have supported the development/revision of certain key governance policy documents including; The Code of Conduct/ Ethics Policy, the Conflict of Interest Policy and the Speak Up Policy (formerly the Whistle-blower Policy). The Governance and Compensation Committee was also instrumental in the development of a Subsidiary Board Policy which will provide further guidance to subsidiary boards and enhance subsidiary governance across the Group.

Continuous training for our Board Members is key as our Group of companies grow in a world which is rapidly changing with evolving technologies, shared-economies and artificial intelligence - all being both risks and opportunities. Anticipating the pace of change continues to challenge and inspire, causing us to become more adaptable and flexible. Other areas that our Board will continue to discuss and keep in the foreground;

enhancing board oversight on cyber risk, board development and refreshment, Director succession planning and strengthening and utilising the value we get from our board evaluations.

Board Changes and Promotions

With the departure of one of the Company's Directors earlier this year the Board, the Governance and Compensation Committee used the guidelines from the Board's Director Nomination Policy to conduct a search and recommend a new candidate to serve as a Director of the Company. Out of this process, on April 24, 2017 Mr. Suresh Maharaj was duly appointed as a Director of the Company. Director Maharaj brings with him a wide range of expertise, which includes organizational restructuring, return on economical capital strategies, revenue growth initiatives, compliance direction and management, corporate governance and global market identification. Director Maharaj is a highly-recognized Global Senior Executive with 43 years of experience in the financial services industry. On behalf of the Board I again extend a heartfelt welcome to Director Maharaj.

It gives me great pleasure to report that the Corporate Secretary to the Board of Directors, Ms. Wendy Kerry was promoted to the position of SVP, Corporate Governance and Corporate Secretary. This promotion comes in recognition of the value that Ms. Kerry brings to the Group in improving its corporate governance policies, practices and competencies. Please join me in congratulating and thanking her for her service.

Shareholder Returns

We know how important our dividend is to shareholders. Despite a 25% reduction in our Earnings Per Share, we have decided to maintain the total dividend per share for the year at the same level as last year, with the proposed payment of a final dividend of $2.10 per share. This dividend remains well covered on a cash basis.

Facing the Future

To meet the challenges ahead, we must be bold, ambitious and decisive. We must think big and execute effectively. I remain confident in the Group's future and expect the Group to rebound from the extraordinary circumstances in 2017. While the Group must continue to manage the challenges of under-performing economies in Barbados and Trinidad and Tobago, it must also capitalize on the opportunities emerging in Guyana, Colombia and other territories in the region which are presenting attractive investment opportunities for the Group.

Finally, I would like to thank our customers, our employees and our shareholders for their support.

Chief Executive Officer's Report

GERVASE WARNER
President & Group
Chief Executive Officer

During 2017, the Group continued to progress its geographic expansion and diversification with another acquisition of car dealerships in Colombia. The acquisition of Grupo Automontaña brought four car dealerships in Medellin and 2 car dealerships in Bogota to the Group and more than doubled the Group's annual car sales in Colombia. The Group also strengthened its relationships with ExxonMobil and international offshore infrastructure provider, SBM Offshore, to best position the Massy Group of companies in Guyana to serve these international operators as they move into the development and production phases of their projects.

The Group also continued to face challenging economic environments in Trinidad and Tobago and Barbados. This coupled with three major hurricanes that hit the region in the 2017 Financial Year and the sale of Massy Communications had a deleterious impact on the Group's financial results. The diversification of the Group and sound performance of many of its core business counter-balanced the external challenges and have kept the Group strong. The Group's Third Party Revenue increased by 2% to $11.8 Billion. The Group's Earnings Per Share from Continuing Operations was $4.46 down 23% from 2017 largely as a result of the losses from the impact of hurricanes Irma and Maria on the insurance business and the increases in corporate tax rate in Trinidad and Tobago.

Excluding the Discontinued Operations (from the sale of Massy Communications), Profit Before Tax declined by 15% or $131 million. It is worthwhile to note that the losses which were incurred as a result of hurricanes Irma and Maria through the Group's insurance programs accounted for $86 million of the decline. Also contributing to the PBT decline were declines of $26 million in PBT from Massy Energy Colombia which lost a major maintenance services contract with a significant client, and $22 million, $14 million and $20 million reduction in PBT from Massy Motors, Massy Machinery and Massy Stores resulting from the slow-down of the Trinidad and Tobago economy. The favourable movement of $38 million in associates as a result of the major maintenance cost incurred in the Oxygen plant in 2016 which did not recur in 2017 helped to reduce the impact of these declines.

Commendable performance was delivered by the businesses in Jamaica, Guyana and the Eastern Caribbean which produced double digit growth in these territories; and also by the Integrated Retail Business Unit which increased PBT over prior year by 6% despite declining profits at Massy Stores in Trinidad and Barbados.

The current economic challenges are providing additional urgency to the Group's focus on efficiency and cost effectiveness. We believe the Group must improve efficiency by codifying common platforms upon which we operate to continue our growth strategy across the region. To this end, the Group has engaged consultants to guide us through a project to centralize the procurement of Indirect goods and services and will move on to a project to centralize the procurement of Direct products and services for the Integrated Retail Business Unit. In addition, the Group is also initiating diagnostic and benchmarking exercises to embark upon a shared services initiative to create shared service centres within the Group for Finance and Accounting, Payroll, IT, Procurement and HR.

Going forward the Group will focus its acquisition and investment activities on its core industries in which it has competitive strengths; i.e., Integrated Retail, Automotive Distributorships and Dealerships, Industrial Gas and other plant operations. Diversification to countries with larger and better performing economies will also be a priority for the Group. We believe our Group shared services and procurement platforms will allow us to bring additional value to the targets of our acquisitions and investments.

Our people and our leaders continue to be our major source of competitive advantage. Six years ago, we began a journey of organizational transformation which outlined a new strategy for the Group and led us to becoming a purpose-driven organization, clearly articulating that our actions must align to being "A Force for Good: Creating Value, Transforming Life." Our purpose is premised on a values-based foundation to support our growth. This led us to re-energize our focus on customer service and introduced new development programmes to build the capacity and leadership potential of our employees. We also embarked on a number of significant growth initiatives including acquisitions in Latin America, a multi-national re-branding exercise, concurrent with the expansion and modernization of our Massy Stores locations across the Caribbean, and investments in the petrochemicals and telecommunications sectors. The process of transformation has been one of consistent growth and continuous improvement, striving each year to surpass the targets we set in the previous year, while building on the lessons and milestones we attain each year.

Procurement, Cost Containment & Continuous Improvement

In the latter part of the financial year we identified a major opportunity to achieve greater efficiency and cost compression through the implementation of global best practises in procurement. This effort positions us to achieve a number of objectives in the following financial year and in years to come, including achieving industry cost leadership and strengthening Massy's competitiveness; increasing the safety and quality of products and services we provide to our customers; sourcing best-in-class products and services for our Group companies and developing new competencies and capabilities. We conducted an internal recruitment drive to dedicate fulltime resources to the initiative, which will focus on specific categories within our operations, facilitated by expert consultants and with support from business users across the Group. We expect that new projects and processes, such as leveraging our supplier base for improved volume pricing, will emerge from this procurement exercise in the second quarter of the following year and beyond.

People Development & Leadership Development

Each day leaders in our companies rise to the challenge of finding new ways of empowering our employees. The Massy Middle Management programme has been a significant employee development programme for over ten years. The programme prepares management-level employees across the Group for greater personal and professional growth. In partnership with Barry-Wehmiller, we continued to conduct the 3-day "Listen Like a Leader" workshops, which support leaders in developing their communication skills, by understanding their specific communication patterns and styles. To date, two Massy Human Resources Directors have been internationally certified as programme coaches and continue to roll out the programme to leadership groups, including Massy leaders in Miami, Guyana and Barbados in 2017. We also conducted workshops to codify our Expectations of Massy Leaders, and for the second consecutive year, we incorporated 360° surveys of these expectations as part of our leadership assessment process. This was the third year in which we rolled out a Group-wide employee engagement survey to identify the strengths and gaps of our engagement activities.

Customer Service

This past year, the Group saw the emergence of a Customer Service Leadership community from our Group companies, tasked with the overall objective of further embedding the Customer Service culture within the Group. The principal tool for tracking and measuring our progress is the Massy Customer Service Management System (CSMS). The community deepened their utilization of the system this year and focused on training, survey roll outs and audits. In keeping with our vision of creating one consistent customer experience and a service-based customer service culture, the Group embarked on a standardized approach to customer service training. The MyMassy MyCustomer Training Programme establishes consistent standards for basic customer service skills, whereby each employee has access to the same quality and quantity of training. This approach supports the transfer of knowledge and application of skills required to achieve a culture of service excellence across the Group. Since 2015, the Massy Group has partnered with American Satisfaction Index (ACSI) to measure and gain insights into its customer experience management. To date the econometric model has been adopted across all Business Units, to identify specific gap areas. During the last financial year, 13 audits were performed across all Business Units. Results from these audits show that some of our companies have maturing systems gaining scores in excess of 90 percent.

Active Portfolio Management

Massy continues to pursue growth opportunities in our core businesses of Integrated Retail, Automotive Distributorships and Dealerships, Industrial Gas and other plant operations in Central and South America and the Caribbean. Several opportunities are currently being evaluated. Some are more progressed than others. As acquisitions and significant new ventures come to fruition, shareholders and the general public will be informed through appropriate announcements. All significant investments undergo careful scrutiny of the executive management as well as the entire board of directors.

In 2017, we divested two non-core businesses. In May 2017, we signed a Share Purchase Agreement (SPA) with the Telecommunications Services of Trinidad and Tobago (TSTT) for the sale of 100 percent of the shares of Massy Communications Ltd. to the local telecommunications provider. Since 2006 Massy Communications, formally Three Sixty Communications, has been quietly building out its telecommunications network and expanding its fiber-optic voice and data services to enterprise customers. In 2015, Massy Communications took the bold step to expand into residential internet and TV services. One year after its launch in February 2016, the business had over 6,000 subscribers, of approximately 34,000 homes passed throughout Trinidad and over 48,000 fibre route kilometres. The Massy Communications assets became attractive to larger players considering its reputation of superior service and the quality of the network deployed. We also recognised that to continue our growth and to meet the demands of our valued customers, we had to align ourselves with a large industry player. As such, we entered into discussions to find the most suitable partnership which would enable further growth and Massy Communications chose to partner with TSTT. The decision was based on an alignment of the values of both companies, who are similarly focused on the development of local talent. The company has since been re-branded by its new owner, and all customers have been smoothly transitioned to the new operation.

In our 2016 report there was some discussion around our investment in the IT services company in Costa Rica, namely our acquisition of 20 percent minority interest in I&G Technologies. After further evaluation, the Board took a decision to sell our investment in the company and in 2017, the sale was concluded. This year we also sold our 51 percent shareholding in CRIF NM Credit Assure Limited, a Jamaica-based operation. The Group took the decision to dispose on non-strategic business and will continue to responsibly divest other non-core assets as appropriate opportunities are identified. Proceeds of divestments will be used to fund investments in growing and geographically diversifying the Group's portfolio in its core industries.

Risk

Our governance structures, control framework and board committees all work together to ensure that there is a robust risk management framework in place to identify, quantify, mitigate and monitor risks. This year we strengthened our approach to identifying and mitigating risks. The following discussion outlines the broad categories we use to consolidate the many sources of risk in our operations. In each category, we identify the top risks which our Group faces and our approach to risk mitigation.

Risk Area	**Description**	**Mitigation**
Foreign Exchange Risk	The availability of US currency in some of our key markets such as Trinidad and Barbados has been a challenge over the past two years. There is an enhanced risk of foreign exchange devaluations and possible currency volatility in some of our core markets.	The diversity of the Massy Portfolio of businesses and locations provides a natural hedge against foreign currency volatility. This will help to diffuse the impact to any potential currency devaluations in the future. On a tactical level, we have been working with suppliers and customers to ensure that we minimise our net foreign exchange exposures and that our imported inventory levels are rationalised to focus on those with the highest customer demand and profitability.
Supplier/ Principal Risk	Massy represents some of the world's leading brands. This requires us to sometimes manage competing interests and always requires us to adhere to stringent levels of customer due diligence. The risk that we lose or impair any of these key relationships can significantly affect our revenue objectives and in some cases, even our business model.	Continuous communication with Principals to ensure that our Business plans and operational processes are aligned with their expectations of us as representatives of their brands.

Risk Area	Description	Mitigation
Business Cycle Risks	Some of our business units are pro-cyclical – they do well when the economy is thriving and are at the risk of faltering in times when the main revenue generating industries in key markets suffered significant setbacks. With governments as the main investor and employer in many of our regional markets, customer concentration risk is also closely linked to Business Cycle risk exposures.	Close capital goods inventory management and conditioning and focus on after-sales to improve the expense absorption rate. Ensure that there is a reliable revenue stream that is able to cover administrative and operational cost base. Implement Strategic Plan to expand in new markets for the Automobile and Industrial Equipment Business
Insurance Risk	Our general insurance businesses, Massy United Insurance Ltd, brings portfolio diversity to our group of businesses and with it a unique risk exposure profile which we categorise as Insurance Risk. Insurance risk consists of two components: The risk that net claims losses are higher than expected and the risk that premium rates do not reflect the potential loss exposures of the policies sold.	Transfer of risk via the Reinsurance Treaty to A-quality reinsurers. Catastrophe and All Risk Stress tests help us to assess maximum losses under various scenarios so that we can manage our exposures. Further develop in new markets, distribution channels and line of business to preserve underwriting margins in soft markets.
HSSE and Disaster Preparedness Risk	All Business Catastrophe Preparedness, and HSSE Risk. This relates to the risk that a company is not able to ensure the safety and security of its personnel, physical, technology, data, and intellectual property resources. Massy's industrial operations in Energy, Industrial Gas and Automobile sectors, our involvement in food preparation and drug distribution bring significant exposures to HSSE and Business Continuity risks. This can result in injury or loss of life, damage to buildings, furniture and physical assets and company data. Damage to our reputation and violation of statutory regulations also underline why these risks are among our top exposures.	***HSSE*** – Policies, Processes and Systems have been developed to ensure zero harm to people and to compliance with safety regulations. A programme of onsite visits and audits by Senior managers and HSSE officers to review safety practices help to re-enforce management's commitment to safety and to ensure compliance with HSSE Systems across the Group. ***IT*** – The group has tightened its cyber security controls to deal with increased cyber security threats. Additionally, The Group IT unit is in the process of reviewing and strengthening the IT governance and control framework for all IT related risks.

Risk Area	Description	Mitigation
		BCP - a programme to ensure that BCP plans are in place for each operating company is managed by the Group HSSE department who is also responsible for monitoring and keeping the organisation aware of any possible business interruption events across all territories.
Credit Risk	We define Credit Risk as the risk of customers, counterparty or trading partner failing to fulfil payment obligations on time and in full, according to agreed terms and conditions. The primary sources of credit risk within the Group are trade receivables balances for operating companies and bond default risk in our pension and insurance investment portfolios. Credit concentration risk is also a subset of our Credit risk which arises from government and government related credit exposures across the region.	We monitor the top customer balances across the group and pay attention to customers with balances in more than one Business Unit. Senior managers and Executive Directors become directly involved in managing credit exposures of key names. We also closely monitor government bond exposures and evaluate the impact and probability of default on the portfolio through scenario testing.
Compliance, Legal and Governance Risk	Compliance and Legal Risk relates to the risk of loss through fines, penalties, personal loss of liberty and reputational damage from non-compliance with the legal and regulatory requirement including those relating to financial reporting, environmental health and safety. The regulated entities in the group present the greatest source of AML risk while all operating companies face the risk that governments can impose additional cost on us or cause us to have to change our business models or practices.	The Group's Anti-Money Laundering (AML) Compliance programme uses a risk based approach to customer due diligence and is constantly updated to improve the customer and transaction monitoring capabilities. Continuous AML related training is provided for all directors, managers and operational staff in AML regulated entities

Risk Area	Description	Mitigation
Operational Risk	Operations Risk is the risk of loss caused by poor or ineffective internal processes, people and systems. It is the failure to implement the best practice in term of internal processes, procedures and internal controls that will result in the non-achievement of the group's objectives/ vision and core values. The failure to implement and monitor effective procedures and controls manifests itself in various functional areas such as Finance reporting, Human resource practices, execution of projects or new initiatives, contract management, sales management, customer service management etc	A renewed focus on cost effectiveness and higher productivity in the form of various Continuous Improvement Projects, shared services, procurement and process standardization is the Group's response to many of its operational risks. Focus on strengthening the internal control framework is achieved through the oversight of the Group Audit Governance Committee. Regulated entities in Financial Services operating companies have enhanced oversight through their own Audit committees.

Conclusion

In closing, I wish to thank all Massy Group employees for their passion, commitment and dedication. The year presented many challenges and tested your resolve. I am truly grateful to you all for delivering yet another solid performance. I am also grateful to our Board, led by our Chairman, who continue to provide strategic direction and input for the Group.

We will continue to put relationships at the heart of our business and will strive to continuously improve those relationships to deliver service excellence to our customers, transparency to our supplier partners, deeper engagement with our employees and value to our shareholders.

Chief Financial Officer's Report

PAULA RAJKUMARSINGH
Executive Vice President &
Chief Financial Officer

Key Items in the 2017 period:

- Third Party Revenue increased by 2 percent or $250 million from $11.5 billion to $11.8 billion. There was an increase of $462 million in revenue in our Automotive business in Colombia primarily because of the acquisition of the Automontaña dealerships. Revenue in our businesses in Trinidad and Tobago and Barbados declined by 6 percent and 2 percent respectively.
- Operating Profit before Finance Costs and Tax from Continuing Operations decreased by 18 percent, from $909 million in 2016 to $741 million in 2017, Operating Expense increased by 5 percent to $2.6 billion and there was margin compression throughout our core businesses.
- Net Finance Costs increased slightly from $53.1 million to $55.6 million, attributable to the reduction in the exchange gains booked at the Parent Company.
- Interest Coverage Ratio is 8, based on the 2017 results.
- Earnings per Share (EPS) was $3.85, 25 percent below 2016. ($4.46 from continuing operations and ($0.61) from discontinued operations).
- The loss after tax on discontinued operations was $68 million in 2017 compared to $77 million in the previous year. In the ITC Business Unit, the 75 percent shareholding in Massy Communications in Trinidad & Tobago and the 20 percent shareholding in the Costa Rica investment were sold in 2017.
- Group Debt increased from $2.2 billion to $2.3 billion.
- Group Cash declined from $2.0 billion to $1.6 billion, as $573 million in surplus cash was moved to longer term investments to improve the yield.
- Cash flow from Operating activities was $1.3 billion in 2017.
- Debt to Debt and Equity Ratio decreased from 32 percent in 2016 to 31 percent in 2017.
- The Net assets per share is $50.36.

Overview

The Group reported a 2 percent increase in Revenue, with a 15 percent or $131 million reduction in Profit Before Tax. Share of Results from Associated Companies reported a profit of $69 million compared to a profit of $29 million in 2016. In the last two years, the Group disposed of the two ITC investments and it resulted in the reporting of a loss on discontinued operations of $68 million in 2017 compared to $77 million in the previous year. The restatement of the financial statements was primarily as a result of these disposals. With the increase in the country tax rate in Trinidad and Tobago, the Group's effective tax rate increased from 31 percent in 2016 to 36 percent in 2017. Overall, this resulted in a reduction in the Earnings per Share (EPS) by 25 percent or $1.25 from $5.10 ($5.80 from continuing operations and ($0.70) from discontinued operations) to $3.85 ($4.46 from continuing operations and ($0.61) from discontinued operations).

There were mixed performances in our Business Units and in the various territories in which we operate. Included in the $168 million reduction in Operating Profit before finance costs, there was $86 million in losses from the Hurricanes. Our operations in Guyana, St Lucia and Jamaica performed commendably, contributing double digit growth in earnings however our operations in Colombia, Trinidad and Tobago, and to a lesser extent Barbados (excluding Hurricane losses) suffered reductions in revenue and increased operating costs. The profit contribution from our operations in Trinidad and Tobago decreased by 12 percent, due to margin compressions and the increased cost of doing business throughout most of our operations, with the highest impact experienced in our Automotive and Retail lines of businesses. The operations in Colombia moved from a profit of $18.6 million to a loss of $7.3 million. This shift was primarily due to the loss of a major contract in our Energy Service operations in 2017. With the acquisition of Automontaña and the expansion of our Motors business into two other cities in Colombia, there was a 39 percent increase in profitability from the Motors operations in Colombia. Our results in Barbados were impacted by the losses incurred from the major Hurricanes and the closure of the Massy Stores flagship store (Sunset Crest) for refurbishment.

The share of results in associated companies increased by $38 million. The favorable movement was as a result of the major maintenance cost incurred in the Oxygen plant in the previous year which did not recur in 2017.

Business Unit Performance

The economic vulnerabilities throughout Latin America and the Caribbean persisted, and our trading environment remained challenged.

This year, the region was hard hit by three hurricanes, Harvey, Irma and Maria. Some tourism dependent economies, such as Antigua & Barbuda and Dominica, in the Caribbean were devastated as a result. Territories in which our core operations were located, such as Barbados, Jamaica, Guyana, St. Lucia and Trinidad and Tobago were not affected. However, our Insurance business, through which we service many policyholders located in the affected territories, was impacted and faced significant claims losses. Before the impact of the hurricanes in these tourism dependent economies, the IMF has reported that growth for the following year is expected to improve by 2.4 percent, when compared to 2016-2017. In Barbados, there were increases in the tourism and construction sectors but fiscal imbalances continue to challenge the country's growth. The performance of commodity exporters, particularly fuel exporters such as Trinidad and Tobago and Colombia, continues to be weak as the global industry experiences lower oil and gas prices and decreased production levels. Our energy businesses in both Trinidad and Tobago and Colombia were negatively impacted, however our automotive operations in Cali, Medellín and Bogotá continue to perform exceptionally well. Two new large gold mines and positive sentiment around new oil discoveries, with Exxon Mobil promising production of 100,000 barrels per day from 2020, signals a strengthening economy in Guyana.

The following sections highlight key business performance insights for 2017:

The Automotive & Industrial Equipment Business Unit (A&IEBU) concluded the year with a significant increase in revenue (12 percent or $275 million) and a reduction in profitability (17 percent or $35 million). The Earnings before Interest and Tax (EBIT) margin was 8 percent in 2017 versus 10 percent in 2016. The Business Unit's primary operation, Massy Motors Ltd. (Trinidad and Tobago), experienced a 10 percent decrease in revenue and there was margin compression in both Vehicle Sales and Rentals Operations which resulted in an 18 percent reduction in profitability. Our Colombia operations expanded further to two more cities with the acquisition of eight dealerships in January 2017 (five in Medellín and three in Bogotá) and contributed $462 million to the increase in revenue. In addition, in Colombia the Group acquired the minority shareholding and the property from which it operates in Cali, Colombia and this contributed to an increase in our interest cost in Colombia. Our profit contribution from our Automotive business in Colombia increased by 39 percent to $8.5 million in 2017. Revenues from the Guyana operations (Massy Industries) grew by 6 percent over 2016 and profit was down by 23 percent as there was an unusual cyber fraud loss reported in their results. The significant slowdown in the construction sector in Trinidad and Tobago has impacted the Business Unit's sale of capital equipment and parts.

The Energy & Industrial Gases Business Unit (E&IGBU) experienced a decline in revenue of 1 percent or $11 million and Profit decline of 1 percent or $2 million whilst the EBIT margin was 13 percent in 2017 versus 17 percent in 2016. In 2017 the Industrial Gases business experienced curtailment in demand primarily for Nitrogen and Oxygen in Trinidad and Tobago, however the LPG business increased in revenue and profit in Guyana and Jamaica as volume grew both in the household and commercial segments, resulting in an improvement in profit of just over 22 percent to the Industrial Gases Line of Business. The Energy Services business continued to face significant challenges in 2017, with clients continuing to streamline their businesses and reduce cost. The Business unit reported an operating loss of $46 million in 2017 when compared to a $6 million loss in 2016. In 2017, our operations in Colombia moved from a profit of $12 million to a loss of $14 million. The shift was primarily due to the loss of a major contract in our Energy Service operations in 2017.

The continuing businesses in the **Information Technology & Communications Business Unit (ITCBU)** recorded a revenue increase of 6 percent and an 8 percent increase in profitability. The 75 percent shareholding in Massy Communications in Trinidad & Tobago and the 20 percent shareholding in the Costa Rica InfoCom business were sold in 2017. The sale of both shareholdings resulted in loss after tax on discontinued operations of $68 million in 2017 and $77 million in the previous year. For the continuing businesses, the EBIT margin remained steady at 17 percent in 2017. The companies in the ITCBU, operating outside of Trinidad and Tobago reported growth in earnings whilst our two main operations in Trinidad and Tobago which contribute 59 percent of the profits for the business were marginally down compared to 2016. The slowdown in IT projects from the Government and the Financial Service sectors, and a notable reduction in revenue from the sale and rental of printing machines has challenged the growth of the Massy Technologies businesses in Trinidad and Tobago.

The Integrated Retail Business Unit (IRBU) experienced revenue decline of 1.2 percent and a 6 percent increase in PBT. The EBIT margin increased from 5 percent to 6 percent as

Gross Margins increased, but operating costs remained stable throughout the network, despite higher depreciation, taxes and employee related costs in the Retail Stores. The improvement in profitability in this Business unit came from the Distribution Line of business throughout the region. Challenging and competitive trading environments continue to place pressure on our Retail margins and comparable sales growth in most of the territories in which we operate. The Retail Line of Business continued its network expansion and enhancements, as there were five main projects across the region. In St Lucia, we opened a new store in Sunny Acres whilst our Gourmet store in Rodney Bay was refurbished. Retail growth in profitability was experienced in the St Lucia and St Vincent stores whilst our Trinidad and Tobago and Barbados stores showed a decline in profitability of 18 percent. In Barbados, the closure of the Sunset Crest store for reconstruction impacted the results in 2017. In the Distribution Business there was a 5 percent decline in revenue however profitability increased by 9 percent. Driven by the necessity to carefully manage the use of foreign currency, the Trinidad and Tobago and Barbados operations have cut back on lower margin products, reduced inventory, negotiated more favorable terms with principals and used its ability to source products to improve margins and working capital substantially. In the other territories, improved performance was fueled by both organic growth and the acquisition of new agencies.

The Financial Services Business Unit (FSBU), comprising of our Insurance and Consumer Finance operations, grew in revenue by 4 percent and there was an 82 percent decrease in profitability. The significant reduction in profitability was as a result of losses of $86 million from the hurricanes which affected the Caribbean in the 2017 financial year. The Remittance Services business, representing MoneyGram, in Trinidad and Tobago and Guyana showed double digit growth from prior year and continued to earn US currency for the Group. Excluding hurricane losses, the Insurance business contributed 46 percent of the profit in this Business Unit and declined by 10 percent. 2017, was the worst year on record for hurricane losses for Massy United Insurance Ltd. The year started with Hurricane Matthew that hit the Bahamas and concluded with two Category 5 hurricanes that struck many territories in the Northern Caribbean. $86 million in losses from these hurricanes severely impacted the financial performance of the FSBU. Earned Premiums in the automotive insurance business improved by 20 percent, when compared to the prior year however there was a decline in rates under the property business throughout the region for most of 2017.

The **Other Investments** portfolio, revenue increased by 3 percent, whilst profitability decreased by 13 percent. Roberts Manufacturing continues to face challenges with imported feed and oil which resulted in margin compression in 2017.

The **Head office and Unallocated Cost** was $143 million, an increase of $28 million or 24 percent over the previous year. These costs include Head Office department costs, unallocated interest costs and several miscellaneous costs which were not allocated to Business Units, and which fluctuate quarterly and annually. Head Office department costs decreased by 3 percent in 2017 primarily due to strong discretionary management expense. In 2016, the cash held in US currency for investments had an exchange gain following the devaluation of the Trinidad and Tobago dollar these gains did not recur in 2017. In addition, the Pension amounts increased in 2017.

Finance Costs

Net Finance Costs increased slightly from $53.1 million to $55.6 million, attributable to the reduction in the exchange gains booked at the Parent Company.

Profits From Associates And Joint Ventures

The results from associated companies and joint ventures increased from $29 million to $69 million, primarily due to a major maintenance charge for the Oxygen Plant that was expensed in 2016. There was a solid performance from our joint venture investment in the Energy Services sector (Massy Wood Group).

Taxation Charge

The taxation charge for the Group increased from $272 million to $274 million, and the Effective Tax Rate increased from 31 percent to 36 percent in 2017. The increases in Corporation Tax and the Green Fund Levy rate in Trinidad and Tobago impacted the effective rate.

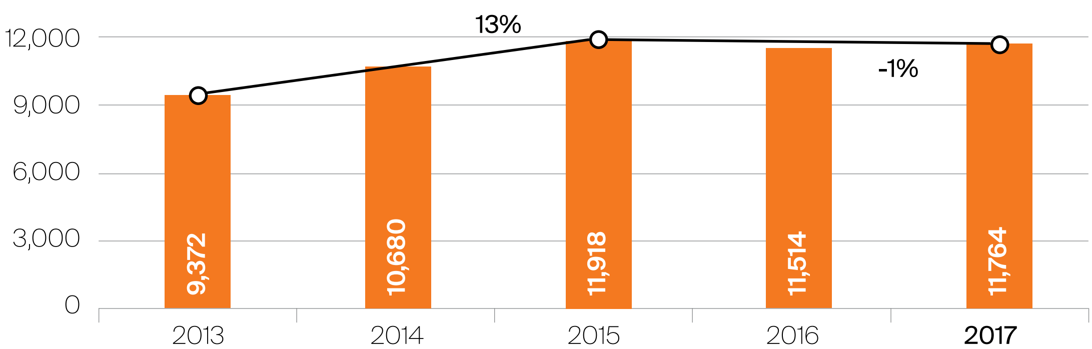
Balance Sheet

Massy's Balance Sheet is well supported by significant property assets and long-term debt. Total assets increased from $11 billion to $13 billion at the end of September 2017, and the Net Assets per Share was $50.36. The Group's leverage (Total Debt to Shareholder's Equity) remained flat at 46 percent. 77 percent of the borrowings are long-term borrowings in Trinidad and Tobago dollars. Total cash decreased from $2.0 billion to $1.6 billion, as there was an increase in longer term treasury investments that are shown in the Other Receivables line. Included in Receivables is $1.9 billion of Reinsurance Recoverable on the $2 billion of Claims outstanding from the recent hurricanes that impacted our Insurance line of business. The operating cash flows continues to be strong through effective Working Capital Management. Our Cash Flow used in investing activities was primarily related to the funding of our Rental Fleet and Equipment business, and the modernization activities in our Retail operations. At the time of this Report, the Group had $400 million in capital expenditure approved by the Parent Board, of which 90 percent was outside of Trinidad and Tobago. Our financial activities had a Net Outflow of $511 million in cash in 2017, compared to $197 million in 2016, as TTD borrowings that came due were repaid. The Group has adequate financial resources to support its anticipated short and long-term capital obligations.

Internal Control and Assurance

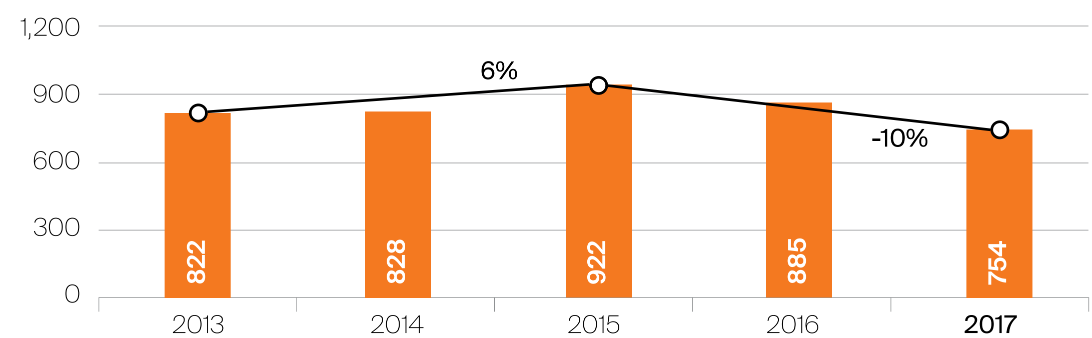
The Group maintains an independent Internal Audit function with a Group-wide mandate to monitor and provide assurance to the Board's Audit Committee and ultimately to the Board of Directors, as to the effectiveness of the internal control systems. The department is also mandated to regularly report its findings to the Board, via the Audit Committee. The annual internal audit plan, which is approved by the Board, applies a risk-based methodology to ensure that the Group's key risks are appropriately and regularly reviewed. In addition, as part of the annual operating cycle, each business is required to review and report on legal liabilities, financial controls, HSSE issues and business risks. In addition, post-implementation reviews are conducted on all major capital investment expenditure projects.

REVENUE TT$M



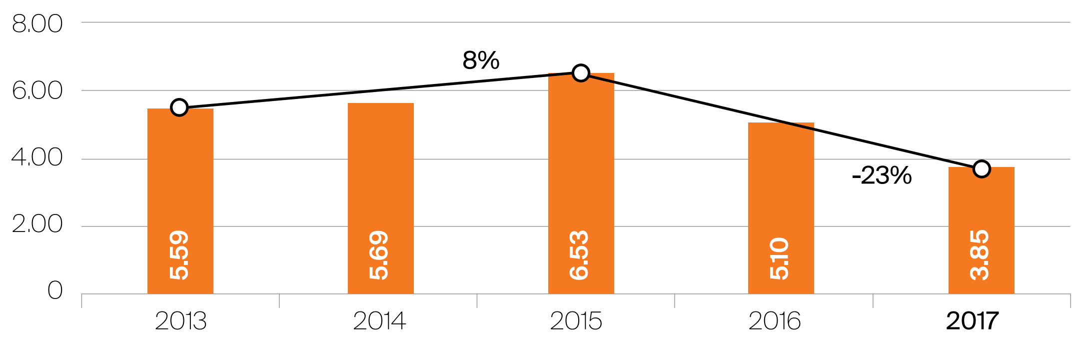
Compound Annual Growth Rate 2013-2016   6%

PROFIT BEFORE TAX TT$M



Compound Annual Growth Rate 2013-2017   -2%

EARNINGS PER SHARE TT$.¢.



Compound Annual Growth Rate 2013-2017 -9%

THE PATH TO PROFIT BEFORE TAX 2016-2017