



Consolidated Financial Statements

For the Nine Months ended 31st December, 2014

Chairman's Statement

Kenny Lue Chee Lip
Chairman

I am pleased to report that NEL recorded a profit of \$401.9M for the nine months ended 31st December, 2014 compared to \$345.4M in the previous year an increase of 16.3%. Earnings per share was \$0.66 compared to \$0.58 for the prior year.

TSTT's profitability for the period was significantly better compared to the last financial year consistent with its 5 year strategic plan. Tringen's profitability was marginally better than the corresponding 9 month period in 2013.

NGC LNG and National Flour Mills also recorded better earnings. In this quarter, NEL also recorded its first dividends of \$3.6M from its new investment in PPGPL as part of a consortium that purchased Panwest LLC, owners of 10% of PPGPL. The positive impact of these was partially offset by Powergen and NGC NGL's earnings being lower than 2013.

Overall, I am pleased with our 9 months' year-to-date EPS of \$0.66 which is very satisfactory given the low interest rate environment in 2014 and weakening energy prices, additionally it is well above last years' EPS of \$0.32. In the last calendar quarter of 2014, Tringen undertook an Energy Efficiency Improvement Project (EEIP) and Turnaround (TAR) on its Tringen 1 plant. The company's operations also continue to be adversely affected by natural gas curtailment. Further, in the last few months, commodity prices in the energy sector have been falling, and as a result the projected earnings will be lower for our investee companies in the gas and petrochemical sectors. Accordingly, we expect to see a moderate last quarter.

NEL is also awaiting the finalisation of the Cable and Wireless/Columbus merger announced recently. We have evaluated the various options for the ownership structure of TSTT if the merger were to proceed, and in due course will work with the other shareholder on the way forward to preserve our investment in TSTT. We will keep shareholders informed of this situation.

Condensed Consolidated Statement of Financial Position

	Unaudited Nine months ended 31 December 2014 \$ '000	Unaudited Nine months ended 31 December 2013 \$ '000	Audited Year ended 31 March 2014 \$ '000
Assets			
Equity accounted investments	2,424,552	2,526,152	2,336,503
Property, plant and equipment	137,128	138,104	141,077
Other non-current assets	641,144	357,466	293,896
Total non-current assets	3,202,824	3,021,722	2,771,476
Current assets	700,599	784,308	819,892
Total assets	3,903,423	3,806,030	3,591,368
Equity			
Stated capital	1,736,632	1,736,632	1,736,632
Investment remeasurement reserve	20,576	-	16,766
Translation reserve	25,161	27,753	31,979
Retained earnings	1,523,358	1,657,330	1,451,330
Total equity attributable to equity shareholders	3,305,727	3,421,714	3,236,707
Non-controlling interest	95,749	91,672	88,805
Total equity	3,401,476	3,513,386	3,325,512
Liabilities			
Non-current liabilities	18,465	15,475	18,464
Current liabilities	483,482	277,169	247,392
Total liabilities	501,947	292,644	265,856
Total equity and liabilities	3,903,423	3,806,030	3,591,368

Condensed Consolidated Statement of Comprehensive Income

	Unaudited Nine months ended 31 December 2014 \$ '000	Unaudited Nine months ended 31 December 2013 \$ '000	Audited Year ended 31 March 2014 \$ '000
Revenue	335,477	337,744	457,897
Cost of sales	(278,761)	(279,334)	(371,848)
Gross profit	56,716	58,410	86,049
Other income	7,721	29,300	11,706
Operating expenses	(54,058)	(48,091)	(67,305)
Operating profit	10,379	39,619	30,450
Finance income	24,960	6,364	11,247
Finance costs	(5,136)	(8,078)	(10,032)
Net finance income	19,824	(1,714)	1,215
Share of profit of equity accounted investees (net of tax)	371,271	308,869	158,328
Profit before tax	401,474	346,774	189,993
Tax expense	473	(1,313)	(8,130)
Profit for the period	401,947	345,461	181,863
Other comprehensive income			
Remeasurement of retirement benefit asset, net of tax	-	-	2,327
Unrealised gains	3,861	-	16,766
Other comprehensive income for the year	3,861	-	19,093
Total comprehensive income for the year	405,808	345,461	200,956
Profit attributable to:			
Equity shareholders	398,863	339,549	190,569
Non-controlling interest	6,945	5,912	10,387
Profit for the period	405,808	345,461	200,956
Basic Earnings per Share	\$0.66	\$0.58	\$0.32

Consolidated Statement of Changes in Equity

as at 31 December, 2014	(Expressed in thousands of Trinidad and Tobago dollars)					
	Share Capital \$'000	Translation Reserve \$'000	Investment Remeasurement Reserve \$'000	Retained Earnings \$'000	Non-controlling Interest \$'000	Total Equity \$'000
Nine months ended 31 December 2014						
Balance as at 1 April 2014	1,736,632	31,979	16,766	1,451,330	88,805	3,325,512
Total comprehensive income for the year	-	-	3,810	395,054	6,944	405,808
Share of translation reserve	-	(6,818)	-	-	-	(6,818)
Investment remeasurement	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
Subsidiary dividend	-	-	-	(3,269)	-	(3,269)
Dividends paid	-	-	-	(319,756)	-	(319,756)
Balance as at 31 December 2014	1,736,632	25,161	20,576	1,523,359	95,749	3,401,476
Nine months ended 31 December 2013						
Balance as at 1 April 2013	1,736,632	24,931	-	1,781,764	83,130	3,626,457
Total comprehensive income for the year	-	-	-	356,198	27,681	383,879
Share of translation reserve	-	2,822	-	-	-	2,822
Prior year adjustment	-	-	-	(19,921)	(19,139)	(39,060)
Subsidiary dividend	-	-	-	(4,712)	-	(4,712)
Dividends paid	-	-	-	(456,000)	-	(456,000)
Balance as at 31 December 2013	1,736,632	27,753	-	1,657,330	91,672	3,513,386
Year ended 31 March 2014						
Balance as at 1 April 2013	1,736,632	24,931	-	1,781,764	83,130	3,626,457
Total comprehensive income for the year	-	-	16,766	173,803	10,387	200,956
Share of deferred tax on actuarial gain	-	-	-	(43,333)	-	(43,333)
Share of translation reserve	-	7,048	-	-	-	7,048
Subsidiary dividend	-	-	-	(4,904)	(4,712)	(9,616)
Dividends paid	-	-	-	(456,000)	-	(456,000)
Balance as at 31 March 2014	1,736,632	31,979	16,766	1,451,330	88,805	3,325,512

Condensed Consolidated Statement of Cash Flows

	Unaudited Nine months ended 31 December 2014 \$ '000	Unaudited Nine months ended 31 December 2013 \$ '000	Audited Year ended 31 March 2014 \$ '000
Cash flows from operating activities	(25,462)	132,461	21,239
Net cash flows from operating activities	(25,462)	132,461	21,239
Cash flows from investing activities			
Dividends received	303,657	305,023	305,014
Other investing activities	(2,841)	(284,915)	(259,862)
Net cash flows from investing activities	300,816	20,108	45,152
Cash flows from financing activities			
Dividends paid	(319,756)	(460,712)	(465,616)
Finance lease liability payments	-	(546)	(729)
Repayment of borrowings	(8,383)	(2,554)	(5,109)
Net cash flows from financing activities	(328,139)	(463,812)	(471,454)
Net (decrease)/ increase in cash, cash equivalents and bank overdrafts	(52,785)	(311,243)	(405,063)
Cash, cash equivalents and bank overdrafts at start of period	369,210	776,132	774,273
Cash, cash equivalents and bank overdrafts at end of period	316,425	464,889	369,210

Notes to the Condensed Consolidated Interim Financial Statements

For the 9 months ended 31st December, 2014

1. Basis of preparation -

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34 - "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements for the year ended 31st March 2014. These condensed consolidated interim financial statements have not been audited and were approved by the Board of Directors on 10th February 2015.

2. Significant Accounting Policies -

The accounting policies applied in these unaudited condensed consolidated interim financial statements are consistent with those applied in the audited consolidated financial statements for the year ended 31st March 2014.