READYMIX (WEST INDIES) LIMITED

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

ONE CARIBBEAN... ONE COMPANY
A member of the TCL GROUP

CONSOLIDATED STATEMENT OF INCOME

TT$'000	UNAUDITED Three Months Jul to Sept 2014	UNAUDITED Three Months Jul to Sept 2013	UNAUDITED Nine Months Jan to Sept 2014	UNAUDITED Nine Months Jan to Sept 2013	AUDITED Year Jan to Dec 2013
CONTINUING OPERATIONS:					
REVENUE	**61,369**	**45,367**	**162,278**	**130,410**	**175,580**
Operating Profit from Continuing Operations	**8,516**	**6,860**	**19,444**	**12,682**	**10,138**
Restructuring Costs	–	(2,474)	–	(2,474)	–
Impairment of Subsidiary Goodwill	–	–	–	–	(1,764)
Finance costs – net	(1,010)	(348)	(593)	(1,209)	(1,250)
Profit before Taxation from Continuing Operations	**7,506**	**4,038**	**18,851**	**8,999**	**7,124**
Taxation	(1,508)	(458)	(4,339)	(1,675)	(3,162)
Profit after Taxation from Continuing Operations	**5,998**	**3,580**	**14,512**	**7,324**	**3,962**
DISCONTINUED OPERATIONS:					
Loss after Taxation from Discontinued Operations	**(3,384)**	**(2,887)**	**(4,180)**	**(3,675)**	**(5,548)**
Total Profit/(Loss) after Taxation from Continuing Operations	**2,614**	**693**	**10,332**	**3,649**	**(1,586)**
Attributable to:					
Shareholders of the Parent	3,967	1,848	12,004	5,118	677
Non-Controlling Interests	(1,353)	(1,155)	(1,672)	(1,469)	(2,263)
	2,614	**693**	**10,332**	**3,649**	**(1,586)**
Basic and diluted Earnings/ (Loss) per Share:					
From Continuing Operations	0.50	0.29	1.21	0.61	0.33
From Discontinued Operations	(0.17)	(0.14)	(0.21)	(0.18)	(0.27)
	0.33	**0.15**	**1.00**	**0.43**	**0.06**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT$'000	UNAUDITED Three Months Jul to Sept 2014	UNAUDITED Three Months Jul to Sept 2013	UNAUDITED Nine Months Jan to Sept 2014	UNAUDITED Nine Months Jan to Sept 2013	AUDITED Year Jan to Dec 2013
Profit/(Loss) after Taxation	**2,614**	**693**	**10,332**	**3,649**	**(1,586)**
Change in IAS 19 Employee Benefits	–	–	–	–	3,590
Tax Effect	–	–	–	–	(889)
Currency translation	–	–	–	(20)	(12)
	2,614	**693**	**10,332**	**3,629**	**1,103**
Attributable to:					
Shareholders of the Parent	3,967	1,848	12,004	5,098	3,342
Non-Controlling Interests	(1,353)	(1,155)	(1,672)	(1,469)	(2,239)
	2,614	**693**	**10,332**	**3,629**	**1,103**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT$'000	UNAUDITED 30.09.2014	UNAUDITED 30.09.2013	AUDITED 31.12.2013
Non-Current Assets	52,217	59,559	55,446
Current Assets	89,340	96,575	87,679
Current Liabilities	(37,555)	(56,837)	(49,209)
Non-Current Liabilities	(5,743)	(7,613)	(6,023)
Total Net Assets	**98,259**	**91,684**	**87,893**
Equity attributable to the Parent			
Share Capital	12,000	12,000	12,000
Reserves	90,392	81,413	78,394
	102,392	**93,413**	**90,394**
Non-Controlling Interests	(4,133)	(1,729)	(2,501)
Total Equity	**98,259**	**91,684**	**87,893**

DIRECTORS' STATEMENT

RML achieved a net profit before tax from continuing operations of $18.8 million, compared with a net profit before tax of $8.99 million for the same period last year. This improvement is mainly attributable to higher revenues earned for the period.

The operations of Premix & Precast Concrete Inc. (Barbados) were halted as at September 30, 2014 due to the continued operating losses at this location. The Board and Management agreed to shut down the operations of this subsidiary and liquidate its assets, accounting for a loss on discontinued operations of $4.1 million recorded in the accounts.

The outlook for the rest of 2014 remains positive.

Eutrice Carrington
Chairman
October 16th, 2014

Anton Ramcharan
Director
October 16th, 2014

CONSOLIDATED STATEMENT OF CASH FLOWS

TT$'000	UNAUDITED Nine Months Jan to Sept 2014	UNAUDITED Nine Months Jan to Sept 2013	AUDITED Year Jan to Dec 2013
OPERATING ACTIVITIES:			
Profit before Taxation from Continuing Operations	**18,851**	**8,999**	**7,124**
Loss before Taxation from Discontinued Operations	**(4,180)**	**(3,675)**	**(5,548)**
Loss on disposal of long-term assets	–	(156)	–
Total Profit before Taxation	**14,671**	**5,168**	**1,576**
Adjustment for non-cash items	7,404	6,486	13,282
Changes in working capital	(4,975)	3,893	4,652
	17,100	15,547	19,510
Net interest, taxation and pension contributions paid	(4,831)	(3,243)	(2,637)
Net cash generated by operating activities	12,269	12,304	16,873
Net cash used in investing activities	(3,345)	(4,166)	(5,770)
Repayment of borrowings	(3,105)	(7,188)	(8,521)
Increase in cash and cash equivalents	5,819	950	2,582
Cash and cash equivalents – beginning of period	6,265	3,683	3,683
Cash and cash equivalents – end of period	**12,084**	**4,633**	**6,265**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	PARENT: UNAUDITED Nine Months Jan to Sept 2014	PARENT: AUDITED Year Jan to Dec 2013	NON-CONTROLLING INTERESTS: UNAUDITED Nine Months Jan to Sept 2014	NON-CONTROLLING INTERESTS: AUDITED Year Jan to Dec 2013
Balance at beginning of period	**90,394**	**87,052**	**(2,501)**	**(262)**
Currency translation	(6)	(7)	40	(5)
Other comprehensive income	–	2,672	–	29
Profit/(Loss) attributable to the Parent	12,004	677	(1,672)	(2,263)
Balance at end of period	**102,392**	**90,394**	**(4,133)**	**(2,501)**

SEGMENT INFORMATION

TT$'000	Trinidad & Tobago	Barbados	Consolidation Adjustments	Total
Third Party Revenue				
Jan to Sept 2014	160,484	1,794	–	162,278
Jan to Sept 2013	120,794	9,616	–	130,410
Jan to Dec 2013	165,084	10,496	–	175,580
Segment Profit/(Loss) before Tax				
Jan to Sept 2014	18,122	(4,180)	729	14,671
Jan to Sept 2013	9,645	(3,675)	(802)	5,168
Jan to Dec 2013	1,145	(5,548)	5,979	1,576
Total Assets				
Sept 30, 2014	140,348	1,210	(1)	141,557
Sept 30, 2013	151,758	6,863	(2,487)	156,134
Dec 31, 2013	138,148	4,977	–	143,125

NOTES

1. **Basis of Preparation**
The Summary Consolidated Financial Statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the Summary Consolidated Statement of Financial Position, Summary Consolidated Statement of Income, Summary Consolidated Statement of Comprehensive Income, Summary Consolidated Statement of Changes in Equity and Summary Consolidated Statement of Cash Flows.

2. **Accounting Policies**
Accounting policies used in the preparation of these financial statements are consistent with those used in the audited financial statements for the year ended December 31, 2013. The Group has adopted all the new and revised accounting standards and interpretations that are mandatory for annual accounting periods beginning on or after January 1, 2014 and which are relevant to the Group's operations. The adoption of these standards and interpretations did not have any material effect on the Group's financial position or results.

3. **Earnings Per Share**
Earnings per share (EPS) is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the period.

4. **Segment Information**
Management's principal reporting and decision-making are geographic and accordingly the segment information is so presented.

5. **Going Concern**
The TCL Group has reported profit before taxation of $83.9 million for the nine months of 2014 (year ended December 2013 - $33.8 million), and generated cash from operations of $204.8 million (year ended December 2013 - $182.7 million). At September 2014 the TCL Group had outstanding debt obligations of $1.8 billion, with existing annual debt service obligations of $368 million. In addition, there is an obligation for settlement of retroactive payroll costs of approximately $100 million to employees for the three-year period ending in 2011, based on agreements between the Parent Company and the Union and the award of the Industrial Court. On September 29th, 2014 the Parent Board took a decision to place a hold on all payments due under the restructured loan agreement, which had the effect of creating a condition of default, resulting in the reclassification of all long-term debt principal outstanding to current liabilities (in accordance with International Financial Reporting Standards). As a consequence of this reclassification the net working capital deficit is $1.5 billion (year ended December 2013 – positive $138 million). Other key risks to the TCL Group include declining markets and plant stoppages from technical issues.

The Parent Company has filed an appeal in the Appeal Court seeking a review of the Industrial Court ruling. The Union and the Parent Company have agreed on a stay of the ruling until November 10th and discussions are in progress to settle the matter out of Court. The Company has been advised that the lenders do not intend to enforce their rights under the restructured loan agreement at this time. In addition, a comprehensive financial and operational review of the TCL Group is in progress and a restructuring plan, which seeks to secure the long-term viability of the Company, is scheduled to be completed by October 31st, 2014.

Markets have remained buoyant with domestic volumes in the Group showing a 5% increase for 2014 to date over the prior year period, while the Trinidad and Jamaica plants have performed consistently, with the Barbados plant experiencing some challenges. The Directors have a reasonable expectation that the implementation of the restructuring plan is expected to generate adequate cash flows and profitability which would allow the TCL Group to continue in operational existence for the foreseeable future.