TRINIDAD CEMENT LIMITED

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30. 2013

CONSOLIDATED STATEMENT OF INCOME

TT$'000	UNAUDITED Three Months July to Sept 2013	UNAUDITED Three Months July to Sept 2012	UNAUDITED Nine Months Jan to Sept 2013	UNAUDITED Nine Months Jan to Sept 2012	RESTATED Year Jan to Dec 2012
REVENUE	**495,985**	**426,252**	**1,490,088**	**1,215,235**	**1,615,888**
Earnings before interest, tax, depreciation & amortisation	**90,093**	**91,228**	**322,608**	**130,106**	**169,423**
Depreciation	(31,890)	(33,723)	(95,745)	(106,617)	(145,414)
Impairment charges and write-offs	-	-	-	-	(17,963)
Profit/(Loss) on disposal of property, plant and equipment	468	-	(467)	-	(6,806)
Operating Profit/(Loss)	58,671	57,505	226,396	23,489	(760)
Restructuring expenses	-	(3,161)	-	(43,452)	(112,163)
Finance costs	(51,438)	(61,709)	(174,410)	(172,426)	(238,813)
Profit/(Loss) before taxation	**7,233**	**(7,365)**	**51,986**	**(192,389)**	**(351,736)**
Taxation	1,247	(3,581)	26,895	9,040	7,209
Profit/(Loss) for the period	**8,480**	**(10,946)**	**78,881**	**(183,349)**	**(344,527)**
Attributable to:					
Shareholders of the Parent	6,122	(7,516)	69,331	(155,898)	(292,913)
Non-controlling Interests	2,358	(3,430)	9,550	(27,451)	(51,614)
	8,480	**(10,946)**	**78,881**	**(183,349)**	**(344,527)**
Basic and diluted Earnings/(Loss) per Share - cents:	**2**	**(3)**	**28**	**(63)**	**(119)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT$'000	UNAUDITED Three Months July to Sept 2013	UNAUDITED Three Months July to Sept 2012	UNAUDITED Nine Months Jan to Sept 2013	UNAUDITED Nine Months Jan to Sept 2012	RESTATED Year Jan to Dec 2012
Profit/(Loss) for the period	**8,480**	**(10,946)**	**78,881**	**(183,349)**	**(344,527)**
Other Comprehensive Income to be reclassified to profit and loss in subsequent periods:					
Exchange loss on loan to subsidiary	-	-	(30,962)	-	-
Exchange differences on translation of foreign operations	(10,096)	(198)	1,530	(1,199)	2,456
Net Other Comprehensive (loss)/Income to be reclassified to profit and loss in subsequent periods	(10,096)	(198)	(29,432)	(1,199)	2,456
Other Comprehensive Income not to be reclassified to profit and loss in subsequent periods:					
Re-measurement (losses) on pension plans and other post-retirement benefits	-	(1,669)	-	(5,007)	(6,341)
Income tax effect	-	-	-	-	727
Net Other Comprehensive Income not to be reclassified to profit and loss in subsequent periods:	-	(1,669)	-	(5,007)	(5,614)
Other Comprehensive (loss) for the year, net of tax	(10,096)	(1,867)	(29,432)	(6,206)	(3,158)
Total Comprehensive Income/(loss) for the year, net of tax	**(1,616)**	**(12,813)**	**49,449**	**(189,555)**	**(347,685)**
Attributable to:					
Shareholders of the Parent	(1,552)	(9,370)	46,350	(161,680)	(296,268)
Non-controlling Interests	(64)	(3,443)	3,099	(27,875)	(51,417)
	(1,616)	**(12,813)**	**49,449**	**(189,555)**	**(347,685)**

Restated Directors' Statement

For the nine months ended September 30 2013, the Group's EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) increased by 148% to $322.6 million, compared with$130.1 million for the prior year period. This improved performance was driven by an increase of 23% (or $275m) in Group Revenue to $1,490 million compared with the prior year period as domestic volumes increased by 16%, notably in Trinidad and to a lesser extent Jamaica, and a 26% increase in export volumes in combination with higher selling prices. Higher production of clinker by 15% and cement by 19% contributed to the enhanced results.

For the quarter ended September 30 2013, EBITDA was marginally down at $90.1 million compared with $91.2 million for the prior year quarter. Whilst Group Revenue for the quarter increased by $69.7 million (or 16%) to $496 million, unplanned stoppages due to technical problems at the Trinidad and Barbados plants hampered production and efficiency with the consequence of higher unit costs. The technical issues at the Trinidad plant have been resolved. Finance costs for the 2013 quarter are lower than the prior year quarter largely due to higher foreign exchange losses included in the prior year total.

Earnings per Share (EPS) for the nine months ended September 30 2013, amounted to 28.2 cents compared with the prior year restated Loss per Share of 63.4 cents. For the 2013 third quarter, EPS was 2.5 cents compared with a restated Loss per Share of 3.1 cents in the prior year quarter.

The Group has met all its debt service payments and financial ratio covenants under the debt restructuring agreement with lenders.

OUTLOOK

The Barbados operations have had plant challenges for most of 2013 and results have been made worse by very low domestic demand due to the global economic crisis. Critical repairs are being done in the fourth quarter 2013. The operations and financial performance of the Jamaican plant have improved to the extent that it is now marginally profitable and continued improvement is anticipated. Notwithstanding the third quarter challenges, the Trinidad and Tobago operations are delivering exceptional results and this trend is expected to continue throughout 2014 on the strength of the many major construction projects outlined in government's annual budget presentation.

Andy J. Bhajan

Andy J. Bhajan
Group Chairman
May 2, 2014

Dr. Rollin Bertrand
Director/Group CEO
May 2, 2014

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

These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the 31 December 2012 audited financial statements, except that the Group has adopted all the new and revised accounting standards, including IAS 19, and interpretations that are mandatory for annual accounting periods begining on or after January 1, 2013 and which are relevant to the Group's operations.

3. Earnings Per share

Earnings per share (EPS) is calculated by dividing the net profit attributable to shareholders of the Parent by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares in issue for the period has been determined by deducting from the total number of issued shares of 249.765M, the 3.752M (2012: 3.752M) shares that were held as unallocated shares by our ESOP.

4. Segment Information

Management's principal reporting and decision making are by product and accordingly the segment information is so presented.

5 .Going concern

The Group had reported a loss before taxation of $351.7 million for the year ended 31 December 2012 ($171.5 million in 2011) and $2.05 billion in outstanding debt obligations in its audited financial statements for the year ended 31 December 2012. The Group's strategies to achieve sustainability include pursuing new markets, additional market share in existing markets and cost reduction through enhanced plant efficiencies and process changes. These strategies have begun to generate positive outcomes with improved financial performance and position as reflected in the results for the nine months of 2013.

Notwithstanding the improvement in operating performance and financial position over the past nine months, the directors have concluded that the challenging demand environment and the still existing weakened financial position of the TCL Group and its key subsidiaries, CCCL and ACCL, continue to represent a material uncertainty that may impact the ability of the Group to continue as a going concern.

However, based on plans and strategies being pursued, the directors have a reasonable expectation that the TCL Group will generate adequate cash flows and profitability which would allow the Group to continue in operational existence for the foreseeable future.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT$'000	UNAUDITED 30.09.2013	RESTATED 31.12.2012
Non-Current Assets	2,493,035	2,596,419
Current Assets	849,612	856,345
Current Liabilities	(610,663)	(677,460)
Non-Current Liabilities	(2,221,469)	(2,314,238)
Total Net Assets	**510,515**	**461,066**
Stated Capital	466,206	466,206
Reserves	65,864	19,514
Equity attributable to the Parent	**532,070**	**485,720**
Non-controlling Interests	(21,555)	(24,654)
Total Equity	**510,515**	**461,066**

CONSOLIDATED STATEMENT OF CASH FLOWS

TT$'000	UNAUDITED Nine Months Jan to Sept 2013	RESTATED Year Jan to Dec 2012
Profit/(Loss) before Taxation	**51,986**	**(351,736)**
Adjustment for non-cash items	246,437	539,935
	298,423	188,199
Changes in working capital	33,636	10,181
Cash from operations	332,059	198,380
Restructuring expenses paid	-	(49,143)
Net Interest, taxation and pension contributions paid	(195,696)	(73,553)
Net cash generated by operating activities	136,363	75,684
Net cash used in investing activities	(37,637)	(77,878)
Net cash used in financing activities	(70,228)	(10,020)
Net increase/(decrease) in cash	28,498	(12,214)
Net foreign exchange differences	(1,783)	(2,033)
Net cash – beginning of year	43,061	57,308
Net cash - end of year	**69,776**	**43,061**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	PARENT		NONCONTROLLING INTERESTS	
	UNAUDITED Nine Months Jan to Sept 2013	RESTATED Year Jan to Dec 2012	UNAUDITED Nine Months Jan to Sept 2013	RESTATED Year Jan to Dec 2012
Balance at beginning of period as previously stated	**485,720**	**1,125,720**	**(24,654)**	**42,411**
Restatement - change in accounting policy	-	(97,745)	-	(1,750)
Restatement - correction of prior period errors	-	(245,987)	-	(12,385)
Balance at beginning of period	485,720	781,988	(24,654)	28,276
Exchange difference on translation of foreign subsidiaries	(38)	1,884	1,568	197
Exchange loss on loans to subsidiary	(22,943)	-	(8,019)	-
Re-measurement gains/(losses) on pension plans and other post retirement benefits	-	(5,239)	-	-
Other comprehensive (loss)/income for period	(22,981)	(3,355)	(6,451)	197
Profit/(loss) after tax	69,331	(292,913)	9,550	(51,614)
Total comprehensive income/(loss) for period	46,350	(296,268)	3,099	(51,417)
Dividends forfeited	-	-	-	(1,513)
Balance at end of period	**532,070**	**485,720**	**(21,555)**	**(24,654)**

SEGMENT INFORMATION

TT$'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
UNAUDITED 9 MONTHS ENDED SEPT 2013					
Revenue					
Total	1,601,310	130,410	67,844		1,799,564
Intersegment	(248,123)	-	(61,353)		(309,476)
Third Party	1,353,187	130,410	6,491		1,490,088
Profit/(Loss) before tax	35,530	5,324	8,514	2,618	51,986
Depreciation and impairment	93,215	4,870	892	(3,232)	95,745
Segment Assets	3,781,907	155,775	105,058	(700,093)	3,342,647
Segment Liabilities	3,204,666	64,451	28,885	(465,869)	2,832,133
Capital expenditure	33,344	4,642	137	-	38,123
UNAUDITED 9 MONTHS ENDED SEPT 2012					
Revenue					
Total	1,297,329	97,661	60,524		1,455,514
Intersegment	(186,027)	-	(54,252)		(240,279)
Third Party	1,111,302	97,661	6,272		1,215,235
(Loss)/Profit before tax	(199,517)	(2,677)	5,817	3,988	(192,389)
Depreciation and impairment	104,299	4,914	1,399	(3,995)	106,617
Segment Assets	4,575,766	156,061	113,563	(1,054,588)	3,790,802
Segment Liabilities	3,795,413	59,617	34,845	(872,829)	3,017,046
Capital expenditure	45,542	5,230	156		50,928
RESTATED YEAR JAN TO DEC 2012					
Revenue					
Total	1,744,067	136,528	79,347		1,959,942
Intersegment	(271,510)	-	(72,544)		(344,054)
Third Party	1,472,557	136,528	6,803		1,615,888
(Loss)/Profit before tax	(582,060)	(8,163)	5,637	232,850	(351,736)
Depreciation and impairment	161,018	6,100	1,760	(5,501)	163,377
Segment Assets	4,101,084	159,911	110,785	(919,016)	3,452,764
Segment Liabilities	3,852,473	69,318	41,285	(971,378)	2,991,698
Capital expenditure	64,778	12,310	825	-	77,913

6. Ebitda/Debt Conversion & Forgiveness

Effective 29 June 2013, intra-group obligation of US$75M owed to parent company, Trinidad Cement Limited (TCL), by the Jamaica subsidiary, CCCL, was restructured to strengthen the equity position of the subsidiary and significantly reduce its earnings statement exposure to foreign exchange rate fluctuations. Pursuant to CCCL shareholders' approval, US$37M was converted to redeemable preference shares and further obligations of US$38M were converted into an additional capital contribution to CCCL. As a consequence of the capital restructuring, accrued withholding tax of TT$38.8M associated with the obligations was no longer payable by CCCL and accordingly was reversed in June 2013 with a credit of equal value to EBITDA.

7. Restatements

(a) The Group has restated various pension balances and related expenses for 2012 as a result of the adoption of the revised IAS 19 – Employee Benefits – which became effective January 1, 2013 and required retrospective application.

(b) TCL proposes to embark on an exercise to refinance its existing debt by the issuance of Senior Secured First Lien Notes in the Trinidad and Tobago, United States and Canadian markets. As a requirement of this exercise, TCL's external auditors, Ernst & Young undertook a pre-issuance review of the audited financial statements for the year ended December 31, 2013, which included the comparatives for 2012 and 2011. For the purpose of this cross-border transaction, the pre-issuance review was conducted as a result of which certain transactions and balances were restated.

The non-current assets and retained earnings in both the current and prior periods have been reduced by $214.1M to reflect an impairment provision in relation to goodwill that arose from the acquisition of Caribbean Cement Company Limited. In addition withholding tax has been re-classified from EBITDA to tax charge also for the current and prior periods presented on this statement.