CONSOLIDATED FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31. 2013

TRINIDAD CEMENT LIMITED

CONSOLIDATED STATEMENT OF INCOME

TT$'000	UNAUDITED		RESTATED	RESTATED
	Three Months October to December		Year Jan to Dec	Year Jan to Dec
	2013	2012	2013	2012
REVENUE	**450,961**	**400,653**	**1,941,049**	**1,615,888**
Earnings before interest, tax, depreciation & amortisation	**81,729**	**39,317**	**404,337**	**169,423**
Depreciation	(32,118)	(42,869)	(127,863)	(145,414)
Impairment charges and write-offs	(2,427)	(13,891)	(2,427)	(17,963)
Loss on disposal of property, plant and equipment	(2,017)	(6,806)	(2,484)	(6,806)
Operating Profit/(Loss)	45,167	(24,249)	271,563	(760)
Restructuring expenses	-	(68,711)	-	(112,163)
Finance costs	(63,362)	(66,387)	(237,772)	(238,813)
Profit/(Loss) before taxation	**(18,195)**	**(159,347)**	**33,791**	**(351,736)**
Taxation	6,595	(1,831)	33,490	7,209
Profit/(Loss) for the period	**(11,600)**	**(161,178)**	**67,281**	**(344,527)**
Attributable to:				
Shareholders of the Parent	(11,132)	(137,015)	58,199	(292,913)
Non-controlling Interests	(468)	(24,163)	9,082	(51,614)
	(11,600)	**(161,178)**	**67,281**	**(344,527)**
Basic and diluted Earnings/(Loss) per Share - cents:	**(5)**	**(56)**	**24**	**(119)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT$'000	UNAUDITED		RESTATED	RESTATED
	Three Months October to December		Year Jan to Dec	Year Jan to Dec
	2013	2012	2013	2012
Profit/(Loss) for the period	**(11,600)**	**(161,178)**	**67,281**	**(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	(8,151)	2,990	(6,621)	2,456
Net Other Comprehensive (loss)/Income to be reclassified to profit and loss in subsequent periods	**(8,151)**	**2,990**	**(37,583)**	**2,456**
Other Comprehensive Income not to be reclassified to profit and loss in subsequent periods:				
Re-measurement gains/(losses) on pension plans and other post retirement benefits	59,678	-	59,678	(6,341)
Income tax effect	(13,685)	-	(13,685)	727
Net Other Comprehensive Income not to be reclassified to profit and loss in subsequent periods:	**45,993**	**-**	**45,993**	**(5,614)**
Other Comprehensive Income/(loss) for the year, net of tax	**37,842**	**2,990**	**8,410**	**(3,158)**
Total Comprehensive Income/(loss) for the year, net of tax	**26,242**	**(158,188)**	**75,691**	**(347,685)**
Attributable to:				
Shareholders of the Parent	29,463	(166,125)	75,813	(296,268)
Non-controlling Interests	(3,221)	(36,232)	(122)	(51,417)
	26,242	**(202,357)**	**75,691**	(347,685)

Restated Directors' Statement

For the year 2013, the Group recorded a notable improvement in its financial performance with Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) increasing by $234.9 million or 139% to $404.3 million reflecting a margin of 20.8% compared with the prior year margin of 10.5%. The improvement resulted from increases in key operating metrics with domestic cement sales volumes increasing by 13% (especially in Trinidad and Jamaica), a 22% increase in cement export volumes and a 15% increase in clinker production. The higher sales volumes resulted in Group revenue increasing by $325 million or 20% compared with 2012.

For the year 2013, the Group is reporting a Profit after tax of $67.3 million compared with a Loss after tax of $344.5 million for 2012. The results for 2013 also benefitted from lower depreciation, impairment charges, finance costs and higher deferred tax credit compared with 2012.

The Group's financial position and liquidity continued to strengthen over 2013 with all loan payments being made and financial ratio covenants being achieved in accordance with the Debt Restructuring agreement.

For the fourth quarter ended December 2013, revenue increased by $50.3 million or 13% over the fourth quarter of 2012 while EBITDA improved by $42.4 million or 108% compared to the corresponding 2012 period. However, the final quarter of 2013 was negatively impacted by lower sales volumes compared to the average of the prior three quarters as well as production challenges at the Barbados plant.

OUTLOOK

Critical repairs at the Barbados plant have been completed while local demand is in line with our expectation and exports are being made to the buoyant Guyana market and others. Demand in Jamaica in the first two months of 2014 was slower than 2013 but growth is forecast for the economy in 2014 which tends to benefit the construction sector. The plant in Jamaica will fulfil the remainder of its 100k tonnes Venezuela supply contract and negotiations have commenced for a new contract to supply 240k tonnes over 12 months. The Trinidad and Tobago market remained buoyant in the first two months of 2014 and we expect this buoyancy for all of 2014 which will significantly enhance our cement and concrete businesses.

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. These summary financial statements are derived from the audited consolidated financial statements of Trinidad Cement Limited and its subsidiaries for the year ended December 31, 2013, which are prepared in accordance with International Financial Reporting Standards.

2. Accounting Policies

These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the December 31, 2013 audited financial statements consistently applied from period to period. The Group has adopted all the new and revised accounting standards, including IAS 19 and interpretations that are mandatory for annual accounting periods on or after January 01, 2013 and which are relevant to the Group's operations. IAS 19 requires retrospective application and the 2012 financial statements have been restated accordingly.

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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT$'000	RESTATED	RESTATED
	31.12.2013	31.12.2012
Non-Current Assets	2,562,371	2,596,419
Current Assets	836,769	856,345
Current Liabilities	(698,732)	(677,460)
Non-Current Liabilities	(2,164,111)	(2,314,238)
Total Net Assets	**536,297**	**461,066**
Stated Capital	466,206	466,206
Reserves	95,327	19,514
Equity attributable to the Parent	**561,533**	**485,720**
Non-controlling Interests	(25,236)	(24,654)
Total Equity	**536,297**	**461,066**

CONSOLIDATED STATEMENT OF CASH FLOWS

TT$'000	RESTATED	RESTATED
	Year Jan to Dec 2013	Year Jan to Dec 2012
Profit/(Loss) before Taxation	**33,791**	**(351,736)**
Adjustment for non-cash items	396,638	539,935
	430,429	188,199
Changes in working capital	(11,787)	10,181
Cash from operations	418,642	198,380
Restructuring expenses paid	-	(49,143)
Net Interest, taxation and pension contributions paid	(235,936)	(73,553)
Net cash generated by operating activities	182,706	75,684
Net cash used in investing activities	(72,998)	(77,878)
Net cash used in financing activities	(93,971)	(10,020)
Net increase/(decrease) in cash	15,737	(12,214)
Net foreign exchange differences	(994)	(2,033)
Net cash – beginning of year	43,061	57,308
Net cash - end of year	**57,804**	**43,061**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	PARENT		NONCONTROLLING INTERESTS	
	RESTATED	RESTATED	RESTATED	RESTATED
	Jan to Dec 2013	Jan to Dec 2012	Jan to Dec 2013	Jan to Dec 2012
Balance at beginning of period	**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)
	485,720	781,988	(24,654)	28,276
Exchange difference on translation of foreign subsidiaries	(4,835)	1,884	(1,185)	197
Exchange loss on loans to subsidiary	(22,943)	-	(8,019)	-
Re-measurement gains/(losses) on pension plans and other post-retirement benefits	45,392	(5,239)	-	-
Other comprehensive income/(loss)	17,614	(3,355)	(9,204)	197
Profit/(Loss) after taxation	58,199	(292,913)	9,082	(51,614)
Total Comprehensive Income/(Loss)	75,813	(296,268)	(122)	(51,417)
Dividends paid	-	-	(460)	(1,513)
Balance at end of period	**561,533**	**485,720**	**(25,236)**	**(24,654)**

SEGMENT INFORMATION

TT$'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
RESTATED 12 MONTHS JAN TO DEC 2013					
Revenue					
Total	2,102,515	175,580	90,585		2,368,680
Intersegment	(343,612)	-	(84,019)		(427,631)
Third Party	1,758,903	175,580	6,566		1,941,049
Profit/(Loss) before tax	(404,510)	(185)	10,201	428,285	33,791
Depreciation and impairment	124,499	8,443	1,179	(3,831)	130,290
Segment Assets	3,787,827	147,028	98,814	(634,529)	3,399,140
Segment Liabilities	3,291,902	54,843	24,447	(508,349)	2,862,843
Capital expenditure	67,335	6,249	373		73,957
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

5 .Going concern

The Group has reported a profit before taxation of $33.8 million for the year ended 31 December 2013 (loss of $351.7 million in 2012) and there is $2.0 billion in outstanding debt obligations as presented on the consolidated statement of financial position as at 31 December 2013.

For the TCL Group, debt service (inclusive of principal and interest) is forecasted to be $368 million for 2014 (2013: $293 million). The key risks to the Group's sustainability are declining domestic markets and unexpected plant stoppages due to technical problems with plant assets. Debt service as a percentage of budgeted Group EBITDA ranges from 67% in 2014 to 55 % in 2018. The Group's operating results in recent years have been below the budgeted targets given the declining market demand and plant challenges arising from constrained working capital.

Based on current plans and strategies being pursued and implemented 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.

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$37.7M 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. Restatement

(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.