TRINIDAD CEMENT LIMITED

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2011

CONSOLIDATED STATEMENT OF INCOME

TT$'000	UNAUDITED Three Months April to June		UNAUDITED Six Months Jan to June		AUDITED Year Jan to Dec
	2011	2010	2011	2010	2010
CONTINUING OPERATIONS:					
REVENUE	**380,928**	**405,803**	**759,512**	**831,279**	**1,561,084**
Operating (Loss)/Profit from Continuing Operations	**(32,971)**	**35,777**	**(38,315)**	**100,759**	**3,026**
Foreign exchange gain/(loss)	15	6,711	(1,428)	5,872	2,971
Finance costs on debt restructuring	(18,314)	–	(18,314)	–	–
Finance costs - net (excluding debt restructuring costs)	(40,052)	(39,089)	(79,062)	(77,641)	(151,335)
(Loss)/Profit before Taxation from Continuing Operations	**(91,322)**	**3,399**	**(137,119)**	**28,990**	**(145,338)**
Taxation	31,716	9,923	49,387	10,979	**69,264**
(Loss)/Profit after Taxation from Continuing Operations	**(59,606)**	**13,322**	**(87,732)**	**39,969**	**(76,074)**
DISCONTINUED OPERATIONS:					
Loss after Taxation from Discontinued Operations	(421)	–	(717)	(1,028)	(4,253)
Gain on Sale of Discontinued Operations	10,169	–	10,169	8,949	–
	9,748	–	9,452	7,921	**(4,253)**
Total (Loss)/Profit after Taxation	**(49,858)**	**13,322**	**(78,280)**	**47,890**	**(80,327)**
Attributable to:					
Shareholders of the Parent	(40,038)	16,302	(62,675)	47,441	(48,549)
Non-controlling Interests	(9,820)	(2,980)	(15,605)	449	(31,778)
	(49,858)	**13,322**	**(78,280)**	**47,890**	**(80,327)**
Basic and diluted (Loss)/Earnings per Share - cents:					
From Continuing Operations	(19)	7	(28)	18	(18)
From Discontinued Operations	3	–	3	2	(2)
	(16)	7	(25)	20	(20)
Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA)	**10,717**	**67,890**	**42,935**	**174,103**	**161,917**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT$'000	UNAUDITED Three Months April to June		UNAUDITED Six Months Jan to June		AUDITED Year Jan to Dec
	2011	2010	2011	2010	2010
(Loss)/Profit after Taxation	**(49,858)**	**13,322**	**(78,280)**	**47,890**	**(80,327)**
Currency translation	(2,158)	13,114	1,098	14,026	22,657
Change in fair value of swap, net of tax	20,599	(4,755)	22,984	(6,230)	(4,085)
	(31,417)	**21,681**	**(54,198)**	**55,686**	**(61,755)**
Attributable to:					
Shareholders of the Parent	(21,186)	25,183	(38,677)	55,151	(35,181)
Non-controlling Interests	(10,231)	(3,502)	(15,521)	535	(26,574)
	(31,417)	**21,681**	**(54,198)**	**55,686**	**(61,755)**

DIRECTORS' STATEMENT

Performance

For the quarter ended June 30 2011, Group revenue declined by $24.9m compared with the prior year quarter. Whilst the decline in local sales volumes was halted with Jamaica and Barbados both recording 1% increases, Trinidad & Tobago recorded a 3% decline and total cement export volumes were 10% less than the prior year quarter. Concrete sales were lower by $9.3m.

Also for the quarter, the Group recorded Losses per Share of 19 cents from continuing operations compared with Earnings per Share of 7 cents in the prior year quarter. For the half year ended June 30 2011, Losses per Share amounted to 28 cents compared with Earnings per Share of 18 cents in the prior year period.

Notwithstanding the Losses per Share, the Group generated positive Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) of $10.7m for the quarter and $42.9m for the half year. Cash from operations after working capital changes amounted to $64.6m for the half year which after accounting for expenditure on long term assets and net financing inflows resulted in an improvement of our net short term cash position by $35m.

For the quarter, the Group recorded an Operating Loss of $33.0m partly due to unplanned plant stoppages at the Jamaica and Barbados plants from delays in securing coal and spare parts as a result of working capital rationing. Operating margins were also compressed by notably higher fuel and electricity prices as oil prices averaged over US$100 per barrel for the quarter. Based on positions discussed with lenders, increases in interest rates dating back to January 14, have been provided for at a cost of $18.3m in the quarter. The Group concluded the sale of its St. Maarten & St. Martin subsidiaries and booked a gain of $10.2m on the disposal.

Progress has been made on the debt re-profiling negotiations with the majority of lenders, as agreement in principle on the key commercial terms has been reached. Resolution of inter-creditor issues amongst Lenders remains outstanding. The Group is discussing with its auditors the accounting treatment for the substantial costs that will be incurred on the debt restructuring. In accordance with IAS 39 these costs may be charged to the earnings statement upon finalisation of the exercise expected in the third quarter.

Outlook

Key for the Group going forward, is the capture of high priced markets and to this end the Group is pursuing supply arrangements into Venezuela, French West Indies and Haiti. In the case of Haiti, a long term lease has been executed that will enable the Group to establish a warehouse, in the first instance, through which sales will be expanded. There have also been supply arrangements executed for the Brazillian market for construction projects related to the 2014 World Cup. The Group is also looking forward to a strengthening in demand in the critical Trinidad & Tobago market as various government projects are started. The Group has invested significantly over the past several years and is well positioned to benefit from increased demand across the region.

Andy J. Bhajan
Group Chairman
August 12, 2011

Dr. Rollin Bertrand
Director/Group CEO
August 12, 2011

NOTES

1. 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, 2010.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 01, 2011 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.

2. 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 4.121M (2010: 4.294M) shares that were held as unallocated shares by our ESOP.

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

4. Going Concern
At the 2010 year end, Trinidad Cement Limited (TCL) was not in compliance with certain loan ratio requirements and as such was in default of its obligations under the various loan agreements. Subsequent to year end, on 14 January 2011, TCL declared a moratorium on all debt service payments following which payments have not been made. TCL commenced negotiations with its lenders for a re-profiling of its debts and the lenders are participating in the process without prejudice to their existing legal rights that include the power to demand immediate repayment and enforcement of security which includes all the major productive assets of TCL and the Group. Accordingly, there is a material risk that TCL and the Group may not be able to continue as a going concern should lenders enforce their security.

TCL and the Group are pursuing a number of new sales contracts which have the potential to return to profitability its Jamaica and Barbados subsidiaries whilst cost savings strategies are being implemented across the Group. The directors have a reasonable expectation that TCL and the Group will have, from the outlined plans and strategies, adequate cash flows and profitability that will allow TCL and the Group to continue in operational existence in the foreseeable future. For these reasons, the directors continue to adopt the going concern basis in preparing these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT$'000	UNAUDITED 30.06.2011	UNAUDITED 30.06.2010	AUDITED 31.12.2010
Non-Current Assets	3,310,770	3,205,437	3,343,685
Current Assets	825,267	834,979	777,236
Current Liabilities	(2,217,259)	(856,868)	(2,137,406)
Non-Current Liabilities	(452,000)	(1,544,862)	(466,203)
Total Net Assets	**1,466,778**	**1,638,686**	**1,517,312**
Share Capital	466,206	466,206	466,206
Reserves	923,126	1,048,684	958,701
Equity attributable to Shareholders of the Parent	**1,389,332**	**1,514,890**	**1,424,907**
Non-controlling Interests	77,446	123,796	92,405
Total Equity	**1,466,778**	**1,638,686**	**1,517,312**

CONSOLIDATED STATEMENT OF CASH FLOWS

TT$'000	UNAUDITED Six Months Jan to June	UNAUDITED Six Months Jan to June	AUDITED Year Jan to Dec
	2011	2010	2010
(Loss)/Profit before Taxation from Continuing Operations	**(137,119)**	**28,990**	**(145,338)**
Gain on sale of Discontinued Operations	10,169	8,949	-
Loss from Discontinued Operations	(717)	(1,028)	(4,253)
(Loss)/Profit before Taxation	**(127,667)**	**36,911**	**(149,591)**
Adjustment for non-cash items	185,633	155,348	331,159
	57,966	192,259	181,568
Changes in working capital	6,664	(92,139)	30,922
	64,630	100,120	212,490
Net Interest, taxation and pension contributions paid	(11,444)	(80,979)	(173,650)
Net cash generated by operating activities	53,186	19,141	38,840
Net cash used in investing activities	(21,726)	(22,130)	(55,451)
Net cash generated by/(used in) financing activities	3,563	(53,455)	(42,877)
Increase/(Decrease) in cash and cash equivalents	35,023	(56,444)	(59,488)
Currency adjustment - opening balance	(148)	275	(6,381)
Cash and cash equivalents – beginning of period	(86,565)	(20,696)	(20,696)
Cash and cash equivalents – end of period	**(51,690)**	**(76,865)**	**(86,565)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	UNAUDITED Six Months Jan to June	UNAUDITED Six Months Jan to June	AUDITED Year Jan to Dec
	2011	2010	2010
Balance at beginning of period	**1,424,907**	**1,459,739**	**1,459,739**
Currency translation and other adjustments	1,014	13,940	17,453
Allocation to employees and sale of ESOP shares, net of dividend	3,102	–	24
Change in fair value of swap, net of tax	–	(6,230)	(4,085)
Transfer of swap to current assets on termination	22,984	–	–
(Loss)/Profit after taxation	(62,675)	47,441	(48,549)
Dividends forfeited	–	–	325
Balance at end of period	**1,389,332**	**1,514,890**	**1,424,907**

SEGMENT INFORMATION

TT$'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
UNAUDITED SIX MONTHS JAN TO JUNE 2011					
Revenue					
Total	822,776	59,404	43,673	–	925,853
Intersegment	(129,074)	–	(37,267)	–	(166,341)
Third Party	693,702	59,404	6,406	–	759,512
(Loss)/Profit before tax from Continuing Operations	(138,002)	(7,362)	4,263	3,982	(137,119)
Depreciation	78,248	4,418	1,083	(2,876)	80,873
Segment Assets	4,723,398	164,482	111,426	(863,269)	4,136,037
Segment Liabilities	3,153,298	63,130	37,235	(584,403)	2,669,260
Capital expenditure	20,526	1,200	–	–	21,726
UNAUDITED SIX MONTHS JAN TO JUNE 2010					
Revenue					
Total	890,274	82,207	49,268	–	1,021,749
Intersegment	(146,161)	–	(44,309)	–	(190,470)
Third Party	744,113	82,207	4,959	–	831,279
Profit/(loss) before tax from Continuing Operations	14,992	3,104	7,629	3,265	28,990
Depreciation	80,286	4,929	1,193	(2,723)	83,685
Segment Assets	4,421,418	172,154	102,893	(656,049)	4,040,416
Segment Liabilities	2,677,108	56,486	31,726	(363,590)	2,401,730
Capital expenditure	19,804	2,026	300	–	22,130
AUDITED YEAR JAN TO DEC 2010					
Revenue					
Total	1,677,203	138,525	89,387	–	1,905,115
Intersegment	(265,211)	–	(78,820)	–	(344,031)
Third Party	1,411,992	138,525	10,567	–	1,561,084
(Loss)/Profit before tax from Continuing Operations	(158,129)	(3,416)	10,764	5,443	(145,338)
Depreciation	159,930	9,211	2,262	(5,428)	165,975
Segment Assets	4,563,411	165,812	118,494	(726,796)	4,120,921
Segment Liabilities	2,996,377	65,581	47,594	(505,943)	2,603,609
Capital expenditure	57,478	5,518	677	–	63,673