TRINIDAD CEMENT LIMITED

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

CONSOLIDATED STATEMENT OF INCOME

TT$'000	UNAUDITED	RESTATED	UNAUDITED	RESTATED	RESTATED
	Three Months July to Sept		Nine Months Jan to Sept		Year Jan to Dec
	2014	2013	2014	2013	2013
CONTINUING OPERATIONS					
REVENUE	**513,707**	**495,985**	**1,587,290**	**1,490,088**	**1,941,049**
Operating Profit before Interest, Taxes, Depreciation and non-recurring Items from Continuing Operations	**124,624**	**92,980**	**357,581**	**326,283**	**409,885**
Depreciation	(31,770)	(31,890)	(94,635)	(95,745)	(127,863)
Non-recurring charges	(2,835)	–	(28,712)	–	(2,427)
Loss on Disposal of long-term assets	(32)	468	(2,314)	(467)	(2,484)
Operating Profit	89,987	61,558	231,920	230,071	277,111
Net Finance costs	(47,263)	(51,438)	(144,716)	(174,410)	(237,772)
Profit before taxation from Continuing Operations	42,724	10,120	87,204	55,661	39,339
Taxation	(7,631)	1,247	(19,355)	26,895	33,490
Profit for the year from Continuing Operations	**35,093**	**11,367**	**67,849**	**82,556**	**72,829**
DISCONTINUED OPERATIONS					
Loss after Taxation from Discontinued Operations	**(3,384)**	**(2,887)**	**(4,180)**	**(3,675)**	**(5,548)**
Total Profit for the year	**31,709**	**8,480**	**63,669**	**78,881**	**67,281**
Attributable to:					
Shareholders of the Parent	30,088	6,122	60,004	69,331	58,199
Non-controlling Interests	1,621	2,358	3,665	9,550	9,082
	31,709	**8,480**	**63,669**	**78,881**	**67,281**
Basic and diluted Earnings/(losses) per Share – cents:					
From Continuing Operations	**12.8**	**3.0**	**25.1**	**28.8**	**24.6**
From Discontinued Operations	(0.6)	(0.5)	(0.7)	(0.6)	(0.9)
	12.2	**2.5**	**24.4**	**28.2**	**23.7**

DIRECTORS' STATEMENT

For the nine month period of 2014, the Group recorded growth in revenue of $97.2 million or 6.5%, continuing the trend of improvement demonstrated in the two preceeding quarters of 2014. This improvement was driven by growth in the domestic cement markets in Trinidad and Jamaica, whilst the Barbados market remained relatively flat. In addition, concrete sales improved by 12.3%. In Jamaica, CCCL was able to supply 80.3k tonnes of clinker (nil in 2013) to Venezuela under the PetroCaribe Agreement. Price increases were Implemented in Trinidad, Jamaica and Guyana.

Operating Profit before Interest, Taxes, Depreciation and non-recurring items from continuing operations increased by $31.3 million or 9.6% as the increased revenue was eroded by escalating costs in Jamaica due to the depreciation of the Jamaican dollar and increased operating costs in Barbados. Net finance costs decreased by TT$29.7 million due to lower foreign exchange losses of TT$15.4 million and lower net interest cost of TT$14.3 million. Profit after taxes amounted to $63.7 million compared with $78.9 million (inclusive of one time tax credit of $37.7 million) in the prior year period which resulted in Earnings per Share (EPS) of 24.4 cents compared with 28.2 cents for the prior year period.

The operations of Premix & Precast Concrete Inc. (Barbados), a subsidiary of Readymix West Indies Limited (RML), was discontinued as at September 30, 2014 due to the prolonged operating losses at this location, resulting in a loss of $3.4 million recorded for the quarter and $4.2 million for the nine months of 2014.

Condition of default

Following a meeting with its lenders on September 29th 2014, the Board of TCL Group took a decision to place a hold on all payments due under the restructured loan agreements. This represents an event of default. In accordance with International Financial Reporting Standards the total principal outstanding has been reclassified to current liabilities in the Consolidated Statement of Financial Position. This has resulted in the Group showing a net current liability of $1.5 billion compared to net current assets of $138 million at Q3 2013. This is detailed further in the Going Concern note number five (5).

Outlook

The Board is currently negotiating with the financiers to have a restructured loan agreement. Negotiations are also in progress between the Company and the OWTU to have an agreement with regard to retroactive payments for the expired collective agreements. A comprehensive financial and operational review of the 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.

Wilfred Espinet
Group Chairman
October 16th, 2014

Alejandro Ramirez
Director/Group CEO (Ag)
October 16th, 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT$'000	UNAUDITED	RESTATED	UNAUDITED	RESTATED	RESTATED
	Three Months July to Sept		Nine Months Jan to Sept		Year Jan to Dec
	2014	2013	2014	2013	2013
Profit for the year	**31,709**	**8,480**	**63,669**	**78,881**	**67,281**
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	(4,473)	(10,096)	(28,705)	1,530	(37,583)
Net Other Comprehensive loss to be reclassified to profit and loss in subsequent periods	**(4,473)**	**(10,096)**	**(28,705)**	**(29,432)**	**(37,583)**
Other Comprehensive Income not to be reclassified to profit and loss in subsequent periods:					
Remeasurement gains on defined benefit plans	–	–	–	–	59,678
Income tax effect	–	–	–	–	(13,685)
Net Other Comprehensive Income not to be reclassified to profit and loss in subsequent periods:	**–**	**–**	**–**	**–**	**45,993**
Other Comprehensive Income/ (loss) for the year, net of tax	**(4,473)**	**(10,096)**	**(28,705)**	**(29,432)**	**8,410**
Total Comprehensive Income/ (loss) for the year, net of tax	**27,236**	**(1,616)**	**34,964**	**49,449**	**75,691**
Attributable to:					
Shareholders of the Parent	27,111	(1,552)	38,543	46,350	75,813
Non-controlling Interests	125	(64)	(3,579)	3,099	(122)
	27,236	**(1,616)**	**34,964**	**49,449**	**75,691**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT$'000	UNAUDITED	AUDITED RESTATED
	30.09.2014	31.12.2013
Non-Current Assets	2,473,122	2,562,371
Current Assets	875,766	836,769
Current Liabilities	(2,385,449)	(698,732)
Non-Current Liabilities	(392,178)	(2,164,111)
Total Net Assets	**571,261**	**536,297**
Share Capital	466,206	466,206
Reserves	133,870	95,327
Equity attributable to Shareholders of the Parent	**600,076**	**561,533**
Non-controlling Interests	(28,815)	(25,236)
Total Equity	**571,261**	**536,297**

CONSOLIDATED STATEMENT OF CASH FLOWS

TT$'000	UNAUDITED	RESTATED	RESTATED
	Nine Months Jan to Sept		Year Jan to Dec
	2014	2013	2013
Profit before Taxation from Continuing Operations	**87,204**	**55,661**	**39,339**
Loss before Taxation from Discontinued Operations	**(4,180)**	**(3,675)**	**(5,548)**
	83,024	51,986	33,791
Adjustment for non-cash items	268,474	246,437	396,638
	351,498	298,423	430,429
Changes in working capital	39,940	33,636	(11,787)
	391,438	332,059	418,642
Net Interest, taxation and pension contributions paid	(186,670)	(195,696)	(235,936)
Net cash generated by operating activities	204,768	136,363	182,706
Net cash used in investing activities	(50,920)	(37,637)	(72,998)
Net cash used in financing activities	(87,184)	(70,228)	(93,971)
Increase in cash and cash equivalents	66,664	28,498	15,737
Currency adjustment – opening balance	(1,115)	(1,783)	(994)
Net cash – beginning of year	57,804	43,061	43,061
Net cash – end of year	**123,353**	**69,776**	**57,804**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	PARENT			NON-CONTROLLING INTERESTS		
	UNAUDITED	RESTATED	AUDITED RESTATED	UNAUDITED	RESTATED	AUDITED RESTATED
	Jan to Sept	Jan to Sept	Jan to Dec	Jan to Sept	Jan to Sept	Jan to Dec
	2014	2013	2013	2014	2013	2013
Balance at beginning of period	**561,533**	**485,720**	**485,720**	**(25,236)**	**(24,654)**	**(24,654)**
Other Comprehensive (Loss)/Income	(21,461)	(22,981)	17,614	(7,244)	(6,451)	(9,204)
Profit after taxation	60,004	69,331	58,199	3,665	9,550	9,082
Total Comprehensive Income/ (Loss)	38,543	46,350	75,813	(3,579)	3,099	(122)
Dividends paid	–	–	–	–	–	(460)
Balance at end of period	**600,076**	**532,070**	**561,533**	**(28,815)**	**(21,555)**	**(25,236)**