

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2012

CONSOLIDATED STATEMENT OF INCOME					
TT\$'000	UNAUDITED Three Months Apr to Jun		UNAUDITED Six Months Jan to Jun		AUDITED Year Jan to Dec
CONTINUING OPERATIONS:	2012	2011	2012	2011	2011
REVENUE	423,908	380,928	788,983	759,512	1,560,860
Earnings before interest, tax, depreciation & amortisation (EBITDA)	21,533	10,720	33,934	42,558	84,274
Depreciation	(35,609)	(43,691)	(72,894)	(80,873)	(170,979)
Impairment charges and write-offs Operating Loss Restructuring expenses Finance costs	(14,076) (32,285) (59,428)	(32,971) (18,314) (40,037)	(38,960) (40,291) (110,717)	(38,315) (18,314) (80,490)	(79,386) (166,091) (103,201) (187,960)
Loss before taxation from continuing operations Taxation Loss for the year from continuing operations	(105,789) 9,898 (95,891)	(91,322) 31,716 (59,606)	(189,968) 20,889 (169,079)	(137,119) 49,387 (87,732)	(457,252) 72,823 (384,429)
DISCONTINUED OPERATIONS: Operating loss for the year from discontinued operations Gain on disposal of discontinued operations Net Income for the year from discontinued operations Loss for the period	- - - (95,891)	(421) 10,169 9,748 (49,858)	- - (169,079)	(717) 10,169 9,452 (78,280)	(1,681) 11,092 9,411 (375,018)
Attributable to: Shareholders of the Parent Non-controlling Interests	(84,471) (11,420) (95,891)	(40,038) (9,820) (49,858)	(145,298) (23,781) (169,079)	(62,675) (15,605) (78,280)	(325,315) (49,703) (375,018)
Basic and diluted (Loss)/ Earnings per Share - cents: From Continuing Operations From Discontinued Operations	(34)	(19) 3 (16)	(59) - (59)	(28) 3 (25)	(135) 3 (132)

Performance

For the first six months of 2012, Group Revenue of \$789.0m exceeded the prior year comparative by \$29.5m or 3.7% due to higher pricing as domestic and export cement volumes were 5% and 24% respectively lower than the prior year comparatives. The Trinidad and Barbados markets saw volume declines of 12% and 11% respectively due to soft demand whilst he lower exports were due to reduced production as a result of the labour strike in Trinidad and plant difficulties in Barbados. Pre-mixed volumes were flat compared with the prior year.

Earnings before Interest, Taxes, Depreciation and Amortisation (Ebitda) was \$33.9m compared with \$42.6m for the prior year period. This fell short of expectations as the first six months was significantly affected by the general labour strike at the Trinidad plant which started on February 27th and continued to May 26th. During this period, cement and clinker were imported to ensure the domestic market was adequately supplied at a higher cost to the Group. Export sales from this plant were not possible. The plants in Jamaica and Barbados, at the same time, were not able to achieve expected production levels, suffering numerous breakdowns, due to inadequate spares as a result of a lack of working capital. The working capital difficulty was remedied in the last week of June with the execution of two sales contracts which resulted in advanced payments of US\$12m into the Group.

The Group incurred additional restructuring expenses of \$40.3m in the six months as the execution of the debt restructuring agreements did not take place until May 10th and all conditions precedent satisfied until June 15th. These expenses have to be recorded in the month in which the legal and other advisory services are rendered.

Net Finance expense of \$110.7m is \$30.2m higher

than the prior year comparative as the expense for 2012 include an additional 200 basis points in interest cost in accordance with the terms of the debt restructuring. The expense for 2012 was also negatively impacted by exchange losses of \$9.8m (2011 - \$1.4m) from our Jamaica operations.

In the second quarter of 2012, revenue of \$423.9m surpassed the prior year period by \$43.0m despite an 11% decline in sales volume as a result of higher pricing, which produced an improvement in Ebitda of \$10.8m or 101%. However, this was eroded by higher finance and restructuring costs resulting in a loss before taxation of \$105.8M which was 16% higher than the 2011 period.

In the balance sheet, loans amounting to \$1.9 billion have been reclassified from current into loan term as the Group completed on June 15 its debt restructuring exercise. Repayment will commence in March 2013 and spread until December 2018 when a bullet payment representing 42.6% of the restructured debt will be payable. The cash balance at the end of the 2012 half year is much improved by the advance payments arising from the two sales contracts. Cash generated from operations was below expectations whilst capital expenditure amounted to \$23.7m.

Outlook

With the debt restructuring exercise completed, the Group has refocused on its businesses in a still challenging environment. The receipt of the advanced payments will enable critical plant refurbishment to take place so that plant performance will improve. The strike at the Trinidad plant ended on May 26th and the plant has returned to full production whilst the labour dispute with the union is scheduled for hearing at the Industrial Court in October. The Group expects an improved 2012 second half performance.

Andy J. Bhajan

Andy J. Bhajan Group Chairman August 3, 2012



Dr. Rollin Bertrand Director/Group CEO August 3, 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					
TT\$'000	UNAUDITED Three Months Apr to Jun		UNAUDITED Six Months Jan to Jun		AUDITED Year Jan to Dec
	2012	2011	2012	2011	2011
Loss after Taxation	(95,891)	(49,858)	(169,079)	(78,280)	(375,018)
Currency translation	(108)	(2,158)	(1,001)	1,098	(765)
Change in fair value of swap, net of tax		20,599		22,984	22,984
	(95,999)	(31,417)	(170,080)	(54,198)	(352,799)
Attributable to:					
Shareholders of the Parent	(84,496)	(21,186)	(146,146)	(38,677)	(302,805)
Non-controlling Interests	(11,503)	(10,231)	(23,934)	(15,521)	(49,994)
j and	(95,999)	(31,417)	(170,080)	(54,198)	(352,799)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION							
TT\$'000	UNAUDITED	UNAUDITED	AUDITED				
	30.06.2012	30.06.2011	31.12.2011				
Non-Current Assets	3,103,859	3,310,770	3,144,383				
Current Assets	862,414	825,267	808,662				
Current Liabilities	(638,315)	(2,217,259)	(2,390,689)				
Non-Current Liabilities	(2,329,591)	(452,000)	(394,225)				
Total Net Assets	998,367	1,466,778	1,168,131				
Share Capital Reserves Equity attributable to Shareholders of the Parent Non-controlling Interests	466,206	466,206	466,206				
	513,368	923,126	659,514				
	979,574	1,389,332	1,125,720				
	18,793	77,446	42,411				
Total Equity	998,367	1,466,778	1,168,131				

CONSOLIDATED STATEMENT OF CASH FLOWS						
TT\$'000	UNAU Six M Jan	AUDITED Year Jan to Dec				
	2012	2011	2011			
Loss before Taxation from Continuing Operations Profit before Taxation from Discontinued Operations	(189,968)	(137,119) 9,452	(457,252) 9,411			
Loss before Taxation Adjustment for non-cash items	(189,968) 188,512 (1,456)	(127,667) 185,633 57,966	(447,841) 553,247 105,406			
Changes in working capital	85,880	6,664	55,034			
	84,424	64,630	160,440			
Net Interest, taxation and pension contributions paid	(3,805)	<u>(11,444)</u>	(59,626)			
Net cash generated by operating activities	80,619	53,186	100,814			
Net cash used in investing activities Net cash generated by/(used in) financing activities	(23,700)	(21,726)	(31,175)			
	36,569	3,563	(32,565)			
Increase in cash and cash equivalents Currency adjustment - opening balance	93,488	35,023	37,074			
	(259)	(148)	(59)			
Net cash/(borrowings) – beginning of year	57,308	(86,565)	20,293			
Net cash/(borrowings) - end of year	150,537	(51,690)	57,308			

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY					
TT\$'000	UNAUDITED Six Months Jan to Jun	UNAUDITED Six Months Jan to Jun	AUDITED Year Jan to Dec		
	2012	2011	2011		
Balance at beginning of period	1,125,720	1,424,907	1,424,907		
Currency translation and other adjustments Allocation to employees of	(848)	1,014	(474)		
ESOP shares, net of dividend	-	3,102	3,385		
Change in fair value of swap, net of tax	-	22,984	22,984		
Loss after taxation	(145,298)	(62,675)	(325,315)		
Dividends forfeited			233_		
Balance at end of period	979,574	1,389,332	1,125,720		



CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2012 (CONTINUED)

SEGMENT INFORMATION						
TT\$'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL	
UNAUDITED SIX MONTHS JAN TO JUN 2012						
Revenue Total Intersegment	837,009 (113,348)	62,168	38,383 (35,229)	- -	937,560 (148,577)	
Third Party	723,661	62,168	3,154	-	788,983	
(Loss)/Profit before tax Depreciation and impairment Segment Assets Segment Liabilities Capital expenditure	(190,675) 71,031 4,692,933 3,686,239 22,108	(4,743) 3,309 154,136 59,178 1,436	3,005 1,014 116,422 35,795 156	2,445 (2,460) (997,218) (813,306)	(189,968) 72,894 3,966,273 2,967,906 23,700	
UNAUDITED SIX MONTHS JAN TO JUN 2011						
Revenue Total Intersegment Third Party	822,776 (129,074) 693,702	59,404 	43,673 (37,267) 6,406		925,853 (166,341) 759,512	
(Loss)/Profit before tax Depreciation Segment Assets Segment Liabilities Capital expenditure	(138,002) 78,248 4,723,398 3,153,298 20,526	2,090 4,418 164,482 63,130 1,200	4,263 1,083 111,426 37,235	3,982 (2,876) (863,269) (584,404)	(127,667) 80,873 4,136,037 2,669,259 21,726	
AUDITED YEAR END JAN TO DEC 2011 Revenue						
Total Intersegment Third Party	1,691,382 (257,287) 1,434,095	116,242 - 116,242	91,036 (80,513) 10,523	- - -	1,898,660 (337,800) 1,560,860	
(Loss)/Profit before tax Depreciation and impairment Segment Assets Segment Liabilities Capital expenditure	(502,869) 245,367 4,562,639 3,406,799 38,484	(425) 8,543 162,144 60,825 1,856	8,901 2,159 114,463 36,365 381	46,552 (5,705) (886,201) (719,075)	(447,841) 250,364 3,953,045 2,784,914 40,721	

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, 2011. 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, 2012 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 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 (2011: 4.121M) 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 /Debt Restructuring

The Group successfully completed the restructuring of its debt portfolio in June 2012, which has effectively re-set its debt service obligations, starting from December 2012. The current economic environment remains challenging and as a result the Group reported a net loss before taxes for the half year of \$190.0 million. The Group continues to undertake initiatives to improve its cost structure and enhance revenue streams. Notwithstanding these ongoing initiatives, the Directors have concluded that the current financial position of the Group and weak construction demand still represent a material uncertainty that may impact the ability of the group to continue as a going concern.