TRINIDAD CEMENT LIMITED

SUMMARY CONSOLIDATED AUDITED FINANCIAL REPORT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015

SUMMARY CONSOLIDATED STATEMENT OF INCOME

TT$'000	UNAUDITED Three Months Oct to Dec 2015	UNAUDITED Three Months Oct to Dec 2014	AUDITED Year Jan to Dec 2015	AUDITED Year Jan to Dec 2014
CONTINUING OPERATIONS				
REVENUE	477,568	515,784	2,115,446	2,103,074
Earnings before interest, tax, depreciation, impairment, loss on disposal of property, plant and equipment and manpower restructuring costs	110,842	78,976	588,479	407,845
Depreciation	(26,113)	(36,478)	(110,796)	(131,113)
Impairment charges and write-offs	–	(155,937)	–	(155,937)
Loss on disposal of property, plant and equipment	(180)	(1,649)	(164)	(3,963)
Manpower restructuring costs	(31,099)	–	(31,099)	–
Operating profit	53,450	(115,088)	446,420	116,832
Debt refinancing gains (net)	–	–	205,819	–
Finance costs	(37,177)	(68,835)	(164,630)	(213,551)
Profit/(loss) before taxation from continuing operations	16,273	(183,923)	487,609	(96,719)
Taxation charge	(6,744)	(89,229)	(58,714)	(108,584)
Profit/(loss) for the year from continuing operations	9,529	(273,152)	428,895	(205,303)
DISCONTINUED OPERATIONS				
Loss after taxation from discontinued operations	1	(1,536)	(115)	(5,716)
Profit/(loss) for year	9,530	(274,688)	428,780	(211,019)
Attributable to:				
Shareholders of the Parent	10,577	(274,398)	405,108	(214,394)
Non-controlling Interests	(1,047)	(290)	23,672	3,375
	9,530	(274,688)	428,780	(211,019)
Basic and diluted earnings/(loss) per share – cents:				
From continuing operations	0.4	(111.3)	119.0	(86.1)
From discontinued operations	–	(0.3)	–	(1.0)
	0.4	(111.6)	119.0	(87.1)

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT$'000	UNAUDITED Three Months Oct to Dec 2015	UNAUDITED Three Months Oct to Dec 2014	AUDITED Year Jan to Dec 2015	AUDITED Year Jan to Dec 2014
Profit/(loss) for the year	9,530	(274,688)	428,780	(211,019)
Other comprehensive income				
Other comprehensive loss to be reclassified to profit and loss in subsequent periods:				
Exchange differences on translation of foreign operations	(1,240)	(1,732)	(18,930)	(30,437)
Net other comprehensive loss to be reclassified to profit and loss in subsequent periods	(1,240)	(1,732)	(18,930)	(30,437)
Other comprehensive (loss)/income not to be reclassified to profit and loss in subsequent periods:				
Re-measurement losses on defined benefit plans	(87,685)	(65,610)	(87,685)	(65,610)
Income tax effect	21,752	16,915	21,752	16,915
Net other comprehensive loss not to be reclassified to profit and loss in subsequent periods:	(65,933)	(48,695)	(65,933)	(48,695)
Other comprehensive loss for the year, net of tax	(67,173)	(50,427)	(84,863)	(79,132)
Total comprehensive (loss)/income for the year, net of tax	(57,643)	(325,115)	343,917	(290,151)
Attributable to:				
Shareholders of the parent	(55,778)	(323,099)	324,790	(284,556)
Non-controlling interests	(1,865)	(2,016)	19,127	(5,595)
	(57,643)	(325,115)	343,917	(290,151)

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT$'000	AUDITED 31.12.2015	AUDITED 31.12.2014
Non-current assets	2,073,495	2,160,090
Current assets	959,587	849,911
Current liabilities	(709,499)	(2,376,213)
Non-current liabilities	(1,372,613)	(388,261)
Total net assets	950,970	245,527
Share capital	827,732	466,206
Reserves	135,561	(189,229)
Equity attributable to the Parent	963,293	276,977
Non-controlling interests	(12,323)	(31,450)
Total equity	950,970	245,527

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

TT$'000	AUDITED Year Jan to Dec 2015	AUDITED Year Jan to Dec 2014
Profit/(loss) before taxation from continuing operations	487,609	(96,719)
Loss before taxation from discontinued operations	(115)	(5,754)
	487,494	(102,473)
Adjustment for non-cash items	98,143	529,339
	585,637	426,866
Changes in working capital	47,382	16,966
	633,019	443,832
Net interest, taxation and pension contributions paid	(163,759)	(233,237)
Net cash generated by operating activities	469,260	210,595
Net cash used in investing activities	(117,212)	(77,637)
Net cash used in financing activities	(159,992)	(92,963)
Net increase in cash	192,056	39,995
Net foreign exchange differences	(145)	(1,210)
Net cash – beginning of year	96,589	57,804
Net cash – end of year	288,500	96,589

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	PARENT AUDITED Year Jan to Dec 2015	PARENT AUDITED Year Jan to Dec 2014	NON-CONTROLLING INTERESTS AUDITED Year Jan to Dec 2015	NON-CONTROLLING INTERESTS AUDITED Year Jan to Dec 2014
Balance at beginning of period	276,977	561,533	(31,450)	(25,236)
Other comprehensive loss	(80,318)	(70,162)	(4,545)	(8,970)
Profit/(loss) after taxation	405,108	(214,394)	23,672	3,375
Total comprehensive income/(loss)	324,790	(284,556)	19,127	(5,595)
Issue of shares	361,526	–	–	–
Dividends paid	–	–	–	(619)
Balance at end of period	963,293	276,977	(12,323)	(31,450)

DIRECTORS' STATEMENT

The worldwide economic environment of 2015 was mixed, while some regions experienced moderate growth, Latin America and the Caribbean region recorded weak performance mainly due to the impact of declining oil and commodity prices. Locally, the impact was felt directly from early in the year and our economy continues to show signs of these challenges, especially in the construction sector.

Notwithstanding the challenging circumstances, in the first half of 2015, the Group completed its capital restructuring which included:

- Negotiating amendments to the restructured loan agreement (the "Override Agreement") with its lenders which addressed the debt default condition which existed as at December 31, 2014;
- Successfully completing a Rights Issue of 124.9 million shares and raised net proceeds of $361.5 million; and
- Negotiating a short term loan agreement in May 2015 which was followed by a 5-year loan agreement in August 2015 to repay all debt under the Override Agreement.

As at December 31, 2015, total borrowings of the Group were reduced to $1.2 billion ($1.8 billion as at December 31, 2014).

In addition, operationally, the Group capitalised on a number of efficiencies and health & safety initiatives that were put in place to enhance the performance of all our Cement Plants. Significant savings in the cost of electricity and fuel (mainly in the Jamaican operations) and manpower restructuring were the key areas of focus. These savings reflected in an increase of 44.3% over 2014 of the Earnings before Interest, Taxes, Depreciation, Impairment, Loss on disposal of property, plant and equipment and Manpower restructure cost ("adjusted EBITDA").

The Group achieved a 23% reduction in annual finance costs and obtained a one-time benefit of $205.8 million as a result of renegotiating and settling the restructured debt under the Override Agreement and was able to increase our cash holdings by $192 million while at the same time, returning the Group to capital investment in its Plant.

Although the Group has faced increased competition in the markets, it has recorded its highest ever revenue of $2.1 billion, an increase of $12.4 million compared to the year 2014. This represents the second consecutive year of record breaking revenues for the TCL Group. The 2015 revenue achievement was mainly driven by a 12% increase in cement sales volumes in Jamaica and a 16% increase in clinker sales volumes.

Profit after taxes amounted to $428.7 million compared with losses of $211.0 million in the prior year which resulted in earnings per share of $1.19 (which includes the effect of a one-time financing gain of $205.8 million of $0.61 per share) compared with a loss of $0.87 for 2014.

Outlook

The Group has fully remediated the debt default condition which existed in 2014. Also, through the restructuring process undertaken in 2015, it has also reduced its debt exposure and increased cash balances at year end. Principal payments to our lenders began in 2015 and we are fully up to date with all payments to lenders and are also fully compliant with our financial Covenants.

Consistent with the mandate to achieve "sustainability and competitiveness", the Group has begun extensive operational restructuring programs and committed significant investment over the next three years to improve cost efficiencies and competitiveness in all of its business units. These programs are critical to ensuring that the TCL Group achieves industry best practice standards and global competitiveness, returns to consistent profitability and is able to generate value for the benefit of shareholders and financiers.

We take this opportunity to express our appreciation to our employees, lenders, suppliers, shareholders and other strategic partners for their dedication, commitment and contributions towards helping us achieve our objectives and for their unwavering support and cooperation. We are confident that your continued support will help us to successfully navigate the economic challenges that we see ahead.

Wilfred Espinet
Group Chairman
February 25, 2016

Nigel Edwards
Director
February 25, 2016

TRINIDAD CEMENT LIMITED

SUMMARY CONSOLIDATED AUDITED FINANCIAL REPORT

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015

SEGMENT INFORMATION

TT$'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
AUDITED YEAR JANUARY TO DECEMBER 2015					
Revenue					
Total	2,202,494	216,716	62,695	–	2,481,905
Intersegment	(309,972)	–	(56,487)	–	(366,459)
Third party	1,892,522	216,716	6,208	–	2,115,446
Profit/(loss) before tax	676,731	13,185	(5,068)	(197,354)	487,494
Depreciation and impairment	106,561	6,596	1,503	(3,864)	110,796
Segment assets	3,713,276	147,289	96,728	(924,211)	3,033,082
Segment liabilities	2,764,719	43,425	30,704	(756,736)	2,082,112
Capital expenditure	103,962	10,692	2,863	–	117,517
AUDITED YEAR JANUARY TO DECEMBER 2014					
Revenue					
Total	2,230,020	210,900	83,521	–	2,524,441
Intersegment	(343,077)	–	(76,551)	–	(419,628)
Third party	1,886,943	210,900	6,970	–	2,104,813
Profit/(loss) before tax	79,029	15,732	3,932	(201,166)	(102,473)
Depreciation and impairment	284,092	5,579	1,279	(3,900)	287,050
Segment assets	3,342,154	132,175	103,934	(568,262)	3,010,001
Segment liabilities	3,238,704	36,997	29,525	(540,752)	2,764,474
Capital expenditure	71,926	5,032	769	–	77,727

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Trinidad Cement Limited

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2015 and the summary consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Trinidad Cement Limited and its subsidiaries (the "Group") for the year ended December 31, 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated February 25, 2016.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis of their established criteria as described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements.

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of the Group for the year ended December 31, 2015 are consistent, in all material respects, with the audited consolidated financial statements, on the basis of management's established criteria as described in Note 1.

Ernst & Young

Port of Spain
TRINIDAD
February 25, 2016

NOTES:

1. Basis of Preparation

These summary consolidated financial statements are prepared in accordance with established criteria developed by management and disclose the summary consolidated statements 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 consolidated financial statements are derived from the audited consolidated financial statements of Trinidad Cement Limited and its subsidiaries for the year ended December 31, 2015, which are prepared in accordance with International Financial Reporting Standards. A full version of the audited consolidated financial statements will be available in the Company's Annual Report.

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, 2015 audited financial statements consistently applied from period to period. The Group has adopted all the new and revised accounting standards that are mandatory for annual accounting periods on or after January 1, 2015 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 average annual total number of issued shares of 343.427M (2014: 249.765M), the 3.752M (2014: 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 has reported a profit before taxation from continuing operations of $487.6 million for the year ended December 31, 2015 (loss before taxation from continuing operations of $96.7 million in 2014). Outstanding debt obligations amount to $1.2 billion as at year end relative to $1.8 billion in the prior year. In addition, the Group held cash and cash equivalents of the $288.5 million as at year end (2014: 97 million).

On March 30, 2015 the Group negotiated with its lenders to secure amendments to the restructured loan agreement (the "Override Agreement") which addressed the debt default condition which existed as at December 31, 2014. As a condition of the amended Override Agreement, the Company was required to receive equity contributions of at least US$50 million by March 31, 2015. On March 31, 2015 the Company successfully completed the Rights Issue of 124.9 million shares and raised net proceeds of $361.5 million.

As per the terms of the amendment to the Override Agreement, the lenders agreed to waive existing defaults, to reschedule principal repayments, to reduce interest rates and to grant a discount to the Group if the debt was repaid within 90 days of the amended agreement.

On May 11, 2015 the Group negotiated a short-term loan agreement (the "Credit Agreement"), which raised $1.6 billion, and allowed the Group to fully repay the lenders under the Override Agreement. The Group received a discount of $199.4 million upon repayment of the lenders under the Override Agreement. On August 11, 2015 the Company negotiated a five-year loan agreement (the "Amended and Restated Credit Agreement") with the assistance of the lenders under the Credit Agreement. As at December 31, 2015, total borrowings of the Group were reduced to $1.2 billion ($1.8 billion as at December 31, 2014).

Overall, the Group has fully remediated the debt default condition which existed in 2014 and through the restructuring process undertaken in 2015, has reduced its debt exposure and increased cash and cash equivalent balances at year end. Accordingly, the debt default conditions and resulting going concern risk factors which existed in 2014 are no longer existent as at December 31, 2015.