



TRINIDAD CEMENT LIMITED

# CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2011

## CONSOLIDATED STATEMENT OF INCOME

TT\$'000	UNAUDITED Three Months Jan to Mar		AUDITED Year Jan to Dec
	2011	2010	2010
<b>CONTINUING OPERATIONS:</b>			
<b>REVENUE</b>	<b>378,584</b>	<b>425,476</b>	<b>1,561,084</b>
<b>Operating (Loss)/Profit from Continuing Operations</b>	<b>(5,344)</b>	<b>64,982</b>	<b>3,026</b>
Foreign exchange (loss)/gain	(1,443)	(839)	2,971
Finance costs - net	(39,010)	(38,552)	(151,335)
<b>(Loss)/Profit before Taxation from Continuing Operations</b>	<b>(45,797)</b>	<b>25,591</b>	<b>(145,338)</b>
Taxation	17,671	1,056	69,264
<b>(Loss)/Profit after Taxation from Continuing Operations</b>	<b>(28,126)</b>	<b>26,647</b>	<b>(76,074)</b>
<b>DISCONTINUED OPERATIONS:</b>			
Loss after Taxation from Discontinued Operations	(296)	(1,028)	(4,253)
Gain on Sale of Discontinued Operations	-	8,949	-
	(296)	7,921	(4,253)
<b>Total (Loss)/Profit after Taxation</b>	<b>(28,422)</b>	<b>34,568</b>	<b>(80,327)</b>
<b>Attributable to:</b>			
Shareholders of the Parent	(22,637)	31,139	(48,549)
Non-controlling Interests	(5,785)	3,429	(31,778)
	<b>(28,422)</b>	<b>34,568</b>	<b>(80,327)</b>
<b>Basic and diluted (Loss)/Earnings per Share - cents:</b>			
From Continuing Operations	(9)	10	(18)
From Discontinued Operations	(0)	3	(2)
	<b>(9)</b>	<b>13</b>	<b>(20)</b>
<b>Earnings Before Interest, Tax, Depreciation &amp; Amortization (EBITDA)</b>	<b>32,218</b>	<b>106,213</b>	<b>161,917</b>

## DIRECTORS' STATEMENT

In the first quarter of 2011, the Group continued to be challenged by weak demand as critical domestic volumes declined by 13% whilst export volumes were marginally above the prior year comparison by 1%. Accordingly, revenue declined by \$47m or 11%. As a consequence of a high fixed cost associated with our plants, set against reduced revenue, the Group is reporting Losses Attributable to the Parent of \$23m compared with a Profit of \$31m for 2010. This translates to Losses per Share of 9 cents compared with Earnings per share of 13 cents in 2010.

The Group is beginning to see improvement in its sales volumes in Barbados and Jamaica compared with Q4 2010. It is expected that the many construction projects announced in Trinidad and Tobago will commence later this year and that cement and concrete demand will rebound in the near future. The export drive continues aggressively while the debt restructuring exercise is progressing with an expectation that it will be completed in the third quarter of 2011. The Group will continue with its aggressive cost cutting initiatives and streamlining of operations.

Andy J. Bhajan

Andy J. Bhajan  
Group Chairman  
May 17, 2011

Dr. Rollin Bertrand

Dr. Rollin Bertrand  
Director/Group CEO  
May 17, 2011

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT\$'000	UNAUDITED Three Months Jan to Mar		AUDITED Year Jan to Dec
	2011	2010	2010
<b>(Loss)/Profit after Taxation</b>	<b>(28,422)</b>	<b>34,568</b>	<b>(80,327)</b>
Currency translation	3,256	912	22,657
Change in fair value of swap, net of tax	2,385	(1,475)	(4,085)
	<b>(22,781)</b>	<b>34,005</b>	<b>(61,755)</b>
<b>Attributable to:</b>			
Shareholders of the Parent	(17,491)	29,968	(35,181)
Non-controlling Interests	(5,290)	4,037	(26,574)
	<b>(22,781)</b>	<b>34,005</b>	<b>(61,755)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

TT\$'000	UNAUDITED Three Months Jan to Mar	UNAUDITED Three Months Jan to Mar	AUDITED Year Jan to Dec
	2011	2010	2010
<b>(Loss)/Profit before Taxation from Continuing Operations</b>	<b>(45,797)</b>	<b>25,591</b>	<b>(145,338)</b>
Gain on sale of Discontinued Operations	-	8,949	-
(Loss) before Taxation from Discontinued Operations	(296)	(1,028)	(4,253)
<b>(Loss)/Profit before Taxation</b>	<b>(46,093)</b>	<b>33,512</b>	<b>(149,591)</b>
Adjustment for non-cash items	85,025	75,023	331,159
	38,932	108,535	181,568
Changes in working capital	18,980	(66,186)	30,922
	57,912	42,349	212,490
	<b>(12,703)</b>	<b>(48,311)</b>	<b>(173,650)</b>
Net Interest, taxation and pension contributions paid	45,209	(5,962)	38,840
Net cash generated by/(used in) operating activities	(15,237)	(10,149)	(55,451)
Net cash generated by/(used in) financing activities	22,309	(29,980)	(42,877)
Increase/(Decrease) in cash and cash equivalents	52,281	(46,091)	(59,488)
Currency adjustment - opening balance	(378)	(42)	(6,381)
Cash and cash equivalents - beginning of period	(86,565)	(20,696)	(20,696)
<b>Cash and cash equivalents - end of period</b>	<b>(34,662)</b>	<b>(66,829)</b>	<b>(86,565)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT\$'000	UNAUDITED 31.03.2011	UNAUDITED 31.03.2010	AUDITED 31.12.2010
Non-Current Assets	3,303,354	3,220,663	3,343,685
Current Assets	774,432	823,142	777,236
Current Liabilities	(2,158,518)	(858,383)	(2,137,406)
Non-Current Liabilities	(424,749)	(1,572,130)	(466,203)
<b>Total Net Assets</b>	<b>1,494,519</b>	<b>1,613,292</b>	<b>1,517,312</b>
Share Capital	466,206	466,206	466,206
Reserves	941,210	1,023,501	958,701
<b>Equity attributable to Shareholders of the Parent</b>	<b>1,407,416</b>	<b>1,489,707</b>	<b>1,424,907</b>
Non-controlling Interests	87,103	123,585	92,405
<b>Total Equity</b>	<b>1,494,519</b>	<b>1,613,292</b>	<b>1,517,312</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT\$'000	UNAUDITED Three Months Jan to Mar	UNAUDITED Three Months Jan to Mar	AUDITED Year Jan to Dec
	2011	2010	2010
<b>Balance at beginning of period</b>	<b>1,424,907</b>	<b>1,459,739</b>	<b>1,459,739</b>
Currency translation and other adjustments	2,761	304	17,453
Allocation to employees and sale of ESOP shares, net of dividend	-	-	24
Change in fair value of swap, net of tax	2,385	(1,475)	(4,085)
(Loss)/Profit after taxation	(22,637)	31,139	(48,549)
Dividends forfeited	-	-	325
<b>Balance at end of period</b>	<b>1,407,416</b>	<b>1,489,707</b>	<b>1,424,907</b>

## SEGMENT INFORMATION

TT\$ '000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
<b>UNAUDITED THREE MONTHS JAN TO MAR 2011</b>					
<b>Revenue</b>					
Total	400,244	29,057	21,579	-	450,880
Intersegment	(54,329)	-	(17,967)	-	(72,296)
Third Party	345,915	29,057	3,612	-	378,584
(Loss)/Profit before tax	(45,642)	(3,763)	2,076	1,236	(46,093)
Depreciation	39,036	2,163	542	(1,392)	40,349
Segment Assets	4,578,822	160,637	109,871	(771,544)	4,077,786
Segment Liabilities	2,989,263	65,694	37,468	(509,158)	2,583,267
Capital expenditure	14,577	660	-	-	15,237
<b>UNAUDITED THREE MONTHS JAN TO MAR 2010</b>					
<b>Revenue</b>					
Total	442,847	42,533	23,453	-	508,833
Intersegment	(62,029)	-	(21,328)	-	(83,357)
Third Party	380,818	42,533	2,125	-	425,476
Profit before tax	15,711	11,515	4,779	1,507	33,512
Depreciation	40,462	2,576	618	(1,398)	42,258
Segment Assets	4,379,391	176,428	99,746	(611,760)	4,043,805
Segment Liabilities	2,657,145	60,186	30,725	(317,543)	2,430,513
Capital expenditure	9,833	316	-	-	10,149
<b>AUDITED YEAR JAN TO DEC 2010</b>					
<b>Revenue</b>					
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	(158,129)	(7,669)	10,764	5,443	(149,591)
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

### 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. Subsequent Events/Going Concern

At 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.