



TRINIDAD CEMENT LIMITED

SUMMARY CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2015

SUMMARY CONSOLIDATED STATEMENT OF INCOME

TT\$'000	UNAUDITED Three Months Jan to Mar		AUDITED Year Jan to Dec
	2015	2014	2014
CONTINUING OPERATIONS			
REVENUE	514,855	513,564	2,103,074
Earnings before interest, tax, depreciation, impairment, loss on disposal of property, plant and equipment and restructuring expenses	138,212	100,437	407,845
Depreciation	(27,651)	(31,527)	(131,113)
Impairment charges	—	—	(155,937)
Loss on disposal of property, plant and equipment	—	(500)	(3,963)
Operating profit	110,561	68,410	116,832
Net Debt restructuring gain	2,851	—	—
Net Finance costs	(56,417)	(50,773)	(213,551)
Profit/(Loss) before taxation from Continuing Operations	56,995	17,637	(96,719)
Taxation charge	(10,391)	(4,174)	(108,584)
Profit/(Loss) for the year from Continuing Operations	46,604	13,463	(205,303)
DISCONTINUED OPERATIONS			
Loss after Taxation from Discontinued Operations	—	(494)	(5,716)
Profit/(Loss) for year	46,604	12,969	(211,019)
Attributable to:			
Shareholders of the Parent	42,519	11,262	(214,394)
Non-controlling Interests	4,085	1,707	3,375
	46,604	12,969	(211,019)
Basic and diluted Earnings/(Loss) per Share – cents:			
From Continuing Operations	17.2	4.7	(86.1)
From Discontinued Operations	—	(0.1)	(1.0)
	17.2	4.6	(87.1)

DIRECTORS' STATEMENT

The first quarter (Q1) of 2015 has been a milestone in the history of the TCL Group. The Board is pleased to advise that the Rights issue was successfully concluded on March 31, 2015, with 124.9 million shares being issued and \$361.5 million additional capital raised. In addition, restructured debt agreements with lenders came into effect as at March 30, 2015, the main elements of which include: Interest rate has reverted to December 2010 levels (2% reduction); forgiveness of the default moratorium interest from September 30, 2014 and a discount offered by the financiers if the loan is repaid in 90 days.

For Q1 2015, Group revenue of \$514.9 million showed a small increase (\$1.3 million or 0.3%) compared to Q1 2014, due mainly to cement price increases implemented during 2014 and 11.1 k tonnes increased clinker sales volume, while cement sales volume declined by 4%. However, earnings before interest, taxes, depreciation, impairment, loss on disposal of property, plant and equipment and debt restructuring credit from continuing operations increased by \$37.8 million (38%) due mainly to higher sales and production volumes and price increases implemented in 2014 at TCL and lower fuel and electricity cost at CCCL. These improvements were partially reduced by the under performance of ACCL arising from production challenges.

The terms of the restructured debt resulted in a gain on extinguishment of \$2.8 million. Net profit for the quarter was \$46.6 million, an increase of \$33.6 million from Q1 2014.

Restructured Debt/Liquidity

The event of default disclosed in the fourth quarter 2014 statement has been remedied with the execution of the restructured debt agreements as at March 30, 2015. As a consequence, the loans have now been re-classified from short term to long term, thus improving the working capital from a deficit of \$1.5 billion at December 31, 2014, to a surplus of \$0.6 billion at March 31, 2015. Rights issue proceeds of \$361.5 million were received while debt service payments for the quarter amounted to \$37.0 million and expenditure on property, plant and equipment was \$12.2 million resulting in net cash balance at the end of Q1 of \$548.3 million.

Outlook

The proceeds of the rights issue will be utilised for investment in capital expenditure, replenishment of working capital, debt service and restructuring/transaction expenses. In addition, the Company is exploring the possibility of refinancing its debt, to take advantage of the prepayment discounts negotiated with the lenders. The Group is in a much improved position and poised to deliver excellent results and generate sustainable rewards for all our stakeholders.

Wilfred Espinet
Group Chairman
April 23, 2015

Alejandro Ramirez
Director/Group CEO (Ag)
April 23, 2015

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT\$'000	UNAUDITED Three Months Jan to Mar		AUDITED Year Jan to Dec
	2015	2014	2014
Profit/(Loss) for the year	46,604	12,969	(211,019)
Other Comprehensive Income			
Other Comprehensive Income to be reclassified to profit and loss in subsequent periods:			
Exchange differences on translation of foreign operations	(4,715)	(11,458)	(30,437)
Net Other Comprehensive loss to be reclassified to profit and loss in subsequent periods	(4,715)	(11,458)	(30,437)
Other Comprehensive (Loss)/Income not to be reclassified to profit and loss in subsequent periods:			
Re-measurement losses on defined benefit plans	—	—	(65,610)
Income tax effect	—	—	16,915
Net Other Comprehensive Loss not to be reclassified to profit and loss in subsequent periods:	—	—	(48,695)
Other Comprehensive Losses for the year, net of tax	(4,715)	(11,458)	(79,132)
Total Comprehensive Income/(loss) for the year, net of tax	41,889	1,511	(290,151)
Attributable to:			
Shareholders of the Parent	38,038	2,636	(284,556)
Non-Controlling Interests	3,851	(1,125)	(5,595)
	41,889	1,511	(290,151)

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT\$'000	UNAUDITED 31.03.2015	AUDITED 31.12.2014
Non-Current Assets	2,140,363	2,160,090
Current Assets	1,252,616	849,911
Current Liabilities	(604,208)	(2,376,213)
Non-Current Liabilities	(2,139,829)	(388,261)
Total Net Assets	648,942	245,527
Share Capital	827,732	466,206
Reserves	(151,191)	(189,229)
Equity attributable to the Parent	676,541	276,977
Non-controlling Interests	(27,599)	(31,450)
Total Equity	648,942	245,527

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

TT\$'000	UNAUDITED Three Months Jan to Mar	AUDITED Year Jan to Dec
	2015	2014
Profit/(Loss) before Taxation from Continuing Operations	56,995	(96,719)
Loss before Taxation from Discontinued Operations	—	(5,754)
	56,995	(102,473)
Adjustment for non-cash items	93,098	529,339
	150,093	426,866
Changes in working capital	3,844	16,966
	153,937	443,832
Net interest, taxation and pension contributions paid	(50,519)	(233,237)
Net cash generated by operating activities	103,418	210,595
Net cash used in investing activities	(12,219)	(77,637)
Net cash generated by/(used in) financing activities	360,620	(92,963)
Increase in cash and cash equivalents	451,819	39,995
Currency adjustment – opening balance	(64)	(1,210)
Net cash – beginning of year	96,589	57,804
Net cash – end of year	548,344	96,589

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT\$'000	PARENT		NON-CONTROLLING INTERESTS	
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
	Jan to Mar 2015	Jan to Dec 2014	Jan to Mar 2015	Jan to Dec 2014
Balance at beginning of period	276,977	561,533	(31,450)	(25,236)
Rights Issue Proceeds	361,526	—	—	—
Other Comprehensive Loss	(4,481)	(70,162)	(234)	(8,970)
Profit/(Loss) after taxation	42,519	(214,394)	4,085	3,375
Total Comprehensive Income/(Loss)	38,038	(284,556)	3,851	(5,595)
Dividends paid	—	—	—	(619)
Balance at end of period	676,541	276,977	(27,599)	(31,450)



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SEGMENT INFORMATION

TT\$'000	Cement	Concrete	Packaging	Consolidation Adjustments	Total
UNAUDITED THREE MONTHS JAN TO MAR 2015					
Revenue					
Total	561,861	48,119	15,606	—	625,586
Intersegment	(96,836)	—	(13,895)	—	(110,731)
Third Party	465,025	48,119	1,711	—	514,855
Profit/(Loss) before tax	53,121	3,485	(2,388)	2,777	56,995
Depreciation and impairment	27,047	1,238	346	(980)	27,651
Segment Assets	3,706,769	138,266	111,627	(563,683)	3,392,979
Segment Liabilities	3,030,248	44,834	38,901	(369,946)	2,744,037
Capital expenditure	8,672	2,736	811	—	12,219
UNAUDITED THREE MONTHS JAN TO MAR 2014					
Revenue					
Total	550,208	43,783	21,809	—	615,800
Intersegment	(82,104)	—	(20,132)	—	(102,236)
Third Party	468,104	43,783	1,677	—	513,564
Profit before tax	11,069	2,818	3,355	(99)	17,143
Depreciation and impairment	30,619	1,528	290	(910)	31,527
Segment Assets	3,676,082	142,340	107,914	(583,809)	3,342,527
Segment Liabilities	3,059,362	52,703	30,829	(338,175)	2,804,719
Capital expenditure	14,015	1,424	6	—	15,445
AUDITED YEAR JAN TO DEC 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

NOTES

1. Basis of Preparation

These summary consolidated financial statements are prepared in accordance with established criteria developed by management and 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

These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the December 31, 2014 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 01, 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 total number of issued shares of 374.647 million, the 3.752 million (2014: 3.752 million) 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. Rights Issue

On March 31, 2015 a Rights Issue of shares was concluded with 124,882,568 new shares being issued bringing the total number of issued shares at March 31, 2015 to 374,647,704.

6. Group Restructuring

The Group has negotiated new terms under the Override Agreement with Lenders with the restructured debt agreements coming into effect as at March 30, 2015. The main elements of this restructuring include: reduction of the interest rate on the outstanding debt by a percentage equivalent to the Additional Margin (currently 2%); forgiveness of the default moratorium interest from September 30, 2014 (2%); adjustment to the amortisations of the debts based on TCL's new cash flow projections and the ability to prepay originally secured and unsecured debt on a discounted basis within 90 days of the effectiveness of the restructuring.

In addition to the debt restructuring, the Rights Issue was successfully concluded on March 31 2015, with 124.9 million shares being issued, bringing the total number of shares in issue to 374.6 million.