TRINIDAD CEMENT LIMITED

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2013

CONSOLIDATED STATEMENT OF INCOME

TT$'000	UNAUDITED Three Months Apr to Jun 2013	RESTATED Three Months Apr to Jun 2012	UNAUDITED Six Months Jan to Jun 2013	RESTATED Six Months Jan to Jun 2012	RESTATED Year Jan to Dec 2012
REVENUE	**511,964**	**423,908**	**994,103**	**788,983**	**1,615,888**
Earnings before interest, tax, depreciation & amortisation	**147,018**	**20,287**	**261,175**	**31,442**	**154,987**
Depreciation	(31,504)	(35,609)	(63,855)	(72,894)	(149,486)
Impairment charges and write-offs	-	-	-	-	(88,552)
Loss on disposal of property, plant and equipment	(935)	-	(935)	-	(6,806)
Operating Profit/(Loss)	**114,579**	**(15,322)**	**196,385**	**(41,452)**	**(89,857)**
Restructuring expenses	-	(32,285)	-	(40,291)	(49,143)
Finance costs	(57,740)	(59,428)	(122,972)	(110,717)	(244,655)
Profit/(Loss) before taxation	**56,839**	**(107,035)**	**73,413**	**(192,460)**	**(383,655)**
Taxation	(619)	9,482	(3,012)	20,057	(6,704)
Profit/(Loss) for the year	**56,220**	**(97,553)**	**70,401**	**(172,403)**	**(390,359)**
Attributable to:					
Shareholders of the Parent	46,153	(86,013)	63,209	(148,382)	(326,115)
Non-controlling Interests	10,067	(11,540)	7,192	(24,021)	(64,244)
	56,220	**(97,553)**	**70,401**	**(172,403)**	**(390,359)**
Basic and diluted Earnings/(Loss) per Share - cents:	**19**	**(35)**	**26**	**(60)**	**(133)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT$'000	UNAUDITED Three Months Apr to Jun 2013	RESTATED Three Months Apr to Jun 2012	UNAUDITED Six Months Jan to Jun 2013	RESTATED Six Months Jan to Jun 2012	RESTATED Year Jan to Dec 2012
Profit/(Loss) after Taxation	**56,220**	**(97,553)**	**70,401**	**(172,403)**	**(390,359)**
Revised IAS 19; actuarial loss	-	(1,669)	-	(3,338)	(6,676)
Foreign currency loss on subsidiary loans	(11,558)	-	(30,962)	-	-
Currency translation	4,885	(108)	11,626	(1,001)	1,791
	49,547	**(99,330)**	**51,065**	**(176,742)**	**(395,244)**
Attributable to:					
Shareholders of the Parent	41,150	(87,578)	47,902	(152,310)	(330,886)
Non-controlling Interests	8,397	(11,752)	3,163	(24,432)	(64,358)
	49,547	**(99,330)**	**51,065**	**(176,742)**	**(395,244)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT$'000	UNAUDITED 30.06.2013	RESTATED 31.12.2012
Non-Current Assets	2,721,670	2,800,933
Current Assets	842,929	856,345
Current Liabilities	(600,470)	(677,460)
Non-Current Liabilities	(2,250,288)	(2,317,042)
Total Net Assets	**713,841**	**662,776**
Share Capital	466,206	466,206
Reserves	269,688	221,786
Equity attributable to Shareholders of the Parent	**735,894**	**687,992**
Non-controlling Interests	(22,053)	(25,216)
Total Equity	**713,841**	**662,776**

CONSOLIDATED STATEMENT OF CASH FLOWS

TT$'000	UNAUDITED Six Months Jan to Jun 2013	RESTATED Year Jan to Dec 2012
Profit/(Loss) before Taxation	**73,413**	**(383,655)**
Adjustment for non-cash items	168,760	556,989
	242,173	173,334
Changes in working capital	(36,860)	(6,856)
	205,313	166,478
Restructuring expenses paid	-	(49,143)
Net Interest, taxation and pension contributions paid	(115,116)	(73,553)
Net cash generated by operating activities	90,197	43,782
Net cash used in investing activities	(32,045)	(77,878)
Net cash used in financing activities	(35,734)	(10,020)
Increase/(decrease) in cash and cash equivalents	22,418	(44,116)
Currency adjustment - opening balance	(944)	(2,033)
Net cash– beginning of year	11,159	57,308
Net cash - end of year	**32,633**	**11,159**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	PARENT		NON-CONTROLLING INTEREST	
	UNAUDITED Six Months Jan to Jun 2013	RESTATED Year Jan to Dec 2012	UNAUDITED Six Months Jan to Jun 2013	RESTATED Year Jan to Dec 2012
Balance at beginning of period	**687,992**	**1,125,720**	**(25,216)**	**42,411**
Restatement of opening balance	-	(106,842)	-	(1,756)
	687,992	1,018,878	(25,216)	40,655
Revised IAS 19 charge	-	(6,161)	-	(515)
Currency translation and other adjustments	7,636	1,390	3,990	401
Foreign currency loss on subsidiary loans	(22,943)	-	(8,019)	-
Profit/(Loss) after taxation	63,209	(326,115)	7,192	(64,244)
Dividends forfeited/(paid)	-	-	-	(1,513)
Balance at end of period	**735,894**	**687,992**	**(22,053)**	**(25,216)**

DIRECTORS' STATEMENT

The Group recorded a strong performance with Earnings per Share (EPS) of 19 cents for Q2 2013 and 26 cents for 2013 half year. Excluding the 12 cents impact of the reversal of a withholding tax obligation (see Note 7), EPS would have been 7 cents for the quarter compared with Loss per Share of 35 cents in the prior year period and 14 cents for the 2013 half year compared with a Loss per Share of 60 cents in 2012 half year.

For Q2 2013, the Group's Earnings before Interest, Taxes Depreciation and Amortisation (EBITDA) was $147.0 million from sales of $512.0 million, which increased by $88.1 million from Q2 2012. The Ebitda for the quarter includes a credit of $38.8 million from the reversal of an accrued withholding tax obligation at our Jamaican subsidiary consequent upon the restructuring of US$75.0 million due to the parent (See Note 7). Excluding the reversal credit, Ebitda would have been $108.2 million, an increase of $87.9 million (or 433%) compared with Q2 2012 reflecting a margin of 21.1%, a significant improvement from the 10% for 2012.

For the six months ended June 30 2013, from sales of $994.1 million the Group generated Ebitda of $261.2 million. Excluding the withholding tax credit of $38.8 million, Ebitda would have been $222.4 million, an improvement of $191 million, and reflecting a margin of 19.2%. The improvement in Ebitda was due to a 17% increase in domestic cement volumes, especially in the Trinidad market, and a 48% increase in export cement volumes following the sharp decline in volumes during the labour strike in 2012. Better average prices also contributed to the higher Ebitda margin as well as improved plant performance particularly in Jamaica.

Finance costs for the six months ended June 30 2013, increased by $12 million over the comparative 2012 period due partly to foreign exchange losses recorded by our Jamaican subsidiary as a result of the continued depreciation of the Jamaican dollar. The restructuring of this subsidiary's capital balances has significantly reduced the earnings statement exposure to Jamaican dollar depreciation going forward.

The Group closed Q2 2013 with $51.8 million in cash after settling on June 21, the quarterly instalment of $71.4 million on the Restructured Debt as well as spending $32.0 million on capital projects over the half year. At June 30 2013, the Group had satisfied the ratio covenants in its Restructured Debt agreement.

Outlook

Verbal agreement has been reached with the Governments of Venezuela and Jamaica to supply 200,000 MT of clinker over the next 12 months under the Petrocaribe trade mechanism. The Group is hopeful this initial order, though small, will be a breakthrough for a larger transaction in the near term. At the same time, greater market share in other markets is being pursued. The Group has begun to pursue the refinancing of the debt portfolio that carries an average rate of almost 10% with the aim of achieving a significant reduction in cost and payments. Directors are confident, that with these and other initiatives, the Group will build on the operating and financial improvement recorded for the first six months of 2013.

Andy J. Bhajan
Group Chairman
July 31, 2013

Dr. Rollin Bertrand
Director/Group CEO
July 31, 2013

TRINIDAD CEMENT LIMITED

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (CONTINUED)

SEGMENT INFORMATION

TT$'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
UNAUDITED SIX MONTHS ENDED JAN TO JUN 2013					
Revenue					
Total	1,085,751	85,043	46,350	-	1,217,144
Intersegment	(181,354)	-	(41,687)	-	(223,041)
Third Party	904,397	85,043	4,663	-	994,103
Profit before Tax	59,531	4,173	6,610	3,099	73,413
Depreciation and Impairment	62,986	3,125	589	(2,845)	63,855
Segment Assets	4,015,360	150,311	111,566	(712,638)	3,564,599
Segment Liabilities	3,234,756	59,321	36,741	(480,060)	2,850,758
Capital Expenditure	28,375	3,615	55	-	32,045
RESTATED SIX MONTHS ENDED JAN TO JUN 2012					
Revenue					
Total	837,009	62,168	38,383	-	937,560
Intersegment	(113,348)	-	(35,229)	-	(148,577)
Third Party	723,661	62,168	3,154	-	788,983
(Loss)/Profit before Tax	(193,167)	(4,743)	3,005	2,445	(192,460)
Depreciation and Impairment	71,031	3,309	1,014	(2,460)	72,894
Segment Assets	4,692,933	154,136	116,422	(997,218)	3,966,273
Segment Liabilities	3,686,239	59,178	35,795	(813,306)	2,967,906
Capital Expenditure	22,108	1,436	156	-	23,700
RESTATED YEAR JAN TO DEC 2012					
Revenue					
Total	1,744,067	136,528	79,347	-	1,959,942
Intersegment	(271,510)	-	(72,544)	-	(344,054)
Third Party	1,472,557	136,528	6,803	-	1,615,888
(Loss)/Profit beforeTax	(613,891)	(8,160)	5,546	232,850	(383,655)
Depreciation and Impairment	235,679	6,100	1,760	(5,501)	238,038
Segment Assets	4,313,810	157,268	105,217	(919,017)	3,657,278
Segment Liabilities	3,862,302	67,472	36,110	(971,382)	2,994,502
Capital Expenditure	64,758	12,330	825	-	77,913

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

These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the 31 December 2012 audited financial statements, except that the Group has adopted all the new and revised accounting standards, including IAS 19, and interpretations that are mandatory for annual accounting periods begining on or after January 1, 2013 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 249.765 million, the 3.896 million (2011: 3.896 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. Going concern

The Group had reported a loss before taxation of $378.7 million for the year ended 31 December 2012 ($457.3 million in 2011) and $2.05 billion in outstanding debt obligations in its audited financial statements for the year ended 31 December 2012. The Group's strategies to achieve sustainability include pursuing new markets, additional market share in existing markets and costs reduction through enhanced plant efficiencies and process changes. These strategies have begun to generate positive outcomes with improved financial performance and position as reflected in the results for the 2013 half year.

Notwithstanding the improvement in operating performance and financial position over the past six months, the directors have concluded that the challenging demand environment and the still existing weakened financial position of the TCL Group and its key subsidiaries, CCCL and ACCL, continue to represent a material uncertainty that may impact the ability of the Group to continue as a going concern.

However, based on plans and strategies being pursued, the directors have a reasonable expectation that the TCL Group will generate adequate cash flows and profitability which would allow the Group to continue in operational existence for the foreseeable future.

6. Restatement

The Group has restated various pension balances and related expenses for 2012 as a result of the adoption of the revised IAS 19 – Employee Benefits – which became effective January 1, 2013 and required retrospective application.

7. Ebitda/Capital Restructuring

Effective 29 June 2013, intra-group obligation of US$75 million owed to parent company, Trinidad Cement Limited (TCL), by the Jamaica subsidiary, CCCL, was restructured to strengthen the equity position of the subsidiary and significantly reduce its earnings statement exposure to foreign exchange rate fluctuations. Pursuant to CCCL shareholders' approval, US$37 million was converted to redeemable preference shares and further obligations of US$38 million were converted into an additional capital contribution to CCCL. As a consequence of the capital restructuring, accrued withholding tax of TT$38.8 million associated with the obligations was no longer payable by CCCL and accordingly was reversed in June 2013 with a credit of equal value to EBITDA.