TRINIDAD CEMENT LIMITED

CONSOLIDATED AUDITED FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

CONSOLIDATED STATEMENT OF INCOME

TT$'000	UNAUDITED Three Months Oct to Dec 2013	UNAUDITED Three Months Oct to Dec 2012	AUDITED Year Jan to Dec 2013	AUDITED RESTATED Year Jan to Dec 2012
REVENUE	**450,961**	**400,653**	**1,941,049**	**1,615,888**
Earnings before interest, tax, depreciation & amortisation	**76,866**	**35,598**	**423,423**	**154,549**
Depreciation	(32,118)	(42,869)	(127,863)	(149,486)
Impairment charges and write-offs	(2,427)	(88,552)	(2,427)	(88,552)
Loss on disposal of property, plant and equipment	(2,017)	(6,806)	(2,484)	(6,806)
Operating Profit/(loss)	40,304	(102,629)	290,649	(90,295)
Restructuring expenses	-	(5,691)	-	(49,143)
Finance costs	(63,362)	(72,229)	(237,772)	(244,655)
Profit/(loss) before taxation	**(23,058)**	**(180,549)**	**52,877**	**(384,093)**
Taxation	11,458	(24,268)	14,404	(4,073)
Profit/(loss) for the year	**(11,600)**	**(204,817)**	**67,281**	**(388,166)**
Attributable to:				
Shareholders of the Parent	(11,132)	(168,442)	58,199	(324,340)
Non-controlling Interests	(468)	(36,375)	9,082	(63,826)
	(11,600)	(204,817)	67,281	(388,166)
Basic and diluted Earnings/ (loss) per Share – cents:	**(4.5)**	**(68.5)**	**23.7**	**(131.9)**

CONSOLIDATED STATEMENT OF CASH FLOWS

TT$'000	AUDITED Jan to Dec 2013	AUDITED RESTATED Jan to Dec 2012
Profit/(loss) before Taxation	**52,877**	**(384,093)**
Adjustment for non-cash items	375,291	557,418
	428,168	173,325
Changes in working capital	(3,496)	(15,610)
	424,672	157,715
Restructuring expenses paid	–	(49,143)
Net Interest, taxation and pension contributions paid	(220,059)	(73,553)
Net cash generated by operating activities	204,613	35,019
Net cash used in investing activities	(72,998)	(77,878)
Net cash used in financing activities	(93,971)	(10,020)
Increase/(decrease) in cash and cash equivalents	37,644	(52,879)
Currency adjustment	(994)	(2,033)
Net cash – beginning of year	2,396	57,308
Net cash – end of year	**39,046**	**2,396**

DIRECTORS' STATEMENT

For the year 2013, the Group recorded a notable improvement in its financial performance with Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) increasing by $268.9 million or 174% to $423.4 million reflecting a margin of 21.8% compared with the previous year margin of 9.6%. The improvement resulted from increases in key operating metrics with domestic cement sales volumes increasing by 13% (especially in Trinidad and Jamaica), a 22% increase in cement export volumes and a 15% increase in clinker production. The higher sales volumes resulted in Group revenue increasing by $325 million or 20% compared with 2012.

For the year 2013, the Group is reporting a Profit after tax of $67.3 million compared with a Loss after tax of $388.2 million for 2012. The results for 2013 also benefitted from lower depreciation, impairment charges, finance costs and a deferred tax credit compared with 2012.

The Group's financial position and liquidity continued to strengthen over 2013 with all loan payments being made and financial ratio covenants being achieved in accordance with the Debt Restructuring agreement.

For the fourth quarter ended December 2013, revenue increased by $50.5 million or 13% over the fourth quarter of 2012 while EBITDA improved by $41.3 million or 116% compared to the corresponding 2012 period. However, the final quarter of 2013 was negatively impacted by lower sales volumes compared to the average of the prior three quarters as well as production challenges at the Barbados plant.

OUTLOOK

Critical repairs at the Barbados plant have been completed while local demand is in line with our expectation and exports are being made to the buoyant Guyana market and others. Demand in Jamaica in the first two months of 2014 was slower than 2013 but growth is forecast for the economy in 2014 which tends to benefit the construction sector. The plant in Jamaica will fulfil the remainder of its 100k tonnes Venezuela supply contract and negotiations have commenced for a new contract to supply 240k tonnes over 12 months. The Trinidad and Tobago market remained buoyant in the first two months of 2014 and we expect this buoyancy for all of 2014 which will significantly enhance our cement and concrete businesses.

Andy J. Bhajan

Andy J. Bhajan
Group Chairman
February 27, 2014

Dr. Rollin Bertrand
Director/Group CEO
February 27, 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT$'000	UNAUDITED Three Months Oct to Dec 2013	UNAUDITED Three Months Oct to Dec 2012	AUDITED Year Jan to Dec 2013	AUDITED RESTATED Year Jan to Dec 2012
Profit/(loss) for the year	**(11,600)**	**(204,817)**	**67,281**	**(388,166)**
Other Comprehensive Income to be reclassified to profit and loss in subsequent periods:				
Exchange differences on translation of foreign operations	(8,151)	2,989	(37,583)	1,790
Net Other Comprehensive (Loss)/ income to be reclassified to profit and loss in subsequent periods	**(8,151)**	**2,989**	**(37,583)**	**1,790**
Other Comprehensive Income not to be reclassified to profit and loss in subsequent periods:				
Re-measurement gains/(losses) on defined benefit plans	59,678	(1,334)	59,678	(6,341)
Income tax effect	(13,685)	727	(13,685)	727
Net Other Comprehensive Income not to be reclassified to profit and loss in subsequent periods:	**45,993**	**(607)**	**45,993**	**(5,614)**
Other Comprehensive Income/ (loss) for the year, net of tax	37,842	2,382	8,410	(3,824)
Total Comprehensive Income/ (loss) for the year, net of tax	26,242	(202,435)	75,691	(391,990)
Attributable to:				
Shareholders of the Parent	29,463	(166,509)	75,813	(328,189)
Non-controlling Interests	(3,221)	(35,926)	(122)	(63,801)
	26,242	**(202,435)**	**75,691**	**(391,990)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT$'000	AUDITED 31.12.2013	AUDITED RESTATED 31.12.2012
Non-Current Assets	2,776,438	2,810,486
Current Assets	836,769	856,345
Current Liabilities	(698,732)	(677,460)
Non-Current Liabilities	(2,164,111)	(2,314,238)
Total Net Assets	**750,364**	**675,133**
Share Capital	466,206	466,206
Reserves	309,393	233,580
Equity attributable to Shareholders of the Parent	**775,599**	**699,786**
Non-controlling Interests	(25,235)	(24,653)
Total Equity	**750,364**	**675,133**

REPORT OF THE INDEPENDENT AUDITOR'S 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 31st 2013, and the summary consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended and relevant notes, are derived from the audited financial statements of Trinidad Cement Limited and its subsidiaries (the "Group") for the year ended December 31st, 2013. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated February 27th, 2014.

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 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 31st, 2013 are consistent, in all material respects, with those financial statements, on the basis of management's established criteria as described in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 5 in these summary financial statements and Note 2(iii) in the full financial statements which indicates that the Group has $2.0 billion in outstanding debt obligations as presented on its consolidated statement of financial position as at December 31st, 2013. Debt service (inclusive of principal and interest) is forecast to be $368 million for 2014.

The financial statements have been prepared on the going concern basis because, as described in Note 5, based on current plans and strategies being pursued and implemented, the directors have a reasonable expectation that the Group will generate adequate cash flows and profitability which would allow the Group to continue in operational existence in the foreseeable future. On this basis, the directors have maintained the going concern assumption in the preparation of the financial statements.

The factors described above, along with other matters as set forth in these referenced notes indicates the existence of material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Ernst & Young

Port of Spain
TRINIDAD
27 February, 2014

TRINIDAD CEMENT LIMITED

CONSOLIDATED AUDITED FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013 (CONTINUED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	PARENT		NON-CONTROLLING INTEREST	
	AUDITED	AUDITED RESTATED	AUDITED	AUDITED RESTATED
	Year Jan to Dec 2013	Year Jan to Dec 2012	Year Jan to Dec 2013	Year Jan to Dec 2012
Balance at beginning of period	699,786	1,125,720	(24,653)	42,411
Restatement of opening balance	–	(97,745)	–	(1,750)
	699,786	1,027,975	(24,653)	40,661
Other Comprehensive Income/(loss)	17,614	(3,849)	(9,204)	25
Profit/(loss) after taxation	58,199	(324,340)	9,082	(63,826)
Total Comprehensive Income/(loss)	75,813	(328,189)	(122)	(63,801)
Dividends paid	–	–	(460)	(1,513)
Balance at end of period	**775,599**	**699,786**	**(25,235)**	**(24,653)**

SEGMENT INFORMATION

TT$ '000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
AUDITED 12 MONTHS JAN TO DEC 2013					
Revenue					
Total	2,102,515	175,580	90,585	–	2,368,680
Intersegment	(343,612)	–	(84,019)	–	(427,631)
Third Party	1,758,903	175,580	6,566	–	1,941,049
Profit/(loss) before tax	(385,424)	(185)	10,201	428,285	52,877
Depreciation and impairment	124,499	8,443	1,179	(3,831)	130,290
Segment Assets	4,001,894	147,028	98,814	(634,529)	3,613,207
Segment Liabilities	3,291,902	54,843	24,447	(508,349)	2,862,843
Capital expenditure	67,335	6,249	373	–	73,957
AUDITED 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 before tax	(614,417)	(8,163)	5,637	232,850	(384,093)
Depreciation and impairment	235,679	6,100	1,760	(5,501)	238,038
Segment Assets	4,315,151	159,911	110,785	(919,016)	3,666,831
Segment Liabilities	3,852,473	69,318	41,285	(971,378)	2,991,698
Capital expenditure	64,778	12,310	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. These summary financial statements are derived from the audited consolidated financial statements of Trinidad Cement Limited and its subsidiaries for the year ended December 31st 2013, which are prepared in accordance with International Financial Reporting Standards.

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 31st, 2013 audited financial statements consistently applied from period to period. The Group has adopted all the new and revised accounting standards, including IAS 19 and interpretations that are mandatory for annual accounting periods on or after January 1st, 2013 and which are relevant to the Group's operations. IAS 19 requires retrospective application and the 2012 financial statements have been restated accordingly.

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 (2012: 3.896M) 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 of $52.9 million for the year ended December 31st, 2013 (loss of $384.1 million in 2012) and there is $2.0 billion in outstanding debt obligations as presented on the consolidated statement of financial position as at December 31st, 2013.

For the TCL Group, debt service (inclusive of principal and interest) is forecast to be $368 million for 2014 (2013: $293 million). The ability of the Group to generate the sustained incremental cash flows to meet its significant debt service obligations is sensitive to the successful implementation of the strategies and the key assumptions around market size growth, new markets, cost reductions, plant performance and price adjustments. Should these assumptions not materialize such that the Group is unable to service its debt obligations when due, this will pose a going concern risk to the TCL Group.

Based on current plans and strategies being pursued and implemented 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. On this basis, the directors have maintained the going concern assumption in the preparation of these financial statements.

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 1st, 2013 and required retrospective application.

7. Ebitda/Debt Conversion & Forgiveness

Effective June 29th 2013, intra-group obligation of US$75M 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$37M was converted to redeemable preference shares and further obligations of US$38M were converted into an additional capital contribution to CCCL. As a consequence of the capital restructuring, accrued withholding tax of TT$38.8M 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.