TRINIDAD CEMENT LIMITED

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2012

ONE CARIBBEAN... ONE COMPANY
A member of the TCL GROUP

CONSOLIDATED STATEMENT OF INCOME

TT$'000	UNAUDITED Three Months Jan to Mar		AUDITED Year Jan to Dec
	2012	2011	2011
CONTINUING OPERATIONS:			
REVENUE	365,075	378,584	1,560,860
Earnings before interest, tax and depreciation (Ebitda)	12,401	35,005	84,274
Depreciation	(37,285)	(40,349)	(170,979)
Impairment charges and write-offs	-	-	(79,386)
Operating Loss	(24,884)	(5,344)	(166,091)
Restructuring expenses	(8,006)	-	(103,201)
Finance costs	(51,289)	(40,453)	(187,960)
Loss before taxation from Continuing Operations	(84,179)	(45,797)	(457,252)
Taxation	10,991	17,671	72,823
Loss for the year from Continuing Operations	(73,188)	(28,126)	(384,429)
DISCONTINUED OPERATIONS:			
Operating loss for the year from Discontinued Operations	-	(296)	(1,681)
Gain on disposal of Discontinued Operations	-	-	11,092
Net (loss)/ income for the year from Discontinued Operations	-	(296)	9,411
Loss for the period	(73,188)	(28,422)	(375,018)
Attributable to:			
Shareholders of the Parent	(60,827)	(22,637)	(325,315)
Non-controlling Interests	(12,361)	(5,785)	(49,703)
	(73,188)	(28,422)	(375,018)
Basic and diluted (Loss)/Earnings per Share - cents:			
From Continuing Operations	(25)	(9)	(135)
From Discontinued Operations	-	-	3
	(25)	(9)	(132)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT$'000	UNAUDITED Three Months Jan to Mar		AUDITED Year Jan to Dec
	2012	2011	2011
Loss after Taxation	(73,188)	(28,422)	(375,018)
Currency translation	(893)	3,256	(765)
Change in fair value of swap, net of tax	-	2,385	22,984
	(74,081)	(22,781)	(352,799)
Attributable to:			
Shareholders of the Parent	(61,650)	(17,491)	(302,805)
Non-controlling Interests	(12,431)	(5,290)	(49,994)
	(74,081)	(22,781)	(352,799)

DIRECTORS' STATEMENT

Performance

Revenue for Q1 2012 was lower by $13.5m than in 2011 due mainly to lower cement sales volumes from the Trinidad plant to both domestic and export markets as a consequence of a general strike by workers which started on February 27 and continues to the current date. Average cement selling price was 9% higher than in Q1 2011 as the Group had adjusted its selling prices in December 2011. Notwithstanding the improvement in pricing, Ebitda declined from $35.0m to $12.4m due to the 23% lower production of clinker as the plants in Jamaica and Barbados experienced operating challenges due to a lack of spares arising from inadequate working capital following the effective withdrawal of credit facilities under the debt restructuring and in Trinidad due to the strike. Finance cost amounted to $51.3m compared with $40.5m due to the additional 2% margin being recorded in accordance with the terms of the debt restructuring.

The debt restructuring agreements were executed by the Group on May 10. Further debt restructuring expenses of $8.0m were incurred in the quarter. Legal and advisory fees relating to this exercise which would have been paid up to the closing on May 10 amounted to $49.1m, which further compromised the Group's working capital. As a consequence of the execution of the debt restructuring agreements, $1,890m of debt obligations now included as current liabilities will be reclassified into long term liabilities as a result of which current net assets will become a positive $258m.

Notwithstanding the lower Ebitda for Q1, the Group invested $15.2m in additions to plant and equipment whilst the cash position declined only marginally from $57.3m to $49.9m at the end of the quarter.

Outlook

Cement demand in the critical domestic markets of Trinidad, Jamaica and Barbados has been disappointing without the increase that was anticipated at the beginning of the quarter. The strike at the Trinidad plant continues; however, management has been able to adequately keep the domestic market supplied and restart major components of the plant. The Group continues to pursue new market opportunities and cost containment initiatives. With the debt restructuring exercise now completed, management can fully refocus on developing the business.

Andy J. Bhajan

Andy J. Bhajan
Group Chairman
May 25, 2012

Dr. Rollin Bertrand
Director/Group CEO
May 25, 2012

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, 2011. 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, 2012 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 3.752m (2011: 4.121m) 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. **Going Concern/Debt Restructuring**
On 14 January 2011, the TCL Group initiated a debt restructuring exercise under which a moratorium was declared on all debt service payments by all entities in the Group. Accordingly, at March 31, 2012 all loan agreements were in legal default through non-payment of interest and principal and non-compliance with other terms. The Group has executed on May 10 the various agreements to give effect to the debt restructuring. The current economic environment is challenging and as a result the Group has reported an operating loss of $166 million for the year ended 31 December 2011. At that date the current liabilities exceeded current assets by $1.58 billion, mainly due to the reclassification of most borrowings to current liabilities. Subsequent to this the Group reported an operating loss of $24.9 million for the first quarter of 2012 and at March 31, 2012 current liabilities exceeded current assets by $1.6 billion. The Group is aggressively pursuing new markets and additional market share in existing markets.

The Directors have concluded that the combination of the above circumstances represent a material uncertainty that may impact the ability of the Group to continue as a going concern. Nevertheless, based on current plans and strategies being pursued, including the completion of the debt restructure exercise, 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 these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT$'000	UNAUDITED 31.03.2012	UNAUDITED 31.03.2011	AUDITED 31.12.2011
Non-Current Assets	3,121,873	3,303,354	3,144,383
Current Assets	771,346	774,432	808,662
Current Liabilities	(2,403,042)	(2,158,518)	(2,390,689)
Non-Current Liabilities	(395,778)	(424,749)	(394,225)
Total Net Assets	1,094,399	1,494,519	1,168,131
Share Capital	466,206	466,206	466,206
Reserves	597,864	941,210	659,514
Equity attributable to Shareholders of the Parent	1,064,070	1,407,416	1,125,720
Non-controlling Interests	30,329	87,103	42,411
Total Equity	1,094,399	1,494,519	1,168,131

CONSOLIDATED STATEMENT OF CASH FLOWS

TT$'000	UNAUDITED Three Months Jan to Mar		AUDITED Year Jan to Dec
	2012	2011	2011
Loss before Taxation from Continuing Operations	(84,179)	(45,797)	(457,252)
(Loss)/ profit before taxation Discontinued Operations	-	(296)	9,411
Loss before Taxation	(84,179)	(46,093)	(447,841)
Adjustment for non-cash items	98,874	85,025	553,247
	14,695	38,932	105,406
Changes in working capital	(5,335)	18,980	55,034
	9,360	57,912	160,440
Net Interest, taxation and pension contributions paid	(1,240)	(12,703)	(59,626)
Net cash generated by operating activities	8,120	45,209	100,814
Net cash used in investing activities	(15,170)	(15,237)	(31,175)
Net cash (used in)/generated by financing activities	(283)	22,309	(32,565)
(Decrease)/Increase in cash and borrowings	(7,333)	52,281	37,074
Currency adjustment – opening balance	(29)	(378)	(59)
Net cash/borrowings – beginning of year	57,308	(86,565)	20,293
Net cash/borrowings – end of year	49,946	(34,662)	57,308

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
	2012	2011	2011
Balance at beginning of period	1,125,720	1,424,907	1,424,907
Currency translation and other adjustments	(823)	2,761	(474)
Allocation to employees of ESOP shares, net of dividend	-	-	3,385
Change in fair value of swap, net of tax	-	2,385	22,984
Loss after taxation	(60,827)	(22,637)	(325,315)
Dividends forfeited	-	-	233
Balance at end of period	1,064,070	1,407,416	1,125,720

SEGMENT INFORMATION

TT$'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
UNAUDITED THREE MONTHS JAN TO MAR 2012					
Revenue					
Total	394,236	29,414	18,693	-	442,343
Intersegment	(60,161)	-	(17,107)	-	(77,268)
Third Party	334,075	29,414	1,586	-	365,075
(Loss)/Profit before tax	(84,620)	(2,250)	1,540	1,151	(84,179)
Depreciation and impairment	36,326	1,651	527	(1,219)	37,285
Segment Assets	4,515,625	160,102	117,015	(899,523)	3,893,219
Segment Liabilities	3,412,355	63,146	37,634	(714,315)	2,798,820
Capital expenditure	14,294	876	-	-	15,170
UNAUDITED THREE MONTHS JAN TO MAR 2011					
Revenue					
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
AUDITED YEAR JAN TO DEC 2011					
Revenue					
Total	1,691,382	116,242	91,036	-	1,898,660
Intersegment	(257,287)	-	(80,513)	-	(337,800)
Third Party	1,434,095	116,242	10,523	-	1,560,860
(Loss)/Profit before tax	(502,869)	(425)	8,901	46,552	(447,841)
Depreciation and impairment	245,367	8,543	2,159	(5,704)	250,365
Segment Assets	4,562,639	162,144	114,463	(886,201)	3,953,045
Segment Liabilities	3,406,799	60,825	36,365	(719,075)	2,784,914
Capital expenditure	38,484	1,856	381	-	40,721