



TRINIDAD CEMENT LIMITED

# SUMMARY CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

## SUMMARY CONSOLIDATED STATEMENT OF INCOME

TT\$'000	UNAUDITED		UNAUDITED		AUDITED
	Three Months July to Sept		Nine Months Jan to Sept		Year Jan to Dec
	2015	2014	2015	2014	2014
<b>CONTINUING OPERATIONS</b>					
Revenue	550,136	513,707	1,637,878	1,587,290	2,103,074
Earnings before interest, tax, depreciation, impairment, loss on disposal of property, plant and equipment and net debt restructuring	158,038	121,789	477,637	328,869	407,845
Depreciation	(29,458)	(31,770)	(84,683)	(94,635)	(131,113)
Impairment charges	-	-	-	-	(155,937)
Profit/(loss) on disposal of property, plant and equipment	16	(32)	16	(2,314)	(3,963)
<b>Operating profit</b>	<b>128,596</b>	<b>89,987</b>	<b>392,970</b>	<b>231,920</b>	<b>116,832</b>
Net debt restructuring credit	8,725	-	205,819	-	-
Net finance costs	(34,759)	(47,263)	(127,453)	(144,716)	(213,551)
<b>Profit/(loss) before taxation from continuing operations</b>	<b>102,562</b>	<b>42,724</b>	<b>471,336</b>	<b>87,204</b>	<b>(96,719)</b>
Taxation charge	(18,556)	(7,631)	(51,970)	(19,355)	(108,584)
<b>Profit/(loss) for the year from continuing operations</b>	<b>84,006</b>	<b>35,093</b>	<b>419,366</b>	<b>67,849</b>	<b>(205,303)</b>
<b>DISCONTINUED OPERATIONS</b>					
Loss after taxation from discontinued operations	-	(3,384)	(116)	(4,180)	(5,716)
<b>Profit/(loss) for period</b>	<b>84,006</b>	<b>31,709</b>	<b>419,250</b>	<b>63,669</b>	<b>(211,019)</b>
<b>Attributable to:</b>					
Shareholders of the parent	73,502	30,088	394,531	60,004	(214,394)
Non-controlling interests	10,504	1,621	24,719	3,665	3,375
	<b>84,006</b>	<b>31,709</b>	<b>419,250</b>	<b>63,669</b>	<b>(211,019)</b>
<b>Basic and diluted earnings/(loss) per share – cents:</b>					
From continuing operations	15.5	12.8	118.6	25.1	(86.1)
From discontinued operations	0.0	(0.6)	0.0	(0.7)	(1.0)
	<b>15.5</b>	<b>12.2</b>	<b>118.6</b>	<b>24.4</b>	<b>(87.1)</b>

## DIRECTORS' STATEMENT

As reported in our second quarter statement, we were able to successfully refinance the restructured debt with a bridge loan and in so doing, benefitted from prepayment discounts which has been reflected in our Q2 results. In the third quarter, the Group successfully completed long-term financing which replaced the bridge loan on August 6th 2015. The bridge was repaid by a syndicated long-term loan of the equivalent of US\$200 million and internally generated cash of US\$45 million.

Group revenue in Q3 2015 was \$550.1 million compared to \$513.7 million in Q3 2014, showing growth of 7%, due mainly to increased cement sales volume of 13% in our domestic markets and higher clinker export sales.

EBITDA from continuing operations and adjusted for one off debt restructuring credit increased by \$36.2 million (30%) over Q3 2014. This performance was largely driven by higher domestic sales volumes, and lower fuel and electricity costs at CCCL and ACCL.

Finance cost for Q3 2015 was \$12.5 million lower than Q3 2014 due both to the reduced interest rates from the new syndicated loan and a reduction of the principal loan balance from US\$245 million to US\$200 million.

Upon repayment of the bridge loan with the new syndicated loan, the long-term portion is now accounted for and reflected in long-term liabilities. Consequently, the working capital has improved from a deficit of \$0.8 billion at June 30th, 2015 to a surplus of \$0.3 billion at September 30th 2015. Net cash balance at the end of Q3 2015 was \$301.9 million compared to \$123.4 million at Q3 2014.

### Outlook

With the financial restructuring completed the Group's Balance Sheet has been strengthened considerably. The restructuring and streamlining of the operations is well under-way and is expected to result in improved operational performance.

Wilfred Espinet  
Group Chairman  
October 22, 2015

Nigel Edwards  
Director  
October 22, 2015

## SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT\$'000	UNAUDITED		UNAUDITED		AUDITED
	Three Months July to Sept		Nine Months Jan to Sept		Year Jan to Dec
	2015	2014	2015	2014	2014
<b>Profit/(loss) for the period</b>	<b>84,006</b>	<b>31,709</b>	<b>419,250</b>	<b>63,669</b>	<b>(211,019)</b>
<b>Other comprehensive income</b>					
<i>Other comprehensive loss to be reclassified to profit and loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations	(6,661)	(4,473)	(17,690)	(28,705)	(30,437)
<b>Net other comprehensive loss to be reclassified to profit and loss in subsequent periods</b>	<b>(6,661)</b>	<b>(4,473)</b>	<b>(17,690)</b>	<b>(28,705)</b>	<b>(30,437)</b>
<i>Other comprehensive (loss)/income not to be reclassified to profit and loss in subsequent periods:</i>					
Re-measurement losses on defined benefit plans	-	-	-	-	(65,610)
Income tax effect	-	-	-	-	16,915
<b>Net other comprehensive loss not to be reclassified to profit and loss in subsequent periods</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(48,695)</b>
<b>Other comprehensive loss for the period, net of tax</b>	<b>(6,661)</b>	<b>(4,473)</b>	<b>(17,690)</b>	<b>(28,705)</b>	<b>(79,132)</b>
<b>Total comprehensive income/(loss) for the period, net of tax</b>	<b>77,345</b>	<b>27,236</b>	<b>401,560</b>	<b>34,964</b>	<b>(290,151)</b>
<b>Attributable to:</b>					
Shareholders of the parent	68,574	27,111	380,568	38,543	(284,556)
Non-controlling interests	8,771	125	20,992	(3,579)	(5,595)
	<b>77,345</b>	<b>27,236</b>	<b>401,560</b>	<b>34,964</b>	<b>(290,151)</b>

## SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT\$'000	UNAUDITED	AUDITED
	30.09.2015	31.12.2014
Non-current assets	2,069,654	2,160,090
Current assets	978,081	849,911
Current liabilities	(633,404)	(2,376,213)
Non-current liabilities	(1,405,718)	(388,261)
<b>Total net assets</b>	<b>1,008,613</b>	<b>245,527</b>
Share capital	827,732	466,206
Reserves	191,339	(189,229)
<b>Equity attributable to the parent</b>	<b>1,019,071</b>	<b>276,977</b>
Non-controlling interests	(10,458)	(31,450)
<b>Total equity</b>	<b>1,008,613</b>	<b>245,527</b>

## SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

TT\$'000	UNAUDITED		UNAUDITED		AUDITED
	Three Months July to Sept		Nine Months Jan to Sept		Year Jan to Dec
	2015	2014	2015	2014	2014
<b>Profit/(loss) before taxation from continuing operations</b>	<b>102,562</b>	<b>42,724</b>	<b>471,336</b>	<b>87,204</b>	<b>(96,719)</b>
<b>Loss before taxation from discontinued operations</b>	<b>-</b>	<b>(3,384)</b>	<b>(116)</b>	<b>(4,180)</b>	<b>(5,754)</b>
Adjustment for non-cash items	102,562	39,340	471,220	83,024	(102,473)
Changes in working capital	67,650	97,376	38,709	268,474	529,339
	170,212	136,716	509,929	351,498	426,866
	(46,785)	(14,589)	(17,149)	39,940	16,966
	123,427	122,127	492,780	391,438	443,832
Net Interest, taxation and pension contributions paid	(58,036)	(61,652)	(226,004)	(186,670)	(233,237)
Net cash generated by operating activities	65,391	60,475	266,776	204,768	210,595
Net cash used in investing activities	(12,883)	(14,169)	(36,927)	(50,920)	(77,637)
Net cash (used in)/generated by financing activities	(280,125)	491	(24,051)	(87,184)	(92,963)
(Decrease)/increase in cash and cash equivalents	(227,617)	46,797	205,798	66,664	39,995
Currency adjustment – opening balance	(165)	(519)	(477)	(1,115)	(1,210)
Net cash – beginning of period	529,692	77,075	96,589	57,804	57,804
<b>Net cash – end of period</b>	<b>301,910</b>	<b>123,353</b>	<b>301,910</b>	<b>123,353</b>	<b>96,589</b>



TRINIDAD CEMENT LIMITED

# SUMMARY CONSOLIDATED INTERIM FINANCIAL REPORT

## FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

SEGMENT INFORMATION					
TT\$'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
<b>UNAUDITED NINE MONTHS JANUARY TO SEPTEMBER 2015</b>					
<b>Revenue</b>					
Total	1,721,768	174,105	47,428	–	1,943,301
Intersegment	(264,192)	–	(41,231)	–	(305,423)
Third party	1,457,576	174,105	6,197	–	1,637,878
Profit/(loss) before tax	453,311	19,286	(3,836)	2,459	471,220
Depreciation and impairment	81,358	3,917	1,051	(1,643)	84,683
Segment assets	3,755,099	156,055	101,523	(964,942)	3,047,735
Segment liabilities	2,729,738	51,351	30,157	(772,124)	2,039,122
Capital expenditure	29,743	5,219	1,965	–	36,927
<b>UNAUDITED NINE MONTHS JANUARY TO SEPTEMBER 2014</b>					
<b>Revenue</b>					
Total	1,704,272	162,278	65,262	–	1,931,812
Intersegment	(284,778)	–	(59,744)	–	(344,522)
Third party	1,419,494	162,278	5,518	–	1,587,290
Profit before tax	61,174	14,670	4,960	2,220	83,024
Depreciation and impairment	91,397	5,297	877	(2,936)	94,635
Segment assets	3,893,194	141,557	113,463	(799,326)	3,348,888
Segment liabilities	3,038,233	43,298	38,000	(341,904)	2,777,627
Capital expenditure	47,048	3,299	562	–	50,909
<b>AUDITED YEAR JAN TO DEC 2014</b>					
<b>Revenue</b>					
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

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY						
TT\$'000	PARENT			NON-CONTROLLING INTERESTS		
	UNAUDITED		AUDITED	UNAUDITED		AUDITED
	Jan to Sept		Jan to Dec	Jan to Sept		Jan to Dec
	2015	2014	2014	2015	2014	2014
<b>Balance at beginning of period</b>	<b>276,977</b>	<b>561,533</b>	<b>561,533</b>	<b>(31,450)</b>	<b>(25,236)</b>	<b>(25,236)</b>
Rights issue proceeds	361,526	–	–	–	–	–
Other comprehensive loss	(13,963)	(21,461)	(70,162)	(3,727)	(7,244)	(8,970)
Profit/(loss) after taxation	394,531	60,004	(214,394)	24,719	3,665	3,375
Total comprehensive income/(loss)	380,568	38,543	(284,556)	20,992	(3,579)	(5,595)
Dividends paid	–	–	–	–	–	(619)
<b>Balance at end of period</b>	<b>1,019,071</b>	<b>600,076</b>	<b>276,977</b>	<b>(10,458)</b>	<b>(28,815)</b>	<b>(31,450)</b>

### 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. On March 31 2015, 124,882,568 new shares were issued.

#### 4. Segment Information

Management's principal reporting and decision-making are by product and accordingly the segment information is so presented.

#### 5. Group Restructuring

In May 2015 the Group prepaid the Override debt in full (net of prepayment discount of TT\$194.2 million) with the proceeds of a bridge loan of US\$245 million and internal cash of TT\$99.2 million. In August 2015 the Group repaid the bridge loan with the proceeds of a syndicated loan of US\$200 million and utilised US\$45 million of internally generated cash. The new syndicated loan is for five years and carries interest rates of LIBOR plus 5.5% with a floor of 0.75%.