CARIBBEAN CEMENT COMPANY LIMITED

CARIB CEMENT

SUMMARY CONSOLIDATED AUDITED FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

ONE CARIBBEAN... ONE COMPANY

A member of the TCL GROUP

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

J$'000	AUDITED Year Jan to Dec 2014	AUDITED Year Jan to Dec 2013
Sales (Cement Tonnes) – Local	598,164	594,764
Sales (Cement Tonnes) – Export	232,765	231,865
Sales (Clinker Tonnes) – Export	155,423	36,569
Revenue	**14,356,017**	**12,089,484**
Earnings before interest, tax, depreciation and amortisation	**961,070**	**1,470,090**
Depreciation and amortisation	(364,828)	(319,207)
Operating profit	**596,242**	**1,150,883**
Interest income	1,294	9,982
Interest expense	(252,663)	(443,722)
Loss on currency exchange	(88,888)	(720,222)
Profit/(loss) before taxation	**255,985**	**(3,079)**
Taxation (charge)/credit	(117,000)	117,000
Net profit for the year	**138,985**	**113,921**
Total comprehensive income	**138,985**	**113,921**
Profit per ordinary stock unit cents – basic & diluted	$0.16	$0.13
Earnings before interest, tax, depreciation and amortisation/revenue ratio	7%	12%

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

J$'000	AUDITED Year Jan to Dec 2014	AUDITED Year Jan to Dec 2013
Balance at beginning of year	**4,752,049**	**(2,939,072)**
Issue of preference shares	–	3,738,110
Capital contribution	–	3,839,090
Total comprehensive income	138,985	113,921
Balance at end of year	**4,891,034**	**4,752,049**

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

J$'000	AUDITED Year Jan to Dec 2014	AUDITED Year Jan to Dec 2013
Group net profit/(loss) before taxation	**255,985**	**(3,079)**
Adjustment for non-cash items	693,433	1,273,767
	949,418	1,270,688
Change in working capital	(605,414)	(1,025,549)
Taxation paid	(304)	(178)
Net cash provided by operating activities	343,700	244,961
Net cash used in investing activities	(598,114)	(572,030)
Net cash provided by financing activities	230,224	284,873
Decrease in cash and short term funds	(24,190)	(42,196)
Cash and short term funds – beginning of period	202,107	244,303
Cash and short term funds – end of period	**177,917**	**202,107**
Represented by:		
Cash and short-term deposits	177,917	202,107

DIRECTORS' STATEMENT

The Company reported an improved consolidated profit before tax of $256 million, compared to the 2013 loss of $3 million. The improved performance was driven by a 14% increase in clinker production, a 45% increase in export clinker and cement sales volumes, and timely price corrections to deal with cost pressures, mainly due to an 8% depreciation in the Jamaican currency over the year.

In 2013, as a result of the Company's debt restructuring exercise, a credit of $591 million was recognised in regard to withholding taxes associated with the operating lease. When earnings before tax, amortisation, depreciation and the lease charges are compared, the 2014 performance has shown an improvement of $546 million over the prior year. The financial restructuring actions taken in 2013 have also continued to reduce interest charges and mitigate the foreign exchange translation losses associated with the depreciating dollar. Finance charges in 2014 fell by $822 million over the previous year. Shareholders will also note that we recorded a full impairment charge on the net deferred tax asset, reversing the credit from the previous year and leaving a nil deferred tax asset position at the year end. This asset may be recognised in the future once the relevant conditions are met.

Outlook

While our domestic sales volumes grew by only 1% in 2014, with the improved macro-economic environment, we expect that at the very least the contraction in market demand in previous years will be curtailed. As part of the parent company's, Trinidad Cement Limited's debt renegotiations and proposed rights issue, we expect to have access to funds to address key capital projects to improve operational efficiencies, asset utilisation and thereby grow our export sales. At the same time, the Directors will continue to look closely at the Company's cost structure and take the appropriate actions to ensure sustainable value creation.

Christopher Dehring
Chairman
February 19, 2015

Alejandro Ramirez
Director/Group CEO (Ag)
February 19, 2015

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

J$'000	AUDITED 31.12.2014	AUDITED 31.12.2013
Non-current assets	4,964,459	4,848,265
Current assets	4,610,139	4,273,591
Current liabilities	(3,816,511)	(3,027,671)
Non-current liabilities	(867,053)	(1,342,136)
Total net assets	**4,891,034**	**4,752,049**
Ordinary share capital	1,808,837	1,808,837
Preference share capital	5,077,760	5,077,760
Realised capital gain	1,413,661	1,413,661
Capital contribution	3,839,090	3,839,090
Accumulated loss	(7,248,314)	(7,387,299)
Group equity	**4,891,034**	**4,752,049**

SEGMENT INFORMATION

J$'000	CEMENT	GYPSUM AND POZZOLAN	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
AUDITED 2014				
Revenue				
External customers	14,312,206	43,811	–	14,356,017
Inter-segment	12,025	365,958	(377,983)	–
Total revenue	**14,324,231**	**409,769**	**(377,983)**	**14,356,017**
Depreciation and amortisation	(352,577)	(12,251)	–	(364,828)
Segment profit/(loss) before taxation	265,369	(31,133)	21,749	255,985
Operating assets	9,333,249	389,706	(148,357)	9,574,598
Operating liabilities	4,582,716	202,845	(101,997)	4,683,564
Capital expenditure	540,472	57,642	–	598,114
AUDITED 2013				
Revenue				
External customers	12,058,718	30,766	–	12,089,484
Inter-segment	11,556	250,617	(262,173)	–
Total revenue	**12,070,274**	**281,383**	**(262,173)**	**12,089,484**
Depreciation and amortisation	311,786	7,421	–	319,207
Segment (loss)/profit before taxation	(10,659)	7,580	–	(3,079)
Operating assets	8,940,288	256,219	(74,651)	9,121,856
Operating liabilities	4,329,701	46,648	(6,542)	4,369,807
Capital expenditure	561,516	17,014	–	578,530

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 conslidated statement of comprehensive income, summary consolidated statement of changes of equity and summary consolidated statement of cash flows. These summary financial statements are derived from the audited consolidated financial statements of Caribbean Cement Company Limited and its Subsidiaries for the year ended 31 December 2014 which are prepared in accordance with International Financial Reporting Standards and the requirments of the Jamaican Companies Act.

2. Accounting Policies
These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 5" of the 31 December 2014 audited financial statements consistently applied from period to period. Any new accounting standards or interpretations which became effective in this financial year have had no material impact on the Group. The areas of critical accounting estimates and judgements as disclosed in "Note 5" of the 31 December 2014 audited financial statements, have also remained unchanged.

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

4. Debt Conversion and Capital/Operating Profit
(i) Effective 29 June 2013, the debt of US$75,000,000 owed to Trinidad Cement Limited (TCL) was restructured to strengthen the equity position of the Company. Pursuant to shareholders' approval, US$37,000,000 was converted to redeemable preference shares as reflected in the increase of $3,738,109 in the preference shares balance. In addition, a capital contribution of US$38,000,000 by the parent was made and is reflected in the balance of $3,839,090 captioned as 'Capital contributed by Parent'.

(ii) As a consequence of this capital contribution, accrued withholding tax of $591,486,000 associated with these amounts was no longer payable by the Company and accordingly was reversed."

5. Deferred Tax Asset
During the year, the Group recorded a full impairment charge on the net deferred tax asset (arising from tax losses), therefore, reporting a nil deferred tax asset position at the year end. Once conditions for recognition are met, a deferred tax asset in respect of tax losses will be recognised.

6. Going Concern
The TCL Group has reported a loss before taxation from continuing operations of TT$96.7 million for the year ended 31 December 2014 (profit before taxation from continuing operations of TT $38.9 million in 2013) and there is TT$1.8 billion in outstanding debt obligations presented within current liabilities on its separate statement of financial position as at 31 December 2014.

The TCL Group is in default of the loan agreements as at 31 December 2014 and negotiations are taking place with the lenders with a view to arriving at more favourable terms. The lenders have not sought to enforce their security and legal rights, which remain unchanged whilst formal agreement on new terms is being pursued. At the date of approval of the financial statements an agreement in principle on features of the loan restructuring and its key terms was reached with majority of the lenders. The Group's assets are pledged as security for the TCL Group's loans. As a consequence of the action taken by the TCL Group as described above the Group has $779.6 million in debt obligations reflected within current liabilities in its statement of financial position as at 31 December 2014.

The key risks to the TCL Group's sustainability are declining domestic markets, unexpected plant stoppages due to technical problems and the ability to generate the sustained incremental cash flows to meet its debt service and other obligations. The successful implementation of the overall restructuring plan is key to the TCL Group being able to continue as a going concern.

Based on the loan restructuring being undertaken with the lenders and current plans and strategies being pursued and implemented, the Directors have a reasonable expectation that the TCL Group and the Group will generate adequate cash flows and profitability which would allow them 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.

CARIBBEAN CEMENT COMPANY LIMITED

CARIB CEMENT

SUMMARY CONSOLIDATED AUDITED FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014 (continued)

ONE CARIBBEAN... ONE COMPANY

A member of the TCL GROUP

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Caribbean Cement Company Limited and its Subsidiaries

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2014, and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and related notes, are derived from the audited consolidated financial statements of Caribbean Cement Company Limited and its Subsidiaries (the "Group") for the year ended 31 December 2014. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 19 February 2015.

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 consolidated 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.

Auditors' 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 31 December 2014 are consistent, in all material respects, with those consolidated 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 6 in the summary consolidated financial statements which indicates, among other matters, that on 29 September 2014 the TCL Group suspended principal debt repayments due under its restructured loan agreement (the "Override Agreement"), which had the effect of creating a condition of default at year end, rendering all outstanding debt covered by this agreement to become due immediately resulting in the reclassification of all long-term debt, amounting to TT$1.8 billion, to current liabilities. Resulting from this reclassification, the net working capital deficit of the TCL Group was TT$1.5 billion as at 31 December 2014.

As a consequence of the action taken by the TCL Group as described above, the Group has $779.60 million in debt obligations reflected within current liabilities in its statement of financial position as at 31 December 2014.

The TCL Group has commenced negotiations with the lenders who have not sought to enforce their security and legal rights. The rights of the lenders remain unchanged whilst formal agreement on new terms is being pursued. Pending completion of this approval process and legal execution of a new agreement, the lenders could enforce their security and legal rights to demand immediate repayment of all outstanding obligations which the TCL Group would be unable to meet. Should the lenders execute their legal rights to enforce their security there may be a significant risk that the TCL Group and the Group would be unable to continue as a going concern. The Group's assets are pledged as security for the TCL Group's loans.

The summary consolidated financial statements have been prepared on the going concern basis because, as described in Note 6, the Directors have a reasonable expectation that the TCL Group will be successful in rescheduling the debt service obligations with its lenders and implement the overall restructuring plan. On this basis, the Directors have a reasonable expectation that the TCL Group and the Group will generate adequate cash flows and profitability which would allow the Group to continue in operational existence in the foreseeable future and have therefore maintained the going concern assumption in the preparation of the financial statements.

This basis of preparations assumes that the Group will be able to realise its assets and discharge its liabilities in the ordinary course of business. The factors described above, along with other matters disclosed in Note 6 indicate 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 they may be unable to realise their assets and discharge their liabilities in the ordinary course of business.

Ernst & Young

Chartered Accountants
Kingston, Jamaica
19 February 2015

17cm x 7 cols