SUMMARY CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

J$'000	UNAUDITED 31.03.2017	UNAUDITED 31.03.2016	AUDITED 31.12.2016
NET ASSETS			
Non-current assets			
Property, plant and equipment	6,765,679	5,461,464	6,571,104
Intangible assets	6,017	19,788	9,460
Deferred tax asset	131,713	-	131,713
	6,903,409	**5,481,252**	**6,712,277**
Current assets			
Inventories	1,855,013	3,062,412	2,095,803
Taxation and recoverable	118,451	37,978	118,451
Due from parent and related companies	814,443	458,464	205,460
Receivables and prepayments	835,434	1,713,301	569,929
Cash and cash equivalents	544,434	963,209	717,568
	4,167,775	**6,235,364**	**3,707,211**
Current liabilities			
Income tax payable	-	53,933	-
Due to parent and related companies	60,690	1,338,599	104,041
Payables and accruals	2,778,705	2,807,320	2,544,019
Provision	5,159	-	5,159
	2,844,554	**4,199,852**	**2,653,219**
Working capital surplus	**1,323,221**	**2,035,512**	**1,053,992**
Non-current liabilities			
Due to parent and related companies	-	245,676	-
Provision	27,393	-	27,393
	27,393	245,676	27,393
TOTAL NET ASSETS	**8,199,237**	**7,271,088**	**7,738,876**
SHAREHOLDERS' EQUITY			
Share capital:			
Ordinary	1,808,837	1,808,837	1,808,837
Preference	5,077,760	5,077,760	5,077,760
Capital contribution	3,839,090	3,839,090	3,839,090
Reserves:			
Realised capital gain	1,413,661	1,413,661	1,413,661
Accumulated losses	(3,940,111)	(4,868,260)	(4,400,472)
GROUP EQUITY	**8,199,237**	**7,271,088**	**7,738,876**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

J$'000	UNAUDITED Three Months Jan to Mar 2017	UNAUDITED Three Months Jan to Mar 2016	AUDITED Year Jan to Dec 2016
Revenue	**4,087,736**	**3,977,574**	**15,780,756**
Earnings before interest, depreciation, amortization, tax, stockholding and inventory restructuring and manpower restructuring costs (Note 6)	**684,343**	**1,065,054**	**2,702,838**
Depreciation and amortisation	(134,174)	(98,817)	(495,688)
Stockholding and inventory restructuring costs (Note 5)	-	-	(400,774)
Manpower restructuring costs (Note 4)	-	-	(406,123)
Operating profit	**550,169**	**966,237**	**1,400,253**
Interest income	1,839	1	5,201
Finance costs	(24,162)	(14,499)	(54,592)
Profit before taxation	**527,846**	**951,739**	**1,350,862**
Taxation charge	(67,485)	(117,825)	(49,160)
Net profit for the period	**460,361**	**833,914**	**1,301,702**
Total comprehensive income attributable to equity holders	**460,361**	**833,914**	**1,301,702**
Basic & diluted earnings per ordinary share (expressed in $ per share) (Note 3)	$0.54	$0.98	$1.53

Notes:

1. Basis of Preparation

The summary consolidated financial statements are prepared in accordance with Practice Statement 2016 – 1, Summary Financial Statements issued by the Institute of Chartered Accountants of Jamaica (ICAJ). Management discloses the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows. These summary financial statements are derived from the unaudited consolidated financial statements of Caribbean Cement Company Limited and its Subsidiaries (Group) for the period ended March 31, 2017, which are prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and the requirements of the Jamaican Companies Act.

2. Accounting Policies

These summary consolidated interim financial statements for the period ended March 31, 2017, have been prepared in accordance with the accounting policies used in the audited financial statements for the year ended December 31, 2016. Any new accounting standards or interpretations which became effective in this financial year have had no material impact on the Group's financial position or results.

3. Basic & diluted earnings per ordinary share

Basic & diluted earnings per ordinary share is calculated by dividing the net profit by the number of ordinary shares outstanding during the period.

4. Manpower Restructuring Costs

Manpower restructuring costs mainly comprises severance costs incurred during implementation of restructuring programs. The objective of the restructuring programs are to improve cost efficiency.

5. Stockholding and Inventory Restructuring Costs

Stockholding and inventory restructuring costs comprises write down of overstocked items identified in a comprehensive review of inventory quantities on hand which was undertaken in 2016. In accordance with IAS 2: "Inventories," management has recorded an expense of $400.8 million in respect of overstocked items. This expense has been accounted for as a change in an accounting estimate consistent with IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors" resulting from new developments.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

J$'000	UNAUDITED Three months Jan to Mar 2017	UNAUDITED Three months Jan to Mar 2016	AUDITED Year Jan to Dec 2016
Balance at beginning of period	7,738,876	6,437,174	6,437,174
Total comprehensive income for the period	460,361	833,914	1,301,702
Balance at end of period	**8,199,237**	**7,271,088**	**7,738,876**

CONSOLIDATED STATEMENT OF CASH FLOWS

J$'000	UNAUDITED Three Months Jan to Mar 2017	UNAUDITED Three Months Jan to Mar 2016	AUDITED Year Jan to Dec 2016
Cash flows from operating activities			
Profit before taxation	**527,846**	**951,739**	**1,350,862**
Adjustments for:			
Depreciation and amortization	134,174	98,817	495,688
Stockholding and inventory restructuring costs (Note 5)	-	-	400,774
Net (recovery)/impairment of receivables	(485)	888	(40,807)
Interest income	(1,839)	(1)	(5,201)
Interest expense	63	4,381	9,838
Unwinding of discount on rehabilitation provision	-	1,296	9,636
Unrealized foreign exchange losses,net	790	13,400	21,140
	660,549	1,070,520	2,241,930
Decrease/(Increase) in inventories	240,790	(281,218)	284,617
(Increase)/Decrease in receivables and prepayments	(265,020)	(604,855)	623,105
Decrease/(Increase) in due from parent and related companies	(608,982)	(199,499)	376,283
Increase in payables and accruals	212,639	292,303	48,094
Increase in provision	-	1,296	1,550
(Decrease)/Increase in due to parent and related companies	(43,351)	266,748	(1,352,672)
Cash provided by operations	**196,625**	**545,295**	**2,222,907**
Interest received	1,839	-	5,201
Interest paid	-	-	(61,980)
Taxation paid	(43,762)	(244,141)	(443,891)
Net cash provided by operating activities	154,702	301,154	1,722,237
Cash flows from investing activities			
Additions to property, plant and equipment	(325,306)	(202,796)	(1,699,091)
Net cash used in investing activities	(325,306)	(202,796)	(1,699,091)
Cash flows from financing activities			
Repayment of amounts due to related companies	-	(45,815)	(205,582)
Net cash used in financing activities	-	(45,815)	(205,582)
(Decrease)/Increase in cash and cash equivalents	(170,604)	52,543	(182,436)
Net cash and cash equivalents - beginning of period	717,568	910,666	910,666
Effect of foreign exchange rate changes	(2,530)	-	(10,662)
Net cash and cash equivalents - end of period	**544,434**	**963,209**	**717,568**
Represented by:			
Cash at bank and and short-term deposits	**544,434**	**963,209**	**717,568**

Notes (continued):

6. Earnings before interest, depreciation, amortization, tax, stockholding and inventory restructuring and manpower restructuring costs

J$'000	UNAUDITED Jan to Mar 2017	UNAUDITED Jan to Mar 2016	AUDITED Jan to Dec 2016
Revenue	**4,087,736**	**3,977,574**	**15,780,756**
Expenses:			
Raw material and consumables	267,371	267,848	1,400,510
Fuel and electricity	745,422	626,901	2,717,215
Personnel remuneration and benefits	459,481	555,545	2,067,036
Repairs and maintenance	197,250	161,177	989,007
Equipment hire	118,719	159,912	621,236
Cement transportation, marketing and selling expenses	156,763	151,806	622,662
Other operating expenses	1,101,254	1,111,836	4,474,578
Changes in inventories of finished good and work in progress	357,133	(122,505)	293,058
Total expenses	**3,403,393**	**2,912,520**	**13,185,302**
Other income	-	-	107,384
Earnings before interest, depreciation, amortization, tax, stockholding and inventory restructuring and manpower restructuring costs	**684,343**	**1,065,054**	**2,702,838**

DIRECTORS' STATEMENT

The Group reported consolidated profit before tax of $528 million compared to a profit before tax of $952 million in the corresponding quarter – an adverse variance of $424 million. Revenue increased by $110 million or 3% compared to the comparative quarter in 2016. This was netted with the drawdown of clinker and cement (changes in inventories of finished goods and work in progress) valuing $357 million compared to a credit of $123 million in the same quarter in 2016 resulting in a variance of $480 million. Repairs and maintenance was $36 million as a result of routine maintenance of cement mill #5 and the existing coal mill.

Earnings before interest, tax, depreciation, amortization, manpower restructuring costs and stockholding and inventory restructuring costs fell by 36% below last year, resulting from the same impact of the stock draw down. During the year, the Group generated cash from operations of $197 million, which represents 64% below the corresponding period in 2016. Net cash provided by operating activities was lower than the comparative quarter in 2016 by $146 million, mainly due to advances made to a related company as part of the Group's restructuring process. This will be recovered in the second quarter of 2017.

The Board of Directors remains committed to meeting the local cement demand; reinforcing the profitability and competitiveness of plant and to the continuous improvement and promotion of health and safety standards while creating a better work environment for our people.