CARIBBEAN CEMENT COMPANY LIMITED

CARIB CEMENT

CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2013

ONE CARIBBEAN... ONE COMPANY

A member of the TCL GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

J$'000	UNAUDITED Three months Jan to Mar 2013	UNAUDITED Three months Jan to Mar 2012	AUDITED Year Jan to Dec 2012
Sales (Cement Tonnes)-Local	151,862	142,316	536,349
Sales (Cement Tonnes)-Export	32,700	62,170	218,722
Sales (Clinker Tonnes)-Export	-	-	12,673
Revenue	**2,645,510**	**2,303,176**	**9,084,600**
Profit/(loss) before interest, depreciation, tax and amortisation	**184,254**	**(376,553)**	**(750,438)**
Depreciation	(86,292)	(98,085)	(430,695)
Impairment losses	-	-	(383,577)
Operating profit/(loss)	**97,962**	**(474,638)**	**(1,564,710)**
Interest income	196	196	2,221
Debt restructuring costs	-	-	(11,719)
Interest expense	(146,067)	(107,690)	(592,153)
Loss on currency exchange	(448,920)	(43,281)	(505,744)
Loss before taxation	**(496,829)**	**(625,413)**	**(2,672,105)**
Taxation charge	-	-	(676,160)
Net loss for the year	**(496,829)**	**(625,413)**	**(3,348,265)**
Total Comprehensive loss	**(496,829)**	**(625,413)**	**(3,348,265)**
Loss per ordinary stock unit in dollars - Basic & Diluted	(0.58)	(0.73)	(3.93)
Profit/(loss) before interest, depreciation, tax and amortisation/Revenue Ratio	7%	(16%)	(8%)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

J$'000	UNAUDITED 31.03.2013	UNAUDITED 31.03.2012	AUDITED 31.12.2012
Non-Current Assets	4,584,169	5,696,690	4,545,366
Current Assets	4,332,153	3,140,236	3,942,937
Current Liabilities	(4,279,101)	(4,245,711)	(3,751,513)
Non-Current Liabilities	(8,073,122)	(4,807,435)	(7,675,862)
Total Net Liabilities	**(3,435,901)**	**(216,220)**	**(2,939,072)**
Oridnary share capital	1,808,837	1,808,837	1,808,837
Preference share capital	1,339,650	1,339,650	1,339,650
Realised capital gain	1,413,661	1,413,661	1,413,661
Accumulated losses	(7,998,049)	(4,778,368)	(7,501,220)
Group Deficit	**(3,435,901)**	**(216,220)**	**(2,939,072)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

J$'000	UNAUDITED Three months Jan to Mar 2013	UNAUDITED Three months Jan to Mar 2012	AUDITED Year Jan to Dec 2012
Balance at beginning of period	**(2,939,072)**	**409,193**	**409,193**
Total Comprehensive loss	(496,829)	(625,413)	(3,348,265)
Balance at end of period	**(3,435,901)**	**(216,220)**	**(2,939,072)**

DIRECTORS' STATEMENT

The Group reported a consolidated loss of $497m for the first quarter of 2013, compared to a loss of $625m in the corresponding period of 2012. However, non-cash foreign exchange translation losses of $449m accounted for 90% of the consolidated loss for 2013, compared to $43m for 2012.

While our total sales volumes declined comparing first quarter of 2013 with the first quarter of 2012, domestic sales volumes, which are essential to our viability, increased by 6.7%. The improvement in our domestic sales was entirely due to increased market share as the overall domestic market declined. This increase in our domestic sales, along with increases in selling prices and further improvements in clinker production has resulted in a $561m improvement in Earnings before Interest, Depreciation and Tax [EBITDA] over the corresponding period for 2012, reporting a profit of $184m for 2013 compared to a loss of $377m for 2012. A similar improvement has been achieved in Operating Profit/ Loss, reporting a profit of $98m for 2013 versus a loss of $475m for 2012.

With the consolidated net loss for year 2012 and the current quarter loss, the negative Group Equity has increased to $3.44billion and with the significant build up in clinker inventory during this first quarter, as production exceeded sales, the Group could not continue to operate without the financial support of our parent company, Trinidad Cement Ltd [TCL]. Management is pursuing various strategies to improve both domestic and export sales and it is proposed that a significant portion of the debt due to our parent company be converted into equity during the second quarter of 2013.

Outlook

Assuming stability in the currency exchange market and no additional significant foreign exchange translation losses, we expect the Group to achieve favourable results in the short term. However, we recognise that the Group's longer term survival is predicated on significant expansion in both domestic and export sales to take full advantage of the investment in the plant's productive capacity. The Board and Management of both Caribbean Cement and TCL continue to aggressively pursue initiatives to achieve this required market growth.

Brian Young
Chairman
May 3, 2013

Dr Rollin Bertrand
Director/Group CEO
May 3, 2013

CONSOLIDATED STATEMENT OF CASH FLOWS

J$'000	UNAUDITED Three months Jan to Mar 2013	UNAUDITED Three months Jan to Mar 2012	AUDITED Year Jan to Dec 2012
Group Net Loss before Taxation	**(496,829)**	**(625,413)**	**(2,672,105)**
Adjustment for non-cash items	459,682	151,314	1,984,814
	(37,147)	(474,099)	(687,291)
Changes in working capital	(362,885)	437,557	(238,542)
Taxation paid	-	(1,500)	(13,606)
Net cash used in operating activities	(400,032)	(38,042)	(939,439)
Net cash used in investing activities	(138,052)	(22,165)	(148,817)
Net cash provided by financing activities	406,288	34,421	1,213,328
(Decrease)/increase in cash and cash equivalents	(131,796)	(25,786)	125,072
Cash and cash equivalents - beginning of period	244,303	119,231	119,231
Cash and cash equivalents - end of period	**112,507**	**93,445**	**244,303**
Represented by:			
Cash and short-term deposits	112,507	164,249	244,303
Bank overdraft	-	(70,804)	-
	112,507	**93,445**	**244,303**

SEGMENT INFORMATION

J$'000	CEMENT	GYPSUM AND POZZOLAN	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
UNAUDITED THREE MONTHS JAN TO MAR 2013				
Revenue				
External customers	2,636,854	8,656	-	2,645,510
Inter-segment	2,314	60,457	(62,771)	-
Total Revenue	**2,639,168**	**69,113**	**(62,771)**	**2,645,510**
Depreciation and amortisation	84,337	1,955	-	86,292
Segment (loss)/profit before taxation	(507,625)	10,796	-	(496,829)
Operating assets	8,894,776	390,945	(369,399)	8,916,322
Operating liabilities	12,475,353	178,159	(301,289)	12,352,223
Capital expenditure	138,052	-	-	138,052
UNAUDITED THREE MONTHS JAN TO MAR 2012				
Revenue				
External customers	2,291,060	12,116	-	2,303,176
Inter-segment	2,282	42,550	(44,832)	-
Total Revenue	**2,293,342**	**54,666**	**(44,832)**	**2,303,176**
Depreciation and amortisation	94,054	4,031	-	98,085
Segment (loss)/profit before taxation	(629,526)	4,113	-	(625,413)
Operating assets	8,811,446	322,476	(296,996)	8,836,926
Operating liabilities	9,153,790	118,998	(219,642)	9,053,146
Capital expenditure	23,584	1,836	-	25,420
AUDITED YEAR JAN TO DEC 2012				
Revenue				
External customers	9,012,719	71,881	-	9,084,600
Inter-segment	9,559	220,416	(229,975)	-
Total Revenue	**9,022,278**	**292,297**	**(229,975)**	**9,084,600**
Depreciation and amortisation	417,996	12,699	-	430,695
Impairment losses	386,949	-	(3,372)	383,577
Segment (loss)/profit before taxation	(2,683,973)	2,625	9,243	(2,672,105)
Operating assets	8,278,953	309,507	(100,157)	8,488,303
Operating liabilities	11,351,906	107,516	(32,047)	11,427,375
Capital expenditure	131,832	17,385	-	149,217

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 comprehensive income, summary consolidated statement of changes in equity and summary 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 31 March 2013 which are prepared in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

2. **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 31 December 2012 except that the Group has adopted all new and revised accounting standards and interpretations that are mandatory for annual accounting periods beginning on or after 1 January 2013 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.

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

4. **Going Concern**
The CCCL Group has a reported shareholders' deficit of $3,436 million as at 31 March 2013 and reported a loss before taxation of $497 million for the three months then ended. In addition the Group is reporting $8,488 million in outstanding parent (TCL) and related company (TCL Group) obligations on its statement of financial position as at 31 March 2013. Group debt was significantly impacted by the devaluation of the Jamaican dollar in the first quarter.

   The current economic environment is challenging particularly in the important domestic Jamaican market. The CCCL Group has taken action to increase operating margins and domestic volumes to counter the difficult environment whilst the parent company remains committed to provide support if required. Nonetheless, the directors have concluded the prevailing difficult demand environment and the current financial position of the CCCL Group represent a material uncertainty that may impact the ability of the Group to continue as a going concern.

   However, based on current plans and strategies being pursued, 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.