READYMIX (WEST INDIES) LIMITED

SUMMARY CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2017

CONSOLIDATED STATEMENT OF INCOME

TT$'000	UNAUDITED Three Months Jan to Mar		AUDITED Year Jan to Dec
	2017	2016	2016
Continuing Operations			
REVENUE	**35,523**	**32,917**	**139,936**
Earnings before interest, tax,depreciation,gain on disposal of property, plant and equipment and restructuring cost	**3,616**	**787**	**10,543**
Depreciation	(1,401)	(1,548)	(6,859)
Gain on disposal of property, plant and equipment	21	67	67
Stockholding and inventory restructuring costs	–	–	(2,567)
Manpower restructuring costs	(187)	–	(10,753)
Operating profit/(loss) from continuing operations	2,049	(694)	(9,569)
Finance costs – net	(148)	(22)	(138)
Profit/(loss) before taxation from continuing operations	1,901	(716)	(9,707)
Taxation	(749)	89	785
Profit/(loss) for the period from continuing operations	**1,152**	**(627)**	**(8,922)**
Discontinued operations:			
Loss before taxation from discontinued operations	–	–	(23)
Taxation	–	–	–
Loss for the period from discontinued operations	**–**	**–**	**(23)**
Profit/(loss) for the period	**1,152**	**(627)**	**(8,945)**
Attributable to:			
Equity holders of the Parent	1,152	(627)	(8,936)
Non-controlling interests	–	–	(9)
	1,152	**(627)**	**(8,945)**
Basic and diluted earnings/(loss) per share – Expressed in $ per share:			
From continuing operations	$ 0.10	$ (0.05)	$ (0.74)
From discontinued operations	$ 0.00	$ (0.00)	$ (0.00)
	$ 0.10	$ (0.05)	$ (0.74)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT$'000	UNAUDITED Three Months Jan to Mar		AUDITED Year Jan to Dec
	2017	2016	2016
Profit/(loss) for the period	**1,152**	**(627)**	**(8,945)**
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods			
Remeasurement losses on defined benefit plans	–	–	(6,140)
Income Tax Effect	–	–	2,090
	–	–	(4,050)
Other comprehensive loss to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations	–	(10)	(40)
Total comprehensive income/(loss) for the period net of tax	**1,152**	**(637)**	**(13,035)**
Attributable to:			
Equity holders of the Parent	1,152	(595)	(13,010)
Non-controlling interests	–	(42)	(25)
	1,152	(637)	(13,035)

DIRECTORS' STATEMENT

While it might still be too early to count on this being an end to the downward cycle, an improvement has been seen in the company's sales volumes for Q1 2017 with Concrete volumes increased by 4% and Aggregate volumes notably by 36% when compared to Q1 2016. This has contributed to an 8% improvement in revenue for Q1 2017 compared to the corresponding prior year period.

The combination of improved revenue and reduced costs in 2017 has resulted in an increase in RML's adjusted EBITDA (earnings before interest, tax, depreciation, gain on disposals and restructuring costs) of $2.8 million or 359% over Q1 2016. The main cost savings were derived from the company's restructuring exercise in 2016 together with the focus placed on value enhancement with regard to process and procurement practices.

Net profit for the quarter was $1.2 million compared to a loss of $0.6 million in 2016, while net cash generated from operations was $7.2 million, a significant improvement over negative $6.6 million in Q1 2016.

The Group is cautiously optimistic about the outlook for the construction sector, but is equally aware that the risks of a longer tail slowdown are very real.

On March 24, 2017, the Board received notice of an offer by its immediate parent company – Trinidad Cement Limited (TCL), to acquire all of Readymix (West Indies) Limited's issued and outstanding ordinary shares not already held by TCL. The Board subsequently sought an independent opinion on the fairness of the offer and issued a "Directors' Circular" dated April 13, 2017, providing shareholders with pertinent information along with the fairness opinion that was received.

Nigel Edwards
Chairman
April 27, 2017

Jose Luis Seijo Gonzalez
Director
April 27, 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT$'000	UNAUDITED		AUDITED
	31.03.2017	31.03.2016	31.12.2016
Non-current assets			
Property, plant and equipment	53,081	39,237	53,936
Receivable and prepayments	1,458	3,218	1,458
Deferred tax assets	6,272	2,315	7,127
	60,811	44,770	62,521
Current assets			
Inventories	12,673	21,011	14,814
Receivables and prepayments	31,812	34,244	31,165
Cash at bank and short-term deposits	53,614	52,850	47,330
	98,099	108,105	93,309
Assets directly associated with the discontinued operations	–	39	–
	98,099	108,144	93,309
Total assets	**158,910**	**152,914**	**155,830**
Equity and liabilities			
Share capital	12,000	12,000	12,000
Reserves	80,588	91,851	79,436
Equity attributable to the Parent	**92,588**	**103,851**	**91,436**
Non-controlling interests	(4,899)	(4,916)	(4,899)
Total equity	**87,689**	**98,935**	**86,537**
Non-current liabilities			
Employee benefits liabilities	15,355	6,968	15,004
Deferred tax liabilities	5,343	4,771	5,768
	20,698	**11,739**	**20,772**
Current liabilities			
Payables and accruals	50,102	41,833	48,100
Liabilities directly associated with the discontinued operations	421	407	421
	50,523	**42,240**	**48,521**
Total equity and liabilities	**158,910**	**152,914**	**155,830**

CONSOLIDATED STATEMENT OF CASH FLOWS

TT$'000	UNAUDITED Three Months Jan to Mar		AUDITED Year Jan to Dec
	2017	2016	2016
Operating activities			
Profit/(loss) before taxation from continuing operations	1,901	(716)	(9,707)
Loss before taxation from discontinued operations	–	–	(23)
Profit/(Loss) before taxation	**1,901**	**(716)**	**(9,730)**
Adjustment to reconcile profit/(loss) before taxation to net cash generated by operating activities:			
Depreciation	1,401	1,548	6,859
Increase in provision for doubtful debts	150	58	1,101
Stockholding and inventory restructuring costs	–	–	2,567
Decrease in provision for obsolete spares	–	–	(125)
Employee benefits expenses	351	215	4,111
Other non-cash items	662	–	–
Gain on disposal of long-term assets and other movements	(21)	(67)	(57)
Interest expense net of interest income	48	22	327
	4,492	1,060	5,053
Changes in net current assets			
(Increase)/decrease in net receivables and prepayments	(646)	(2,960)	491
Decrease/(increase) in inventories	2,141	(6,060)	(2,305)
Increase in payables and accruals	1,996	2,217	9,002
Cash generated by operations	**7,983**	**(5,743)**	**12,241**
Taxation paid	(314)	(275)	(2,175)
Pension contributions paid	(418)	(496)	(2,000)
Net interest paid	(90)	(70)	(327)
Net cash generated by operating activities	**7,161**	**(6,584)**	**7,739**
Investing activities			
Addtions to property,plant and equipment	(877)	(257)	(20,282)
Reduction in short-term deposit	–	–	4,000
Proceeds from the disposal of property, plant and equipment	–	–	67
Net cash used in investing activities	**(877)**	**(257)**	**(16,215)**
Increase/(decrease) in cash and cash equivalents	**6,284**	**(6,841)**	**(8,476)**
Cash and cash equivalents – beginning of period	**10,330**	**18,806**	**18,806**
Cash and cash equivalents – end of period	**16,614**	**11,965**	**10,330**

READYMIX (WEST INDIES) LIMITED

SUMMARY CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2017

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	PARENT			NON-CONTROLLING INTERESTS		
	UNAUDITED Three Months Jan to Mar		AUDITED Year Jan to Dec	UNAUDITED Three Months Jan to Mar		AUDITED Year Jan to Dec
	2017	2016	2016	2017	2016	2016
Balance at beginning of period	**91,436**	**104,446**	**104,446**	**(4,899)**	**(4,874)**	**(4,874)**
Currency translation gain/(loss)	–	32	(24)	–	(42)	(16)
Other comprehensive loss	–	–	(4,050)	–	–	–
Profi/(loss)t after taxation	1,152	(627)	(8,936)	–	–	(9)
Balance at end of period	**92,588**	**103,851**	**91,436**	**(4,899)**	**(4,916)**	**(4,899)**

SEGMENT INFORMATION

TT$'000	Concrete	Aggregate	Adjustments & Eliminations	Total
UNAUDITED THREE MONTHS JAN TO MAR 2017				
Revenue	23,580	11,943	–	35,523
Profit before Taxation	90	1,811	–	1,901
UNAUDITED THREE MONTHS JAN TO MAR 2016				
Revenue	24,442	8,475	–	32,917
(Loss)/Profit before Taxation	(4,361)	3,645	–	(716)
AUDITED YEAR JAN TO DEC 2016				
Revenue	94,570	45,366	–	139,936
(Loss)/Profit before Taxation	(14,521)	4,791	–	(9,730)

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 consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income, summary consolidated statement of changes in equity and consolidated statement of cash flows.

2. **Accounting Policies**
Accounting policies used in the preparation of these summary consolidated financial statements are consistent with those set out in Note 2 of the December 31, 2016 Audited Consolidated Financial Statements consistently applied from period to period. 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, 2017 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 by the weighted average number of ordinary shares outstanding during the period.

4. **Segment Information**
The Group derived 66% (2016 - 74%) of its revenue from the sale of pre-mixed concrete and 34% (2016 - 26%) from the sale of aggregates. The Group's Sales strategy is associated with these two product lines, accordingly the segment information is so presented.

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