

TRINIDAD CEMENT LIMITED 1999

CONSOLIDATED FINANCIAL STATEMENT

FOR THE SIX MONTHS ENDED JUNE 30, 1999

	TT\$000 UNAUDITED SIX MTHS ENDED 30.6.99	TT\$000 UNAUDITED SIX MTHS ENDED 30.6.98	TT\$000 AUDITED YEAR ENDED 31.12.98
Revenue	<u>274,888</u>	<u>272,916</u>	<u>548,674</u>
EBITDA	92,551	97,028	186,958
Depreciation	19,307	17,464	35,514
Finance cost - net	<u>17,288</u>	<u>15,698</u>	<u>34,540</u>
	55,956	63,866	116,902
Share of the net losses of CCCL	<u>(4,185)</u>	<u>-</u>	<u>-</u>
Profit before taxation	51,771	63,866	116,902
Taxation - current and deferred	9,245	<u>14,390</u>	<u>27,315</u>
Profit after taxation	42,526	49,476	89,587
Attributable to Minority Interests	<u>(2,210)</u>	<u>(2,214)</u>	<u>(4,343)</u>
GROUP NET PROFIT	<u>40,318</u>	<u>47,262</u>	<u>85,244</u>
Earnings per Ordinary stock unit, cents - Basi	19	23	41
Dividends per Ordinary stock unit, cents	6	8	16

During the half year ended June 30, 1999, the Group acquired a controlling interest in Caribbean Cement Company Limited and its Subsidiaries of Jamaica (CCCL) by submitting a winning bid of J\$6.25 per share. Thereafter in July, the Group increased its stake to 74.1% through CCCL's Rights Issue and thereby brought down the average cost of the acquisition to \$4.11 per share. The acquisition has increased the Group's cement production capacity by 73% from 0.95m tonnes to 1.64m tonnes. The Group's results for the half year ended June 30, 1999, include the appropriate share of the net losses of CCCL for the two months, May and June, following acquisition of the controlling stake.

Additionally, in order to protect its market for the long term, the Group substantially reduced the price of its cement in Trinidad due to the entry of dumped cement from Thailand at prices drastically below the selling price in that country. Consequently, an anti-dumping complaint was filed with the authorities.

Group revenue for the half year was \$2.0m higher than the same period last year. The cement price reduction in Trinidad impacted significantly with a loss of revenue of \$25.0m. However, the negative effect of this was mitigated by increased sales of cement in Barbados and in export markets. The reduction in Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) by \$4.4m was a direct result of the

the Trinidad operations were compensated for by strict cost containment and higher results from other Group subsidiaries. The Group has a comprehensive plan for returning CCCL to profitability which involves a restructuring of debt, that is currently in progress, improvements in operational efficiencies and introduction of TCL's management procedures. These measures are already showing positive results and your Board is confident that the acquisition will be profitable from the second half of 1999.

With respect to the antidumping claim, the Ministry of Trade and Industry is expected to impose provisional duties substantially in excess of 100% of CIF value on dumped cement being imported into Trinidad from Thailand. Following this favourable ruling, the Group will return to economically viable pricing in Trinidad to ensure the sustainability of its business for the long term.

Consistent with our policy, the Group is declaring an interim dividend of approximately one-third of profits for the period, and as a consequence, an interim dividend of six cents (1998 - 8 cents) per Ordinary Stock unit, will be paid on September 24, 1999. The register will be closed from September 13, 1999 to September 15, 1999 inclusive.

Andy J Bhajan

price reduction in Trinidad.

Group Net Profit for the half year was \$40.3m or 15% lower than last year as a result of the price reduction in Trinidad and the inclusion of a net loss of \$4.2m from CCCL. Earnings foregone at

Chairman