

Caribbean Cement Company Limited

Chairman's Statements

I am pleased to report to you that the Caribbean Cement Company has achieved its highest profits in its history as a Company. Both the cement and gypsum operations returned to profitability in the year 2000 after suffering losses over the previous three years.

Significantly, the cement operations achieved the milestone of producing the highest level of clinker production since the start of operations in 1952. The efforts of management and all employees in these achievements must be highly commended.

In the year 2000, many of the key elements for the transformation of the Company, as stated in my previous annual address, were implemented and the results achieved have been encouraging. The dedication, inventiveness and commitment to the goal of making the Company the "First in the Region" was evident by the efforts of the workers and shown in the results achieved in the year 2000.

Nevertheless, whilst these results are gratifying and commendable, grave issues remain in the Company, the most significant of which being the market situation in Jamaica the consequence of which was the less than adequate return to the shareholders on their investment even in this year of record profits.

It is regrettable that after many years of trading within Caricom that there has been no harmonization of regional trade legislation as a result of which the successful action on dumped cement from Thailand by Trinidad Cement Limited in Trinidad had to be repeated in Jamaica, a costly and time consuming exercise that, at the time of writing this report, remains unresolved. In that interval, a portion of the Jamaican market was lost due to this unfair trading practice. The consequences of which are

loss of sales resulting in high cement stocks in silos, resulting in turn, in production cutbacks.

As a result of the above, we have had no alternative but to try to secure export markets at marginal prices resulting in less revenue yield per ton in order to reduce inventory and resume production.

For the year 2001, we are confident that there will be a satisfactory resolution to the problem of dumped cement in Jamaica. In addition, we will continue our efforts to reduce the cost of production notwithstanding the increases in the cost of fuel due to significantly high oil prices and the continuing decline in the value of the Jamaican dollar which accelerated towards the end of the third quarter.

In 2000 much was achieved and, although much remains to be achieved in 2001, I have pleasure in recommending a dividend payment of 5 cents per ordinary share for the year 2000.

On behalf of the Board of Directors, I express my thanks to the shareholders for the confidence placed in the Company and offer my congratulations to the management team and workers for the progress achieved in 2000, and encourage them in our goal of making CCCL the "First in the Region".

Arthur Lok Jack
Chairman
