Caribebean Cement Company Limited

The Directors of Caribbean Cement Company Limited report the Consolidated Unaudited Results for the three months ended 31st March 2001.

DIRECTORS' STATEMENT:

In June 2000, the first shipment of *dumped* cement was imported into Jamaica directly from Thailand.

In order to protect the company's market share, and to secure the long term viability of Caribbean Cement Company, immediately an application was made to the Anti-Dumping and Subsidies Commission for the imposition of antidumping duties to be applied to the "dumped cement" under the Customs Duties dumping and Subsidies Act 1999.

REVENUE

While awaiting an outcome of the investigation by the Commission, the company, in order to preserve its market share, was forced to implement price-discounting strategy to the trade. This high cost strategy had the effect of containing our market share loss to 18% in an expanding cement market. Consequently, the reduction in sales volumes and discounted prices resulted in a decline of first quarter revenue by $113 Million or 12.9% against the corresponding period last year.

We wish to emphasise that consequential upon this loss of sales and market share, the company only operated one of the two grinding mills to satisfy our reduced demand. This reduction in plant activity has severe implications for employment.

PROFIT

Operating profit reduced from 23.5% of sales during the first quarter of 2000 to 13.1% in first quarter 2001 as a result of:

> Revenue decline (as noted above)
> Cost increases due to:
a) Unprecedented escalation in energy prices

b) Currency devaluation

COSTS

We continue to improve our plant efficiency and labour productivity. However, these improvements have been and are being eroded by circumstances outside of our control, for example, high-energy prices and the depreciation of the Jamaican Currency.

Historically, these costs were recovered by price adjustments, but due to the existence of "dumped cement" in the market, which constitutes an "unfair trading practice", Caribbean Cement Company had no alternative but to absorb these cost increases. This obviously cannot continue.

NET PROFIT

Group net profit after taxation declined by $69.7 Million or 55% from the same period last year, which has resulted from the issues facing the company already elaborated upon.

OUTLOOK

Due to reduced sales volumes, high cement stocks and given the timing of the final determination from the Anti-Dumpmg Comnussion, the opportunity is being taken to carry out maintenance work on various plant and equipment.

The Board therefore does not expect any significant improvement in the results of the company until the third quarter.

On March 14, 2001 the Anti-Dumping Commission, after their evaluation, ruled that the cement exported from Thailand constituted "dumping" and that this "dumping! is injuring Caribbean Cement Company. As a result, the AntiDumping Commission imposed preliminary duties of 170% :on all future imports of Thailand cement. Your Board is confident that the final determination expected on June 11, 2001 will concur with the Commission's preliminary ruling.

For The Three Months Ended 31 at March, 2001

	UNAUDITED THREE MTH JAN TO MAR 2001	UNAUDITED THREE MTHS JAN TO MAR 2000	AUDITED YEAR JAN TO DEC. 2000
SALES (CEMENT TONNES)	158,875	167,807	603,962
REVENUE	759,662	872,763	3,078,031
OPERATING PROFIT	99,389	205,048	419,421
Finance Cost. Net	(23,522)	(21,083)	(158,381)
Exceptional Item	-	-	154,105
Profit BeforeTaxation	75,847	183,965	415,146
Taxation	(19,194)	(57,634)	(55,535)
GROUP NET PROFIT AFTER TAXATION	56,653	126,331	359,611
Earnings per ordinary stock unit			
Cents - Basic & Diluted	7	15	42
Operating Profit/Revenue Ratio	13.08%	23.49%	13.08%

CONSOLIDATED BALANCE SHEET

	J$'000 UNAUDITED 30.03.2001	J$'000 UNAUDITED 30.03.2000	J$'000 AUDITED 31.12.2000
Non-Current Assets	2,472,017	2,462,559	2,504,911
Current Assets	911,758	636,907	921,728
Current Liabilities	(1,581,626)	(1,273,563)	(1,647,484)
Non-Current Llobfittles	(173,796)	(329,775)	(179,011)
Total Net Assets	1,628,353	1,496,128	1,600,144
Share Capital	425,669	455,569	425,569
Reserves	247,052	(323)	190,399

Shareholders' Equity	672,621	425,246	615,968
Deferred Gain	956,732	1,070,882	984,176
Group Equity	1,629,353	1,496,128	1,600,144

CONSOLIDATED CASH FLOW STATEMENT

	J$' 000 UNAUDITED THREE MTH ENDED	J$' 000 UNAUDITED THREE MTHS ENDED	J$' 000 AUDITED YEAR ENDED
Group Net Profit after taxation	56,653	126,331	359,610
Adjustment for non-cash items	34,128	72,411	(33,880)
	90,781	198,742	325,730
Change in working capital	(58,724)	(252,410)	(319,219)
Net cash (Used In)/generated by operating activities	32,057	(53,668)	6,511
Net cash (Used in)/Provided by investing activities	(30,278)	(8,799)	(180,826)
Net cash generated by financing activities	111,572	(5,364)	(69,242)
(Decrease)/Increase In cash and short term funds	113,351	(67,831)	(243,557)
Cash and short term funds - beginning of period	(82,846)	160,711	160,711
Cash and short term funds - end of period	30,505	92,880	(82,846)

CONSOUDATED STATEMENT OF CHANGE IN EQUITY

	Share Capital	Share Premium	Revaluation Reserve	Realised Capital Gain	Consolidation	Accumulated (Losses)	Stockholders' Equity
Three months ended 31 March 2001							
Balance at 1 January 2001	425,569	1,383,288	780,042	134,618	(17,757)	(2,089,770)	615,968
Not Profit for the throo months						56,653	56,653
Transfer of reallsed gain				28,444		(28,444)	0
Amortisation for the Period			(15,821)	15,821			0

Balance at 31 March 2001	425,569	1,383,268	764,221	150,437	(17,757)	(2,033,117)	672,621
Three months ended 31 March 2000							
Balance at 1 January 2000	425,569	1,383,268	843,325	91	(17,151)	(2,335,581)	298,915
Net Profit for the three months						126,331	126,331
Transfer of realised gain				28,468		(28,468)	0
Amortisation for the period			(15,821)	15,821			0
Balance at 31 March 2000	425,569	1,383,268	827,504	44,380	(17,151)	(2,237,718)	425,246
Year ended 31 December 2000							
Balance at 1 January 2000	425,569	1,383,208	843,325	91	(17,757)	(2,335,581)	298,915
Net Profit for the year						359,610	359,610
Transfer of realised gain				113,799		(113,799)	0
Amortisation for the year			(63,283)	63,283			0
Transfer to profit and loss account				(42,557)		42,557	0
Proposed Dividends						(42,557)	(42,557)
Balance at 31 December 2000	425,569	1,383,268	780,042	134,616	(17,757)	(2,089,770)	615,968