# TRINIDAD CEMENT LIMITED

## CONSOLIDATED INTERIM FINANCIAL REPORT

## FOR THE QUARTER ENDED 31 MARCH 2003

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### Consolidated Statement of Earnings

| TT $000 | UNAUDITED Three Months January to March | | AUDITED Twelve month Year |
|---|---|---|---|
| | **2003** | **2002** | **2002** |
| **REVENUE** | 285,002 | 266,749 | 1,131,814 |
| OPERATING PROFIT | 56,655 | 65,910 | 251,051 |
| Finance costs - net | (26,945) | (21,248) | (86,468) |
| **Profit before taxation** | 29,710 | 44,662 | 164,583 |
| Provision for Taxation | (8,297) | (10,629) | (15,619) |
| **Profit after taxation** | 21,413 | 34,033 | 148,964 |
| Extraordinary Item | - | - | (11,107) |

| | | | |
|---|---|---|---|
| Minority Interest | (1,832) | (4,383) | (15,628) |
| **Profit Attributable to Shareholders** | 19,581 | 29,650 | 122,229 |
| Earnings per Share basic and diluted before Extraordinary Item - cents | 8 | 12 | 55 |
| Earnings per Share -basic and diluted after Extraordinary Item - cents | 8 | 12 | 50 |
| Dividends per Ordinary Share, cents | | | 18 |

## CHAIRMAN'S STATEMENT

PERFORMANCE

As indicated in the last published financial statement for the year ended 31 December 2002 released February 2003, major plant refurbishment with attendant plant stoppages at Caribbean Cement Company Limited and Arawak Cement Company Limited were planned for the first quarter of 2003 as part of a deliberate strategy to improve productivity and position the Group for stronger earnings in 2003. The refurbishment was successfully completed but as a consequence, Earnings per Share (EPS) for the quarter, amounted to 8 cents compared with 12 cents for the prior year although our internal expectations ware exceeded.

Group Revenue increased by $18.3 million (7%) driven by higher cement sales volumes especially in the Trinidad and Tobago market whilst those of Jamaica and Barbados maintained their prior year levels. Our premixed concrete revenue was also higher than the prior year due to the recovery of the market and sales by our newest subsidiary in Barbados. The Group expects these stronger demand trends to continue for the rest of the year.

Operating Profit decreased by $9.3 million as a result of the under-absorption of overheads and repairs and maintenance costs arising from the previously mentioned plant shutdown in Jamaica and Barbados. There was a reduction of 47,915 tonnes (12%) in clinker production in this quarter compared with the corresponding period in 2002. We are already benefiting from that action as clinker production at both plants exceeded their targets following the upgrade.

We were also faced with higher fuel cost at our Barbados plant because of an interruption in supply of lower cost Orlmusion' (kin fuel) due to the unrest in Venezuela but this situation has now abated and supplies have resumed.

Finance cost increased by $5.7 million due solely to foreign exchange losses of $7.8 million incurred by our Jamaican subsidiary as a result of the depreciation of the Jamaican dollar over the quarter. The Group implemented a cement price increase In Jamaica to counter the higher cost arising from the continued depreciation of the dollar. The benefit of the price increase will be seen over a full year.

OUTLOOK

The global environment is still characterized by uncertainity and weakness, not withstanding the end of the US/Iraq war. However, the Group remains optimistic on the outlook for the rest of 2003 given the especially favourable economic conditions in Trinidad and Tobago and the potential resurgence of the tourism sectors in Jamaica, Barbados and the wider Caribbean as other high risk destinations are avoided. Consequently, the Group is projecting EPS to be higher than that for 2002.

## Consolidated Balance Sheet

| **TT$ '000** | **UNAUDITED 31.03.2003** | **UNAUDITED 31.03.2003** | **AUDITED 31.12.2003** |
|---|---|---|---|
| Non-Current Assets | 1,809,751 | 1,918,769 | 1,862,816 |
| Current Assets | 461,307 | 413,851 | 461,220 |
| Current Liabllities | (318,697) | (308,793) | (333,980) |
| Non-Current Liabilities | (1,007,199) | (1,082,402) | (1,022,231) |
| Total Net Assets | 945,162 | 941,425 | 967,825 |

| | | | |
|---|---|---|---|
| Share Capital | 466,206 | 466,206 | 466,206 |
| Reserves | 298,436 | 261,120 | 302,586 |
| Shareholders' Equity | 764,642 | 727,326 | 768,792 |
| Minority Interests | 98,715 | 102,928 | 105,136 |
| Deferred Income | 81,805 | 111,171 | 93,897 |
| Group Equity | 945,162 | 941,425 | 967,825 |

## Consolidated Statement of Changes in Equity

| **TTS '000** | **UNAUDITED QUARTER ENDED 31.03.2003** | **UNAUDITED QUARTER ENDED 31.03.2002** | **AUDITED YEAR ENDED 31.03.2002** |
|---|---|---|---|
| Balance at beginning of period | 768,792 | 699,022 | 699,022 |
| Settlement of options contract | - | - | - |
| Currency translation differerence | (23,731) | (1,346) | (15,431) |
| Unallocated ESOP shares | - | - | 437 |
| Profit attributable to shareholders | 19,581 | 29,650 | 122,229 |
| Dividends | - | - | (37,465) |
| Balance at end of period | 764,642 | 727,326 | 768,792 |

## Consolidated Cash Flow Statement

| TT$ '000 | UNAUDITED QUARTER ENDED 31.03.2003 | UNAUDITED QUARTER ENDED 31.03.2002 | AUDITED YEAR ENDED 31.03.2002 |
|---|---|---|---|
| Profit before taxation | 29,710 | 44,662 | 164,583 |
| Adjustment for non-cash items | 45,084 | 37,485 | 186,606 |
| Changes in working capital | (47,829) | (34,029) | (17,440) |
| | 26,965 | 48,118 | 333,749 |
| Extraordinary item | - | - | 333,749 |
| Net Interest and taxation paid | (22,597) | (23,367) | (132,978) |
| Net cash generated by operating activities | 4,368 | 24,751 | 189,664 |
| Net cash used in investing activities | (22,071) | (11,997) | (57,161) |
| Net cash used in financing activities | (14,134) | (14,740) | (86,308) |
| lncrease/(decrease) in cash and short term funds | (31,837) | (1,986) | 46,195 |
| Cash and short term funds -beginning of period | (5,202) | (52,053) | (52,053) |
| Currency adjustment - opening balance | 1,848 | (63) | 656 |
| Cash and short term funds - end of period | (35,191) | (54,102) | (5,202) |
| | ======== | ======== | ========= |

**Notes:**

1. Accounting Periods

Accountng policies used in the preparation of these financial statements are consistent with those used in the audited financial statements for the year ended December 31, 2002.

2. 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. The weighted average number of ordinary shares in issue for the year has been determined. In accordance with best practice, by deducting from the total number of issued shares of 249,756m, the 6,281m (2002: 6,381m) shares that were held unallocated shares by our ESOP.