

Caribbean Cement Company Limited

The Directors of the Caribbean Cement Company Limited Report the Consolidated
Unaudited Results for the Six Months Ended 30th June, 2004.

DIRECTORS' STATEMENT

The performance for the six months to June 2004, showed significant improvements in production, sales, turnover and profits when compared with the corresponding period last year. Carib Cement was able to take advantage of a 10% growth in the market and our sales volume increased by 33%. Market share increased from 76% to 91 % for the period under review. This noteworthy performance represents a 36% increase in turnover to \$2.69 Billion and a 48% or \$94.7M increase in profit after tax to \$294M. Cash generated from operating activities increased by \$123M.

These results include net income of \$25.9M earned in the second quarter from the sale of real estate. The company has also benefited from the relatively stable exchange rate with the result that our finance costs were \$43M compared to \$118M last year. We are particularly pleased to report that our working capital increased by \$430M and has become positive for the first time in many years.

When compared with the same period in 2003, the company's ratio of operating profit to revenue declined by four percentage points. This is attributed to the

impact of increasing energy prices and freight rates, significant plant maintenance costs, increased distribution costs, and the professional and other costs associated with the defense of our market position. Nonetheless, we maintained cement prices constant in an environment where the costs of other building and construction materials were increasing daily,

The final determination on our application for an affirmative safeguard ruling was announced in July. The Anti-Dumping and Subsidies Commission recommended that a Safeguard duty of 25.83% should be applied to cement entering the Jamaican market. While the Commission did not recommend the duties we had requested, and have noted that their ruling was based on the highest FOB price on record for imported cement, we welcome the ruling and await its acceptance and subsequent gazetting to give legal effect.

Outlook

We expect that the Safeguard measure will be brought into effect within a reasonable time frame. We will then be in a position to re-engage the financial institutions in our discussions for funding for the expansion and modernization program and conclude negotiations with the equipment vendors. This will provide the opportunity for the Company to retool and modernize the aging plant, as we pursue our mission to be internationally competitive and to contribute to sustained economic development in Jamaica while delivering the returns expected by our shareholders.

Mr. Brian Young
Chairman

Dr. Rollin Bertrand
Director

CONSOLIDATED PROFIT & LOSS ACCOUNT

J\$' 000

J\$' 000

J\$' 000

	Unaudited June 30, 2004	Unaudited June 30, 2003	Audited December 31, 2003
SALES (CEMENT TONNES)	395,144	298,433	605,400
REVENUE	2,689,171	1,977,629	4,016,643
OPERATING PROFIT	430,386	397,267	811,894
Finance Cost- Net	(42,935)	(117,906)	(179,594)
Profit Taxation	387,451	279,301	632,300
Taxation	(93,466)	(80,034)	(177,416)
GROUP NET PROFIT AFTER TAXATION	293,985	199,327	454,884
Earnings per ordinary stock unit			
Cents - Basic & Diluted	35	23	53
Operating Profit/Revenue Ratio	16.00%	20.00%	20.00%

Note 2

CONSOLIDATED BALANCE SHEET

	J\$' 000 Unaudited June 30, 2004	J\$' 000 Unaudited June 30, 2003	J\$' 000 Audited December 31, 2003
Non-Current Assets	2,409,095	2,381,224	2,863,465
Current Assets	1,547,599	1,294,939	1,224,336
Current Liabilities	(1,220,538)	(1,397,344)	(1,571,082)
Non-Current Liabilities	(456,514)	(211,144)	(414,604)
Total Net Assets	2,279,642	2,067,675	2,102,115
Share Capital	425,569	425,569	425,569
Reserves	1,268,109	942,367	1,033,695

Shareholders' Equity	1,693,678	1,367,936	1,459,264
Deferred Gain	585,964	699,739	642,851
Group Equity	2,279,642	2,067,675	2,102,115

CONSOLIDATED CASH FLOW STATEMENT

	J\$' 000 Unaudited June 30, 2004	J\$' 000 Unaudited June 30, 2003	J\$' 000 Audited December 31, 2003
Group Net Profit after Taxation	293,985	199,327	454,884
Adjustment for non-cash items	150,611	133,900	281,531
	444,596	333,227	736,415
Change in working capital	(276,073)	(288,036)	(432,105)
Net cash (Used in)/generated by operating activities	168,523	45,191	304,310
Net cash (Used in)/Provided by investing activities	(125,501)	(128,764)	(466,970)
Net cash generated by financing activities	(16,103)	(68,258)	(46,562)
(Decrease)/Increase in cash and short term funds	26,919	(151,831)	(209,222)
Cash and short term funds - beginning of period	(52,645)	156,577	156,577
Cash and short term funds - end of period	(25,726)	4,746	(52,645)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

J\$' 000 Unaudited	J\$' 000 Unaudited	J\$' 000 Audited
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	<u>June 30,</u> <u>2004</u>	<u>June 30,</u> <u>2003</u>	<u>December 31,</u> <u>2003</u>
Balance at beginning of period	1,459,264	1,168,609	1,063,960
Net Profit for period	293,985	199,327	454,884
Dividends	(59,571)	-	(59,580)
Balance at end of period	1,693,678	1,367,936	1,459,264

Notes

1. Accounting Policies

This years financials have been prepared in accordance with International Financial Reporting Standards and we have fully adopted the relevant standards.

2. Finance Costs

Finance costs include loss on exchange amounting to \$11M for 2004 compared with \$86M for 2003.

3. Gain on Disposal

Operating profit includes \$25.88M relating to gain on the disposal of real estate
