TRINIDAD CEMENT LIMITED

Consolidated Interim Financial Report

For The Six Months Ended 30th June, 2004

Consolidated Statement of Earnings

TT $000	UNAUDITED Half Year Ended 30th June		AUDITED Year ended 31st December
	2004	2003	2003
REVENUE	670,271	583,251	1,155,671
OPERATING PROFIT	154,830	135,901	263,956
Finance costs - net	(58,019)	(48,824)	(90,709)
Profit before taxation	96,811	87,077	173,247
Provision tor Taxation	(19,444)	(19,919)	(36,061)
Profit after taxation	77,367	67,158	137,186
Minority Interest	(7,771)	(7,139)	(15,745)
Profit Attributable to Shareholders	**69,596**	**60,019**	**121,441**

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Earnings per Share - basic and diluted	29	25	50
Dividends per Ordinary Share, cents	8	8	18

CHAIRMAN'S STATEMENT

PERFORMANCE

Earnings per Share (EPS) for our 2004 first half Increased by 16% compared with the prior year period. This notable improvement was fueled by strong growth of 18% in cement sales volumes In our domestic markets of Barbados, Trinidad and Tobago and Jamaica. Our Jamaica subsidiary showed the strongest growth, where prior period volumes were exceeded by 33%. Revenue increased by $87.OM or 15% from the prior period as a result of strong demand in all three domestic markets. The Group regained significant market share from competitors in Jamaica, and had 91 % market share compared with 76% in the prior period.

Profit attributable to Shareholders for the half-year 2004 was $69.6 million, an improvement of $9.6M or 16% over the first half of 2003, driven by higher contribution from increased sales volumes. This profit was partially eroded by increased operating costs from unscheduled plant stoppages. Cement and Clinker production surpassed the prior period by 110K tonnes or 13% and 65K tonnes or 9% respectively, due to improved efficiencies and productivity improvement.

Net Finance costs are showing an increase of $9.2M. Notwithstanding, total borrowings declined by $76.6m in the period. This is a result of the disposal of our fixed income securities at the end of last year, with the consequential reduction in interest income going forward. This was compensated for by the elimination of significant lease payments. In the third quarter the Group will be refinancing approximately 43% of its debt at a much lower interest rate.

Net Cash generated by Operating activities was $107.8M, a significant improvement over the $49.9M generated in the prior year period.

OUTLOOK

The Group expects that growth will continue in the second half of 2004 as cement and concrete markets continue to be buoyant. Phase one of the capacity upgrade project continues in Trinidad in light of the buoyant cement markets. Following re-affirmation of the safeguard duties of 25.83% for four years, by the Anti-Dumping and Subsidies Commission, the Group proposes to re-engage implementation of the capacity upgrade project in Jamaica. The Group expects to derive significant improvements in efficiency and productivity leading to operating cost reduction.

DIVIDEND

An interim dividend of eight (8) cents per ordinary share Will be paid on October 15, 2004, to shareholders on the register of members at the close of business on October 1, 2004. The register will be closed from October 2, 2004 to October 4, 2004 inclusive.

Yusuff Omar
Acting Group Chairman
July 30, 2004

Consolidated Balance Sheet

TT$ '000	UNAUDITED 30.06.2004	UNAUDITED 30.06.2003	AUDITED 31.12.2003
Non-Current Assets	1,767,829	1,794,305	1,750,896
Current Assets	506,638	466,664	488,535
Current Liabilities	(328,444)	(314,183)	(368,450)
Non-Current Liabilities	(973,020)	(1,003,548)	(965,379)

Total Net Assets	973,003	943,238	905,602
Share Capital	466,977	466,206	466,206
Reserves	398,051	305,893	338,228
Shareholders' Equity	865,028	772,099	804,434
Minority Interests	107,975	96,145	101,168
Deferred Income	-	74,994	-
Group Equity	973,003	943,238	905,602

Consolidated Statement of Change In Equity

TT$ '000	UNAUDITED HALF YEAR ENDED 30.06.2004	UNAUDITED HALF YEAR ENDED 30.06.2003	AUDITED YEAR ENDED 31.12.2003
Balance at beginning of period	804,434	765,329	765,329
Goodwill adjustment	18,061	-	-
Currency translation difference	(3,870)	(28,273)	(38,207)
Unallocated ESOP shares	699	-	829
Profit attributable to shareholders	69,596	60,019	121,441
Dividends	(23,892)	(24,976)	(44,958)
Balance at end of period	865,028	772,099	804,434

Consolidated Cash Flow Statement

TT$ '000	UNAUDITED HALF YEAR ENDED 30.06.2004	UNAUDITED HALF YEAR ENDED 30.06.2003	AUDITED YEAR ENDED 31.12.2003
Profit before taxation	96,811	87,077	173,247
Adjustment for non-cash items	100,829	81,377	187,750
Changes in working capital	(31,138)	(67,080)	(91,409)
	166,502	101,374	269,588
Net Interest and taxation paid	(58,678)	(51,426)	(128,102)
Net cash generated by operating activities	107,824	49,948	141,486
Net cash used in investing activities	(48,725)	(44,446)	(487,363)
Net cash (used)/generated by financing activities	(48,769)	(51,416)	267,620
Increase/(decrease) in cash and short term funds	10,330	(45,914)	(78,257)
Cash and short term funds -beginning of period	(85,715)	(5,202)	(5,202)
Currency adjustment - opening balance	114	2,661	(2,256)
Cash and short term funds -end of period	(75,271)	(48,455)	(85,715)

Notes:

1. Accounting Policies
Accounting 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, 2003

2. Earnings Per Share
Earnings per share (EPS) for 2004 is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the period.

3. International Financial Reporting Standard (IFRS)

The Group has adopted IFRS 3 - Business Combinations - effective from January 1st 2004. The impact on the current financial statements is the elimination of not goodwill charge of $2.5M. The negative goodwill balance at January 1st 2004 of $18.1M has been credited to opening retained earnings. The Group has ceased amortizatan of goodwill in accordance with the standard and the resulting goodwill balance of $215.4M stated on the balance sheet will be subject to periodic (at least annually) impairment reviews.