

Caribbean Cement Company Limited

For The Nine Months Ended 30th September 2004

DIRECTORS' STATEMENT

Net profit after tax for the nine months to September 2004 was \$373.3M. This represents an increase of \$75.1M or 25% over the profit reported for the corresponding period in 2003. The cement market grew by 11% over the corresponding nine months in 2003 and our cement production increased similarly to satisfy full market demand. During this period Carib Cement supplied 91% of the market compared to 75% in January to September 2003 resulting in increased sales of 29%.

Carib Cement has held prices constant despite significant increases in international energy and freight rates. These increases together with continuing our continuing expenditure on market defense activities in pursuit of trade remedies have contributed to the erosion of the gains made earlier this year in productivity and sales.

In the third quarter, the Company's business and profitability, were also disrupted by the effects of Hurricanes Charley and Ivan and by related periodic disruptions in our electricity supply. We lost several production days and sustained losses in process stocks and minor damage to buildings. We are in discussions with our insurers to quantify and agree the losses suffered but are confident that our coverage is adequate.

In their final determination in July 2004, the Anti-Dumping & Subsidies Commission recommended the imposition of a safeguard duty of 25.83% on cement entering the Jamaican market while

maintaining the 15% CET . This has resulted in total duties payable on cement imports of 40.83%. The Government has indicated that it will implement the recommendation by adjusting the tariff on imported cement to 40% but has not yet formally documented and gazetted the change. In the meantime, the Company's investment plans for expansion and modernization have been placed on hold.

OUTLOOK

The gazetting of the new tariff on imported cement is critical to the conclusion of our investment plans for plant expansion and modernization. We anticipate that the demand for cement will be very strong in the last quarter as contractors work to bring jobs back on schedule before year-end.

Mr. Brian Young
Chairman
 October 29, 2004

Dr. Rollin Bertrand
Director
 October 29, 2004

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	J\$'000 Unaudited Three Months 30th Sept 2004	J\$'000 Unaudited Three Months 30th Sept 2003	J\$'000 Unaudited Nine Months 30th Sept 2004	J\$'000 Unaudited Nine Months 30th Sept 2003	J\$'000 Audited Year ended 31st Dec 2003
SALES (CEMENT TONNES)	181,710	149,095	576,854	447,528	605,400
REVENUE	1,233,729	971,592	3,922,900	2,949,221	4,016,643
OPERATING PROFIT	102,531	163,050	532,917	560,317	811,894
Finance Cost- Net	792	(27,124)	(42,143)	145,030	(179,594)

Profit before Taxation		103,323	135,926	490,774	415,287	632,300
Taxation	Note 2	<u>(24,038)</u>	<u>(37,035)</u>	<u>(117,504)</u>	<u>(117,069)</u>	<u>(177,416)</u>
GROUP NET PROFIT AFTER TAXATION		79,285	98,891	373,270	298,218	454,984
Earnings per ordinary stock unit						
Cents - Basic & Diluted		9.32	11.62	43.86	35.04	53.44
Operating Profit/Revenue Ratio		8%	17%	14%	19%	20%

CONSOLIDATED BALANCE SHEET

	J\$'000 UNAUDITED Nine Months 30th Sept 2004	J\$'000 UNAUDITED Nine Months 30th Sept 2003	J\$'000 AUDITED Year ended 31st Dec 2003
Non-Current Assets	2,404,100	2,436,808	2,863,465
Current Assets	1,584,165	1,460,092	1,224,336
Current Liabilities	(1,198,924)	(1,570,180)	(1,571,082)
Non-Current Liabilities	(458,857)	(248,178)	(414,604)
Total Net Assets	2,330,484	2,078,542	2,102,115
Share Capital	425,569	425,569	425,569
Reserves	<u>1,347,395</u>	<u>981,678</u>	<u>1,033,695</u>
Shareholders' Equity	1,772,964	1,407,247	1,459,264
Deferred Gain	<u>557,520</u>	<u>671,295</u>	<u>642,851</u>

Group Equity	2,330,484	2,078,542	2,102,115
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CONSOLIDATED CASH FLOW STATEMENT

	J\$'000 UNAUDITED Nine Months 30th Sept 2004	J\$'000 UNAUDITED Nine Months 30th Sept 2003	J\$'000 UNAUDITED Year Ended 31st Dec 2003
Group Net Profit after Taxation	373,270	298,218	454,884
Adjustment for non-cash items	182,239	197,134	281,531
	<u>555,509</u>	<u>495,352</u>	<u>736,415</u>
Change in working capital	(456,439)	(526,299)	(432,105)
Net cash(used in)/generated by operating activities	99,070	(30,947)	304,310
Net cash (used in) investing activities	(160,342)	(316,812)	(466,970)
Net cash generated by/(used in) financing activities	193,939	130,200	(46,562)
(Decrease)/Increase in cash and short term funds	132,667	(217,559)	(209,222)
Cash and short term funds - beginning of period	(52,645)	156,577	156,577
Cash and short term funds - end of period	80,022	(60,982)	(52,645)
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	J\$'000 UNAUDITED Nine Months 30th Sept 2004	J\$'000 UNAUDITED Nine Months 30th Sept 2003	J\$'000 AUDITED Year Ended 31st Dec 2003
Balance at beginning of period	1,459,264	1,168,609	1,063,960
Net Profit for period	373,270	298,218	454,884
Dividends	<u>(59,570)</u>	<u>(59,580)</u>	<u>(59,580)</u>
Balance at end of period	<u>1,772,964</u> =====	<u>1,407,247</u> =====	<u>1,459,264</u> =====

Notes:

1. Finance Costs

- (i) The YTD finance costs include loss on exchange amounting to \$10.805M for 2004 compared with \$95.858M for 2003.
- (ii) In accordance with IAS23 YTD interest expense totalling \$11.092M for 2004 relating to capital projects have been capitalised.

2. Taxation

The YTD taxation expense includes deferred tax charge of \$43.566M and corporation tax of \$73.938M for 2004 compared with deferred tax charge of \$117.069M for 2003.
