CARIBBEAN CEMENT COMPANY LIMITED

CARIB CEMENT

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007

CONSOLIDATED STATEMENT OF EARNINGS

J$'000	UNAUDITED 3 Months Ended 30.09.2007	UNAUDITED 3 Months Ended 30.09.2006	UNAUDITED 9 Months Ended 30.09.2007	UNAUDITED 9 Months Ended 30.09.2006	AUDITED Year Ended 31.12.2006
SALES (CEMENT TONNES)	187,312	214,690	596,739	657,288	843,295
REVENUE	**1,819,101**	**1,826,387**	**5,488,641**	**5,085,491**	**6,730,968**
Operating profit before cement claims	165,789	253,876	583,986	118,939	422,215
Cement claims Note 1	–	(100,000)	–	(260,000)	(304,539)
OPERATING PROFIT/(LOSS)	165,789	153,876	583,986	(141,061)	117,676
Finance costs – net	(17,984)	(4,976)	(95,116)	(89,336)	(58,867)
Profit/(Loss) Before Taxation	**147,805**	**148,900**	**488,870**	**(230,397)**	**58,809**
Taxation	(35,018)	4,328	(124,297)	149,323	18,357
GROUP NET PROFIT/(LOSS) AFTER TAXATION	**112,787**	**153,228**	**364,573**	**(81,074)**	**77,166**
Earnings per ordinary stock unit Cents – Basic & Diluted	13.3	18.0	42.8	(9.5)	9.1
Operating Profit/Revenue Ratio	9%	14%	11%	2%	2%

DIRECTORS' STATEMENT

The Company posted a consolidated net profit of $112.8 million for the third quarter compared to a net profit of $153.2 million in the third quarter of 2006. The Group net profit of $364.6 million for the first nine months of this year is to be compared to a net loss of $81.1 million for the corresponding period in 2006, which included a provision of $260 million for claims related to the inadvertent release of non-conforming cement to the market.

The third quarter was extremely eventful with national elections, inclement weather including Hurricane Dean and the stocking out of cement by importers. Domestic sales were soft over this period and Carib Cement's sales volumes amounted to 187,312 tonnes, down 13% over the same period last year and down 9% over the average sales in the first half of the year. Nonetheless, Carib Cement remains the brand of choice and despite the falling sales volumes, the Company actually grew its market share to over 80% in the last quarter. Revenues were on par with the previous quarter as a result of price adjustments to mitigate against rising energy costs, other input costs and the impact of the falling exchange rate.

Cement, clinker and gypsum production was affected by the passage of Hurricane Dean. However, the impact on our profitability has been lessened to some extent by the settlement received from our insurance coverage.

The third quarter was especially difficult from a liquidity perspective. Nonetheless, our funding towards the expansion and modernisation programme was maintained and the construction work continued. The extreme weather conditions in August and September have slowed progress on the Kiln 5 site and the completion date has now slipped to the second quarter of 2008. The cement mill expansion remains on target for the fourth quarter of 2008.

Despite the challenges, the Company achieved both ISO 9001:2000 Certification and the Bureau of Standards of Jamaica Plant Certification Mark in the third quarter. These are significant milestones in our quality management system and will serve to reinforce our robust processes and further enhance the efficiencies of our operations.

OUTLOOK

The importers of cement took the trade by surprise by running out of stock in September. While this caused a certain amount of anxiety in the market, Carib Cement was able to respond by ramping up production and sourcing imported product regionally. As such, the market is currently adequately supplied through locally manufactured product and Carib Cement imports. The Company, therefore, expects to see improved sales and revenue during this upcoming period.

It is important to note that global developments have contributed to a significant increase in the import cost of cement, which will result in difficulties in securing imported cement at competitive prices. Recognising that our cement mill expansion is not scheduled for completion until the fourth quarter of 2008 and the projected market demand exceeds the current capacity of our plant, securing significant imports will represent a major challenge if the demand is to be met over the next 12 months.

In conclusion, the Company wishes to state that following the completion of the Expansion and Modernisation Programme, shareholders can look forward to a much improved return on their investment.

Brian Young
Chairman
November 20, 2007

Dr. Rollin Bertrand
Director/Group CEO
November 20, 2007

CONSOLIDATED BALANCE SHEET

J$'000	UNAUDITED As At 30.09.2007	UNAUDITED As At 30.09.2006	AUDITED As At 31.12.2006
Non-Current Assets	4,671,260	4,089,970	4,065,304
Current Assets	2,403,400	2,030,796	2,131,216
Current Liabilities	(2,408,278)	(2,434,303)	(2,080,248)
Non-Current Liabilities	(1,639,927)	(1,086,177)	(1,368,699)
Total Net Assets	**3,026,455**	**2,600,286**	**2,747,573**
Share Capital Note 2	1,808,837	425,569	1,808,837
Reserves Note 2	1,001,783	1,844,749	637,210
Shareholders' Equity	**2,810,620**	**2,270,318**	**2,446,047**
Deferred Gain	215,835	329,968	301,526
Group Equity	**3,026,455**	**2,600,286**	**2,747,573**

CONSOLIDATED CASH FLOW STATEMENT

J$'000	UNAUDITED 9 Months 30.09.2007	UNAUDITED 9 Months 30.09.2006	AUDITED Year Ended 31.12.2006
Group Net Profit/(Loss) before Taxation	**488,870**	**(230,397)**	**58,809**
Adjustment for non-cash items	153,996	112,107	212,875
	642,866	(118,290)	271,684
Change in working capital	115,909	249,867	(311,692)
Taxation paid	–	–	(536)
Net cash (used in)/generated by operating activities	758,775	131,577	(40,544)
Net cash used in investing activities	(845,643)	(637,734)	(999,043)
Net cash provided by financing activities	146,931	405,778	973,147
Increase/(Decrease) in cash and short term funds	60,063	(100,379)	(66,440)
Cash and short term funds – beginning of period	(73,440)	(7,000)	(7,000)
Cash and short term funds – end of period	**(13,377)**	**(107,379)**	**(73,440)**
Represented by:			
Cash and short-term deposits	170,719	98,662	66,638
Bank overdraft	(184,096)	(206,041)	(140,078)
	(13,377)	**(107,379)**	**(73,440)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

J$'000	UNAUDITED 9 Months 30.09.2007	UNAUDITED 9 Months 30.09.2006	AUDITED Year Ended 31.12.2006
Balance at beginning of period	2,446,047	2,351,392	2,368,881
Net Profit for period	364,573	(81,074)	77,166
Balance at end of period	**2,810,620**	**2,270,318**	**2,446,047**

Notes:

1. During February 2006, a quantity of non-conforming cement was inadvertently released to the market. The Company has received claims for damages from customers who used this cement in construction projects and has estimated an amount of $304,539,000 to settle these claims.
2. In 2005, the Company elected under Section 37 of the Companies Act 2004 to have its existing shares converted into shares without nominal or par value at the end of the eighteen month period allowed. Those shares were converted during the year 2006.
3. The Group has adopted all the new and revised accounting standards and interpretations to existing accounting standards that are mandatory for annual accounting periods beginning on or after January 1, 2006 and which are relevant to the Group's operations. There was no material effect on the company's financial position.

ONE CARIBBEAN... ONE COMPANY

A member of the TCL Group