CARIBBEAN CEMENT COMPANY LIMITED

CARIB CEMENT

UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2008

CONSOLIDATED STATEMENT OF EARNINGS

J$'000	UNAUDITED Three Months Apr – Jun 2008	UNAUDITED Three Months Apr – Jun 2007	UNAUDITED Six Months Jan – Jun 2008	UNAUDITED Six Months Jan – Jun 2007	AUDITED Year Jan – Dec 2007
SALES (CEMENT TONNES)	195,474	200,974	394,068	409,427	813,448
REVENUE	**2,272,138**	**1,823,011**	**4,584,364**	**3,669,540**	**7,847,307**
Operating profit before cement claims	176,543	218,056	448,290	418,197	819,213
Cement claims	–	–	–	–	(21,500)
OPERATING PROFIT	**176,543**	**218,056**	**448,290**	**418,197**	**797,713**
Finance costs – net	(25,561)	(51,234)	(66,710)	(77,132)	(138,041)
Profit Before Taxation	**150,982**	**166,822**	**381,580**	**341,065**	**659,672**
Taxation	(42,200)	(44,641)	(109,648)	(89,278)	(137,549)
GROUP NET PROFIT AFTER TAXATION	**108,782**	**122,181**	**271,932**	**251,787**	**522,123**
Earnings per ordinary stock unit					
Cents – Basic & Diluted	12.8	14.4	31.9	29.6	61.3
Operating Profit/Revenue Ratio	8%	12%	10%	11%	10%

DIRECTORS' STATEMENT

The Group earned a consolidated net profit, after tax, for the six months to June 2008 of $271.93 million, equating to 32 cents earnings per share. This compares to a profit of $251.79 million and earnings per share of 30 cents for the corresponding period in 2007, an improvement of eight percent (8%). The improvement in performance was achieved despite a 4% reduction in sales volume and was driven by internal cost controls and price adjustment in January to recover external cost movements, particularly relating to fuel and electricity prices.

Cash generated from operating activities grew by $299 million, or 45%. However, cash used in investing activities increased by $403 million, or 76%, when compared with the first six months of the previous year. Expenditure on the expansion and modernisation programme during this six-month period contributed to a deficiency in working capital of $95.5 million at balance sheet date.

As the Directors reported in the previous quarter, the construction materials market, like other areas of the economy, is feeling the effects of the rising cost of energy and the contraction of liquidity in the business environment. The domestic market continued to experience decline, with total market falling 9% below that for the corresponding period in 2007. Notwithstanding the highly competitive environment we have continued to grow our domestic market share and are actively developing our export sales.

OUTLOOK

We expect that the cement and concrete markets will remain soft in the short to medium term. Additionally, rising costs and the fallout of the recession in the United States continued to put upward pressure on our cost structure, and as such a price adjustment was implemented at the end of July.

Commissioning of the Kiln 5 process commenced on 11th July, 2008 and clinker production is expected during the first week of August. Our oldest Kiln, Kiln 3, has been taken out of service. Our internal focus during this quarter will be on optimising the new pyro-processing line while externally we will continue our push to increase exports. Construction work for the new Mill 5 is progressing smoothly and the completion date for this plant is now scheduled for the first quarter of 2009.

We look forward to the impact of the expansion and modernisation programme on our performance. Kiln 5 and Mill 5 employ the latest technology and will give us the capacity to improve our competitiveness on the local market, while the increase in production volumes will allow us to enter the export market.

Brian Young
Chairman
July 31, 2008

Dr. Judith Robinson
Director
July 31, 2008

CONSOLIDATED BALANCE SHEET

J$'000	UNAUDITED 30.06.2008	UNAUDITED 30.06.2007	AUDITED 31.12.2007
Non-Current Assets	5,614,795	4,419,513	4,853,120
Current Assets	2,950,815	2,363,417	2,194,750
Current Liabilities	(3,046,280)	(2,226,503)	(1,740,937)
Non-Current Liabilities	(2,148,365)	(1,613,955)	(2,151,012)
Total Net Assets	**3,370,965**	**2,942,472**	**3,155,921**
Share Capital	1,808,837	1,808,837	1,808,837
Reserves	1,431,265	888,997	1,159,333
Shareholders' Equity	**3,240,102**	**2,697,834**	**2,968,170**
Deferred Gain	130,863	244,638	187,751
Group Equity	**3,370,965**	**2,942,472**	**3,155,921**

CONSOLIDATED CASH FLOW STATEMENT

J$'000	UNAUDITED Six Months Jan – Jun 2008	UNAUDITED Six Months Jan – Jun 2007	AUDITED Year Jan – Dec 2007
Group Net Profit before Taxation	**381,580**	**341,065**	**659,672**
Adjustment for non-cash items	117,965	98,355	134,137
	499,545	439,420	793,809
Change in working capital	463,691	224,958	(67,660)
Taxation paid	–	–	(846)
Net cash generated by operating activities	963,236	664,378	725,303
Net cash used in investing activities	(936,529)	(533,263)	(974,305)
Net cash (repaid)/provided by financing activities	(114,588)	178,404	444,950
(Decrease)/Increase in cash and short term funds	(87,881)	309,519	195,948
Cash and short term funds – beginning of period	122,508	(73,440)	(73,440)
Cash and short term funds – end of period	**34,627**	**236,079**	**122,508**
Represented by:			
Cash and short-term deposits	196,042	272,666	180,371
Bank overdraft	(161,415)	(36,587)	(57,863)
	34,627	**236,079**	**122,508**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

J$'000	UNAUDITED Six Months Jan – Jun 2008	UNAUDITED Six Months Jan – Jun 2007	AUDITED Year Jan – Dec 2007
Balance at beginning of period	**2,968,170**	**2,446,047**	**2,446,047**
Net Profit for period	271,932	251,787	522,123
Balance at end of period	**3,240,102**	**2,697,834**	**2,968,170**

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, 2007 and which are relevant to the Group's operations.

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A member of the **TCL GROUP**