CARIBBEAN CEMENT COMPANY LIMITED

CARIB CEMENT

CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

J$'000	UNAUDITED Three Months Apr to Jun	UNAUDITED Three Months Apr to Jun	UNAUDITED Six Months Jan to Jun	UNAUDITED Six Months Jan to Jun	AUDITED Year Jan to Dec
	2010	2009	2010	2009	2009
Sales (Cement Tonnes)-Local	135,227	166,214	292,876	343,863	652,651
Sales (Cement Tonnes)-Export	50,079	25,384	89,083	38,552	88,912
Sales (Clinker Tonnes)-Export	23,006	16,123	27,457	80,125	88,254
Revenue	**2,126,060**	**2,322,182**	**4,283,000**	**4,917,735**	**8,869,260**
Operating (loss)/profit	**(344,585)**	**191,937**	**(259,878)**	**610,530**	**222,030**
Interest Income	240	199	477	354	4,834
Interest expense	(76,924)	(40,353)	(151,778)	(75,530)	(173,498)
Gain/(loss) on currency exchange	94,919	(39,772)	91,711	(238,932)	(294,394)
(Loss)/profit before taxation	**(326,350)**	**112,011**	**(319,468)**	**296,422**	**(241,028)**
Taxation credit/(charge)	108,396	(26,355)	106,071	(80,287)	96,516
(Loss)/profit for the year	**(217,954)**	**85,656**	**(213,397)**	**216,135**	**(144,512)**
Total Comprehensive (loss)/income	**(217,954)**	**85,656**	**(213,397)**	**216,135**	**(144,512)**
(Loss)/earnings per ordinary stock unit Cents - Basic & Diluted	(26)	10	(25)	25	(17)
Operating (Loss)/Profit /Revenue Ratio	-16%	8%	-6%	12%	3%

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

J$'000	UNAUDITED Six Months Jan to Jun	UNAUDITED Six Months Jan to Jun	AUDITED Year Jan to Dec
	2010	2009	2009
Balance at beginning of period	3,240,096	3,384,608	3,384,608
Issue of Preference Shares	1,339,650	–	–
Total Comprehensive (loss)/income	(213,397)	216,135	(144,512)
Balance at end of period	**4,366,349**	**3,600,743**	**3,240,096**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

J$'000	UNAUDITED 30.06.2010	UNAUDITED 30.06.2009	AUDITED 31.12.2009
Non-Current Assets	5,781,739	5,321,811	5,752,184
Current Assets	3,308,119	3,106,684	3,425,499
Current Liabilities	(3,447,301)	(2,838,038)	(3,473,008)
Non-Current Liabilities	(1,276,208)	(1,972,626)	(2,464,579)
Total Net Assets	**4,366,349**	**3,617,831**	**3,240,096**
Share Capital	1,808,837	1,808,837	1,808,837
Preference Shares	1,339,650	–	–
Reserves	1,217,862	1,791,906	1,431,259
Shareholders' Equity	**4,366,349**	**3,600,743**	**3,240,096**
Deferred Gain	–	17,088	–
Group Equity	**4,366,349**	**3,617,831**	**3,240,096**

DIRECTORS' STATEMENT

The Group posted a consolidated net loss after tax of $213m for the six months ending June 2010. This compares to a net profit of $216m for the prior year period and a net profit of $4.6m for the first quarter of 2010.

The very disappointing financial performance during the second quarter of 2010 is due in the main to a 19% reduction in local sales volumes. In an environment where the economy and construction sector continue to contract, the civil disorder that led to the declaration of a State of Emergency further constrained sales. The resulting outturn was a decrease in domestic revenues of $289m compared to the prior year period, which could not be recovered despite more than doubling our export sales volumes. During this quarter, we continued to make inroads into the export markets, exporting 50,079 tonnes of cement and 23,006 tonnes of clinker – equivalent to approximately 80,000 tonnes of cement.

Compared with 2009, our cost of sales has also been impacted by increased operating lease costs as Mill 5 was not in operation in the second quarter of 2009, and increases in electricity and diesel fuel charges. The civil unrest also led to a complete shutdown of the plant that proved very costly to the company.

As reported in the Directors' Report for the first quarter of 2010, the Anti-Dumping and Subsidies Commission provided an affirmative preliminary ruling that cement imported from the USA has been dumped and "poses a threat of material injury to the local industry that is clearly foreseen and imminent". In July 2010, The Commission released a Final Determination that assessed the dumping margin to be almost four times greater than the preliminary assessment but found no threat of material injury to the local industry. Having reviewed the Commission's Statement of Reasons, we intend to exercise our option to appeal the decision. We have a second matter before the Commission with regard to imports from the Dominican Republic. At the time of writing the preliminary determination has not been released.

Outlook

With the continuing contraction in the domestic economy and the re-entry of a third importer of dumped cement, we do not anticipate any improvement in domestic sales in the short-term. Notwithstanding the foregoing, we continue to achieve increased export sales, including now regular exports to Haiti. We will continue to proactively develop these markets, while at the same time, continuing to defend the local market using all legal avenues available.

Brian Young
Chairman
July 30, 2010

Dr. Rollin Bertrand
Director/Group CEO
July 30, 2010

CONSOLIDATED STATEMENT OF CASH FLOWS

J$'000	UNAUDITED Six Months Jan to Jun	UNAUDITED Six Months Jan to Jun	AUDITED Year Jan to Dec
	2010	2009	2009
(Loss)/profit before taxation	**(319,468)**	**296,422**	**(241,028)**
Adjustment for non-cash items	240,335	331,261	619,185
	(79,133)	627,683	378,157
Changes in working capital	(129,937)	(639,822)	(279,193)
Taxation paid	–	–	(42,846)
Net cash (used in)/generated by operating activities	(209,070)	(12,139)	56,118
Net cash used in investing activities	(217,587)	(370,457)	(979,850)
Net cash provided by financing activities	244,166	326,239	1,015,891
(Decrease)/increase in cash and cash equivalents	(182,491)	(56,357)	92,159
Cash and cash equivalents – beginning of period	81,876	(10,283)	(10,283)
Cash and cash equivalents – end of period	**(100,615)**	**(66,640)**	**81,876**
Represented by:			
Cash and short-term deposits	86,996	89,748	81,876
Bank overdraft	(187,611)	(156,388)	–
	(100,615)	**(66,640)**	**81,876**

SEGMENT INFORMATION

J$'000	Cement	Gypsum and Pozzolan	Adjustments and Eliminations	Consolidated
UNAUDITED SIX MONTHS JAN TO JUN 2010				
Revenue				
External Customers	4,190,749	92,251	–	4,283,000
Inter-segment	3,769	139,160	(142,929)	–
Total Revenue	**4,194,518**	**231,411**	**(142,929)**	**4,283,000**
Depreciation and amortisation	178,624	9,408	–	188,032
Segment (loss)/profit before taxation	(285,934)	35,945	(69,479)	(319,468)
Operating assets	8,809,260	402,565	(121,967)	9,089,858
Operating liabilities	4,535,680	42,414	145,415	4,723,509
Capital expenditure	211,973	1,007	–	212,980
UNAUDITED SIX MONTHS JAN TO JUN 2009				
Revenue				
External Customers	4,805,115	112,620	–	4,917,735
Inter-segment	5,554	182,865	(188,419)	–
Total Revenue	**4,810,669**	**295,485**	**(188,419)**	**4,917,735**
Depreciation and amortisation	144,615	11,921	-	156,536
Segment profit before taxation	453,679	156,851	(314,108)	296,422
Operating assets	8,054,688	424,212	(50,405)	8,428,495
Operating liabilities	4,182,447	76,772	551,445	4,810,664
Capital expenditure	364,455	6,002	–	370,457
AUDITED YEAR JAN TO DEC 2009				
Revenue				
External Customers	8,698,109	171,151	–	8,869,260
Inter-segment	11,562	322,639	(334,201)	–
Total Revenue	**8,709,671**	**493,790**	**(334,201)**	**8,869,260**
Depreciation and amortisation	295,832	22,003	–	317,835
Segment profit/(loss) before taxation	26,410	194,591	(462,029)	(241,028)
Operating assets	8,815,203	335,527	26,953	9,177,683
Operating liabilities	5,467,439	45,538	424,610	5,937,587
Capital expenditure	969,155	11,357	–	980,512

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, 2009. The Group has adopted all new and revised accounting standards and interpretations that are mandatory for annual accounting periods beginning on or after January 1, 2010 and which are relevant to the Group's operations. The adoption of these standards and interpretations did not have any material effect on the Group's financial position or results.

2. **Segment Information**

   Management's prinicipal reporting and decision-making are by product and accordingly the segment information is so presented.