



## PRESS RELEASE: Carib Cement Suspends Clinker Operations

Carib Cement has advised that it has taken its new Kiln 5 clinker manufacturing line out of service for a repair job that has arisen and has decided to extend the downtime of the plant beyond that required, to a total of 40 days. This is in order to reduce the high inventories that it is carrying of both clinker and cement. This decision will not impact in any way the availability of cement in all of our markets as the company will continue with its cement grinding activities.

The company's recently completed US\$177m expansion and modernization program increased its cement manufacturing capacity to 1.8m tonnes per annum. However, despite an extensive program of export activities, the current depressed domestic market and the presence of dumped imported product have resulted in lower than expected plant utilisation and a build up in inventories.

The Company's General Manager, Anthony Haynes, has indicated that the suspension of the kiln operations will in no way impact supplies to the local market, as current inventories provide more than four month's cover. The suspension of this part of the operations will significantly reduce its energy costs over the period and improve the company's cash flows. Employees who work in that area of the plant will be proceeding on leave over the period.

Jamaica's cement demand has been in decline over the last three years and sales this year have plummeted by 20% as a result of the deteriorating economic conditions. The contraction in sales has been exacerbated by the recent violence and the ensuing state of emergency in the Kingston area. At the same time, cement traded at less than fair value has been entering Jamaica from the Dominican Republic and the USA, the latter with applicable duties waived. The Anti-Dumping and Subsidies Commission has recently assessed the dumping margin of the cement from the USA as 59.72% and that from the Dominican Republic as 50.90%.

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