

CARIBBEAN CEMENT COMPANY LIMITED

NEWS RELEASE

4th July, 2011

Carib Cement has cited increasing costs at a greater rate than its sales as the reason for its conservative 5 per cent price adjustment which becomes effective on Monday July, 11.

The Company stated that it had been faced with significant increases in costs since it reduced its prices to customers last October. Carib Cement had been negatively affected by a 25 per cent increase in the cost of diesel, a 34 per cent increase in coal, a 40 percent increase in heavy fuel oil, a 4 per cent increase in packaging and a 21 per cent increase in the cost of electricity.

Carib Cement informed that the ex-factory price of a bag of Carib Cement Plus will move from the current \$525 to \$550. The last time that Carib Cement increased its price was in July 2010, when the price per bag was \$568. Carib Cement actually rolled back prices by 7% in October 2010. The Company pointed out that the new price effective July 11 will be less than the price one year ago.

Carib Cement acknowledged that price increases are never welcomed and especially so in the case of cement, but said that the Company had resisted the increase for as long as possible in the current environment of rising costs and prices. The Company noted that the price of cement was the last to be increased, following on the heels of increases in steel and lumber and in the basic flour, bread and chicken.

Carib Cement has estimated that the impact on the cost of home construction will be less than 1 per cent, as cement accounts on average, for less than 10 per cent of the total cost of a house.

The Company has reiterated its commitment to passing on savings to its customers and keeping prices as stable as possible.