CARIBBEAN CEMENT COMPANY LIMITED

CARIB CEMENT

CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2011

ONE CARIBBEAN... ONE COMPANY

A member of the TCL GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

J$'000	UNAUDITED Three months Jan to Mar	UNAUDITED Three months Jan to Mar	AUDITED Year Jan to Dec
	2011	2010	2010
Sales (Cement tonnes) – Local	142,637	157,649	531,605
Sales (Cement tonnes) – Export	52,063	39,004	195,163
Sales (Clinker tonnes) – Export	18,480	4,451	69,418
Revenue	**2,064,115**	**2,156,940**	**7,929,783**
Operating (loss)/profit	**(276,889)**	**84,707**	**(2,010,378)**
Interest income	560	237	812
Interest expense	(100,688)	(74,854)	(333,452)
Gain/(loss) on currency exchange	2,979	(3,208)	100,658
(Loss)/profit before taxation	**(374,038)**	**6,882**	**(2,242,360)**
Taxation credit/(charge)	124,561	(2,325)	685,167
Net (loss)/profit for the year	**(249,477)**	**4,557**	**(1,557,193)**
Total comprehensive (loss)/income	**(249,477)**	**4,557**	**(1,557,193)**
(Loss)/earnings per ordinary stock unit – Basic & Diluted	(0.29)	0.01	(1.83)
Operating profit /revenue ratio	(13%)	4%	(25%)

DIRECTORS' STATEMENT

The Group's consolidated loss after tax for the first quarter of 2011 was $250M compared to a profit of $5M in the corresponding prior year period. Total cement sales volumes were 1% below 2010: domestic sales were 10% behind, while export sales improved by 33%. This, however, resulted in an unfavorable market mix leading to revenues falling short by $93M. This situation has been exacerbated by clinker production being 6% below the 2010 record performance and by continuing increases in energy costs. Political instability and rising geopolitical tensions in the Middle East have occasioned the price of heavy fuel oils rising by 25% over the average price for 2010, and this directly impacts electricity prices.

On the domestic demand side, we have seen over the last quarter a total demand equivalent to that of the first quarter of 2010. This represents the first time since the third quarter of 2008 that demand has not declined and is indicative, we hope, of turnaround in the recession that Jamaica has experienced over the past years. While total demand appears to be stabilising, it is to be noted however that Carib Cement's market share has declined and the upswing in the market has been of greater benefit to the importers of dumped cement. Management will continue to look at ways to enhance our value proposition in the local market and regain lost market share.

Our focus on maximising export sales to optimize our asset utilization has continued with the Company entering new markets in the Dominican Republic this quarter. We recently signed an agreement with a prominent Haitian firm that we expect will result in significant increased sales to Haiti in the medium term. We are also focused on Central and South American markets and continue to work assiduously towards finalising a significant supply contract in that regard.

Outlook

We are heartened by the signs that Jamaica is emerging from the recession of the last three years although we need to be cognisant of the fact that the economy remains fragile. Nonetheless, the success of various anti-crime and violence initiatives, the currency stability and the fiscal discipline maintained by the Government are all indicators that the Jamaican business environment is improving. It is well established that cement demand is strongly correlated to economic growth so that, with an improved economy, we expect to see improved performance.

While we will continue to focus on revenue growth and cost containment, steps are also being taken to re-engineer the debt profile of the company to ensure that the working capital and liquidity needed to operate effectively is in place. To this end, in conjunction with the Parent Company, Carib Cement has completed a complete review of its past performance and future business plans with FTI Consulting, an international consulting firm with extensive experience in debt restructuring in several industries, including the cement industry. These independent consultants were engaged to review and evaluate the operations of the TCL Group by the lending agencies that have outstanding loans with the Group. Discussions have been advanced between the TCL Group and its lending institutions and the debt restructuring exercise is expected to be completed during the next quarter.

Brian Young
Chairman
May 17, 2011

Dr. Rollin Bertrand
Director/Group CEO
May 17, 2011

CONSOLIDATED STATEMENT OF CASH FLOWS

J$'000	UNAUDITED Three Months Jan to Mar	UNAUDITED Three Months Jan to Mar	AUDITED Year Jan to Dec
	2011	2010	2010
Net (loss)/profit before taxation	**(374,038)**	**6,882**	**(2,242,360)**
Adjustment for non-cash items	204,564	164,765	623,207
	(169,474)	171,647	(1,619,153)
Change in working capital	392,058	(314,972)	625,931
Taxation paid	–	–	(17,835)
Net cash generated by/(used in) operating activities	222,584	(143,325)	(1,011,057)
Net cash used in investing activities	(33,715)	(131,220)	(362,038)
Net cash (used in)/provided by financing activities	(103,642)	121,794	1,277,122
Increase/(decrease) in cash and short term funds	85,227	(152,751)	(95,973)
Cash and short term funds – beginning of period	(14,097)	81,876	81,876
Cash and short term funds – end of period	**71,130**	**(70,875)**	**(14,097)**
Represented by:			
Cash and short-term deposits	167,385	121,641	154,056
Bank overdraft	(96,255)	(192,516)	(168,153)
	71,130	**(70,875)**	**(14,097)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

J$'000	UNAUDITED Three months Jan to Mar	UNAUDITED Three months Jan to Mar	AUDITED Year Jan to Dec
	2011	2010	2010
Balance at beginning of period	**3,022,553**	**3,240,096**	**3,240,096**
Issue of preference shares	–	1,339,650	1,339,650
Total comprehensive (loss)/income	(249,477)	4,557	(1,557,193)
Balance at end of period	**2,773,076**	**4,584,303**	**3,022,553**

SEGMENT INFORMATION

J$'000	Cement	Gypsum and Pozzolan	Adjustments and Eliminations	Consolidated
UNAUDITED THREE MONTHS JAN TO MAR 2011				
Revenue				
External customers	2,029,280	34,835	–	2,064,115
Inter-segment	2,275	37,264	(39,539)	–
Total Revenue	**2,031,555**	**72,099**	**(39,539)**	**2,064,115**
Depreciation and amortisation	95,434	3,992	–	99,426
Segment (loss) before tax	(345,233)	(28,805)	–	(374,038)
Operating assets	8,992,244	358,146	(276,025)	9,074,365
Operating liabilities	5,965,324	87,228	248,737	6,301,289
Capital expenditure	34,273	290	–	34,563
UNAUDITED THREE MONTHS JAN TO MAR 2010				
Revenue				
External customers	2,146,237	10,703	–	2,156,940
Inter-segment	1,966	69,707	(71,673)	–
Total Revenue	**2,148,203**	**80,410**	**(71,673)**	**2,156,940**
Depreciation and amortisation	82,696	4,916	–	87,612
Segment (loss)/profit before taxation	(28,430)	45,201	(9,889)	6,882
Operating assets	9,164,469	403,083	(205,343)	9,362,209
Operating liabilities	4,818,079	47,067	(87,240)	4,777,906
Capital expenditure	130,214	1,006	–	131,220
AUDITED YEAR JAN TO DEC 2010				
Revenue				
External customers	7,747,425	182,358	–	7,929,783
Inter-segment	9,620	281,096	(290,716)	–
Total Revenue	**7,757,045**	**463,454**	**(290,716)**	**7,929,783**
Depreciation and amortisation	368,710	18,142	–	386,852
Segment (loss)/profit before taxation	(2,243,892)	(14,703)	16,235	(2,242,360)
Operating assets	9,030,950	371,070	(202,432)	9,199,588
Operating liabilities	6,203,292	71,892	(98,149)	6,177,035
Capital expenditure	356,429	5,731	–	362,160

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

J$'000	UNAUDITED 31.03.2011	UNAUDITED 31.03.2010	AUDITED 31.12.2010
Non-current assets	6,081,807	5,795,793	6,040,760
Current assets	2,992,558	3,566,416	3,158,828
Current liabilities	(4,006,071)	(3,553,494)	(3,998,079)
Non-current liabilities	(2,295,218)	(1,224,412)	(2,178,956)
Total net assets	**2,773,076**	**4,584,303**	**3,022,553**
Ordinary share capital	1,808,837	1,808,837	1,808,837
Preference share	1,339,650	1,339,650	1,339,650
(Deficit) reserves	(375,411)	1,435,816	(125,934)
Group equity	**2,773,076**	**4,584,303**	**3,022,553**

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, 2010. 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.

3. Going Concern

Caribbean Cement Company Limited and its subsidiaries (CCCL Group) reported significant losses for the year 2010 and a working capital deficit at December 31, 2010. In addition, the ultimate parent, Trinidad Cement Limited was in default of its obligations under several loan agreements and as such the lenders could demand immediate repayment which TCL is not in a position to meet. CCCL's major productive assets which are leased from TCL and its own fixed and floating assets are included in the security for these loans and should lenders enforce their security, there is a material risk that CCCL may not be able to continue as a going concern.

TCL has commenced negotiations with its lenders for a re-profiling of its debts and the lenders are participating in the process without prejudice to their existing legal rights. Upon the successful re-profiling of TCL's debt, directors propose to negotiate with TCL a reduction in the lease charges to the CCCL Group. Additionally, a number of significant new sales contracts are being pursued which have the potential to return CCCL to profitability.

The directors have a reasonable expectation that the CCCL Group will have, based on the plans and strategies as outlined in the preceding paragraph, adequate cash flows and profitability that will allow the CCCL Group to continue in operational existence in the foreseeable future. For these reasons, the directors continue to adopt the going concern basis in preparing these financial statements.