CARIBBEAN CEMENT COMPANY LIMITED
CARIB CEMENT

CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2012

ONE CARIBBEAN... ONE COMPANY
A member of the TCL GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

J$'000	UNAUDITED Three Months Apr to Jun 2012	UNAUDITED Three Months Apr to Jun 2011	UNAUDITED Six Months Jan to Jun 2012	UNAUDITED Six Months Jan to Jun 2011	AUDITED Year Jan to Dec 2011
Sales (Cement Tonnes)-Local	140,423	136,079	282,739	278,716	553,157
Sales (Cement Tonnes)-Export	71,899	49,179	134,069	101,242	216,757
Sales (Clinker Tonnes)-Export	-	9,447	-	27,927	31,228
Revenue	**2,411,274**	**1,964,428**	**4,714,450**	**4,028,543**	**8,033,786**
Loss before interest, depreciation and tax	**(198,573)**	**(690,530)**	**(575,126)**	**(867,993)**	**(1,760,893)**
Depreciation	(90,242)	(99,310)	(188,327)	(198,736)	(518,402)
Impairment losses	-	-	-	-	(210,781)
Operating loss	**(288,815)**	**(789,840)**	**(763,453)**	**(1,066,729)**	**(2,490,076)**
Interest Income	293	167	489	727	928
Debt restructuring costs	-	-	-	-	(28,487)
Interest expense	(196,637)	(116,835)	(304,327)	(217,523)	(431,875)
Loss on currency exchange	(92,994)	(5,853)	(136,275)	(2,874)	(34,485)
Loss before taxation	**(578,153)**	**(912,361)**	**(1,203,566)**	**(1,286,399)**	**(2,983,995)**
Taxation credit	-	304,281	-	428,842	370,635
Loss for the period	**(578,153)**	**(608,080)**	**(1,203,566)**	**(857,557)**	**(2,613,360)**
Total Comprehensive loss	**(578,153)**	**(608,080)**	**(1,203,566)**	**(857,557)**	**(2,613,360)**
Loss per ordinary stock unit					
Cents - Basic & Diluted	($0.68)	($0.71)	($1.41)	($1.01)	($3.07)
Operating Loss /Revenue Ratio	(12%)	(40%)	(16%)	(26%)	(28%)

SEGMENT INFORMATION

J$'000	CEMENT	GYPSUM AND POZZOLAN	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
UNAUDITED SIX MONTHS JAN TO JUN 2012				
Revenue				
External customers	4,690,346	24,104	-	4,714,450
Inter-segment	4,193	127,622	(131,815)	-
Total Revenue	**4,694,539**	**151,726**	**(131,815)**	**4,714,450**
Depreciation and amortisation	180,744	7,583	-	188,327
Segment (loss)/profit before taxation	(1,218,587)	15,021	-	(1,203,566)
Operating assets	9,323,228	377,392	(374,199)	9,326,421
Operating liabilities	10,254,633	163,006	(296,845)	10,120,794
Capital expenditure	83,394	1,836	-	85,230
UNAUDITED SIX MONTHS JAN TO JUN 2011				
Revenue				
External customers	3,951,513	77,030	-	4,028,543
Inter-segment	4,669	81,792	(86,461)	-
Total Revenue	**3,956,182**	**158,822**	**(86,461)**	**4,028,543**
Depreciation and amortisation	190,751	7,985	-	198,736
Segment loss before taxation	(1,211,737)	(74,662)	-	(1,286,399)
Operating assets	9,172,868	360,734	(264,046)	9,269,556
Operating liabilities	7,152,992	111,331	(159,763)	7,104,560
Capital expenditure	69,161	421	-	69,582
AUDITED YEAR JAN TO DEC 2011				
Revenue				
External customers	7,933,992	99,794	-	8,033,786
Inter-segment	9,729	206,305	(216,034)	-
Total Revenue	**7,943,721**	**306,099**	**(216,034)**	**8,033,786**
Depreciation and amortisation	501,368	17,034	-	518,402
Impairment losses	210,781	-	-	210,781
Segment loss before taxation	(2,902,058)	(108,867)	26,930	(2,983,995)
Operating assets	8,780,573	279,416	(109,606)	8,950,383
Operating liabilities	8,493,392	80,050	(32,252)	8,541,190
Capital expenditure	97,767	326	-	98,093

DIRECTORS' STATEMENT

The Company reported a significant improvement in performance for the second quarter of 2012 compared to the first quarter. Operationally, some of the challenges in the first quarter were addressed and both clinker and cement production improved. Export cement sales volumes also increased, rising to 16% above the first quarter and this, coupled with better export prices, led to a 24% increase in export revenue. As mentioned in the first quarter Directors' Statement, the labour strike at our parent company, Trinidad Cement Limited (TCL), resulted in increased exports at very favourable prices during this period providing a temporary 'windfall' to Carib Cement. As a result, the Company recorded a consolidated loss before interest, depreciation and taxation of $199 million for the second quarter of 2012, compared to a loss of $691 million in the corresponding period of 2011.

For the first six months of 2012, the Company reported an operating loss before interest, depreciation and taxation of $575 million which represents a $293 million improvement over the corresponding period of 2011. However, finance charges doubled from $220 million to $441 million, due to increased interest charges in relation to the debt restructuring exercise and foreign exchange translation losses. The Jamaican dollar devalued against the United States dollar by approximately J$2.02 over this period compared to approximately 13 cents in 2011. As a result, the loss before taxation credits was $1,204 million, marginally better than the loss before tax credits of $1,286 million in 2011.

The Company's working capital has improved from a negative position at December 31, 2011 [$588m negative] to a positive of $610m at June 30, 2012. This change was mainly due to short term debt being transferred to long term as part of the debt restructuring agreement. Group equity however shows a negative position of $794 million and consequently Carib Cement continues to rely on the support of its parent company to continue to operate.

Outlook
With improved cash flow from operations, critical spares and consumables are now being sourced to support plant operations. While the full benefits will not be seen until 2013, improved clinker and cement production are projected for the last two quarters of 2012. The domestic market continues to remain depressed and very competitive, with the continuing presence of dumped cement in the market. However we have continued to grow our exports sales and expect to make further strides in this area over the rest of the year. The Company has entered into two contracts to supply bulk cement to Haiti and the Eastern Caribbean and all efforts have been directed to maintain the increased export volumes over the coming months. At the Group level, TCL is in negotiations with a regional producer to enter into a strategic initiative that could provide further opportunities for Carib Cement to improve utilization of assets and increase export sales.

Brian Young
Chairman
August 3, 2012

Dr Rollin Bertrand
Director/Group CEO
August 3, 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

J$'000	UNAUDITED 30.06.2012	UNAUDITED 30.06.2011	AUDITED 31.12.2011
Non-Current Assets	5,671,572	6,347,468	5,771,250
Current Assets	3,654,849	2,922,088	3,179,133
Current Liabilities	(3,044,894)	(5,008,607)	(3,767,676)
Non-Current Liabilities	(7,075,900)	(2,095,953)	(4,773,514)
Total Net Assets	**(794,373)**	**2,164,996**	**409,193**
Ordinary share capital	1,808,837	1,808,837	1,808,837
Preference share capital	1,339,650	1,339,650	1,339,650
Realised capital gain	1,413,661	1,413,661	1,413,661
Accumulated loss	(5,356,521)	(2,397,152)	(4,152,955)
Group Equity	**(794,373)**	**2,164,996**	**409,193**

CONSOLIDATED STATEMENT OF CASH FLOWS

J$'000	UNAUDITED Six Months Jan to Jun 2012	UNAUDITED Six Months Jan to Jun 2011	AUDITED Year Jan to Dec 2011
Loss before taxation	**(1,203,566)**	**(1,286,399)**	**(2,983,995)**
Adjustment for non-cash items	641,254	413,575	1,199,561
	(562,312)	(872,824)	(1,784,434)
Changes in working capital	782,996	1,124,860	(122,393)
Taxation (paid)/credited	(1,500)	191	(24,770)
Net cash generated by/(used in) operating activities	219,184	252,227	(1,931,597)
Net cash used in investing activities	(82,440)	(71,321)	(96,359)
Net cash provided by/(used in) financing activities	34,098	(198,426)	2,161,284
Increase/(decrease) in cash and short term funds	170,842	(17,520)	133,328
Cash and short term funds - beginning of period	119,231	(14,097)	(14,097)
Cash and short term funds - end of period	**290,073**	**(31,617)**	**119,231**
Represented by:			
Cash and short-term deposits	290,600	83,540	153,584
Bank overdraft	(527)	(115,157)	(34,353)
	290,073	**(31,617)**	**119,231**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

J$'000	UNAUDITED Six Months Jan to Jun 2012	UNAUDITED Six Months Jan to Jun 2011	AUDITED Year Jan to Dec 2011
Balance at beginning of period	**409,193**	**3,022,553**	**3,022,553**
Total Comprehensive loss	(1,203,566)	(857,557)	(2,613,360)
Balance at end of period	**(794,373)**	**2,164,996**	**409,193**

Notes:

1. **Basis of Preparation**
The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows. These summary financial statements are derived from the unaudited consolidated financial statements of Caribbean Cement Company Limited and its Subsidiaries (Group) for the period ended 30 June 2012 which are prepared in accordance with International Financial Reporting Standards and the requirements of the Jamaican Company's Act.

2. **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, 2011. 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, 2012 and which are relevant to the Group's operations. The adoptation of these standards and interpretations did not have any material effect on the Group's financial position or results.

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

4. **Going Concern**
The Group's current economic environment is challenging and as a result, the Group has reported accumulated losses of $5,356,521,000 as at 30 June 2012 and operating losses of $763,453,000 for the six months to June 2012. The Group's current assets have exceeded its current liabilities by $609,955,000 as at 30 June 2012. The directors consider that the outlook will remain challenging despite some recent positive indicators of growth in the domestic market for cement and plans for expansion into more lucrative export markets. The Group is currently negotiating the supply of a relatively large amount of cement to a new customer under a three year contract. That contract will make a significant contribution to the Group's forecasted turnover and net cash flow over the contract period. The Group is also pursuing a strategic initiative with a regional cement producer which would provide an opportunity for increased sales. Management has pursued a number of new markets and increased market share in existing ones with some level of success.

TCL Group has completed the restucturing of its debt including that of CCCL. The servicing of the restructured debt will be over six years starting with interest in December 2012.

The directors have concluded that despite positive developments over the past six months, there is still a material uncertainty about the Group's ability to continue as a going concern. Nevertheless, after making enquiries and considering the uncertainties, the directors have a reasonable expectation that the Group will have adequate resources (based on the plans and strategies as outlined in the preceding paragraphs) to generate sufficient cash flows and return to profitability which will enable the 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.

5. **Working Capital**
Working capital change of $1.2 billion, adjusted for change in the cash position was reduced to $1 billion. The reclassification of debt and other obligations from current to long term resulted in the net change in working capital that impacted cash flows of $783 million.