# TRINIDAD CEMENT LIMITED

## CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2001

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## Statement of Earnings

| TT $000 | UNAUDITED HALF YEAR ENDED 30/06/2001 | UNAUDITED HALF YEAR ENDED 30/06/2000 | RESTATED YEAR ENDED 31/12/2000 |
|---|---|---|---|
| REVENUE | 532,201 | 567,970 | 1,096,994 |
| OPERATING PROFIT | 113,409 | 144,998 | 265,859 |
| Finance costs - net | (43,278) | (57,163) | (123,378) |
| Profit before taxation | 70,131 | 87,835 | 142,481 |
| Provision for Taxation | (14,751) | (18,822) | (36,518) |
| Profit after taxation | 55,380 | 69,013 | 105,963 |
| Extraordinary Item | 0 | 0 | (5,309) |
| Attributable to Minority Interests | (6,387) | (10,991) | (14,118) |

| | | | |
|---|---|---|---|
| Profit attributable to shareholders | 48,993 | 58,022 | 86,536 |
| Earnings per Share - basic and diluted | 20 | 28 | 39 |
| Dividends per Ordinary stock unit cents | 7 | 8 | 16 |
| Weighted Average Share ('000) | 249,765 | 209,480 | 224,587 |

# CHAIRMAN'S STATEMENT

## Performance

Cement demand was strong in the Group's local and export markets, even when compared to 2000 for the first half of the year, Group revenue declined by 6% compared to 2000 due to the sale of 78,000 MT of dumped cement in the local markets of Trinidad and Jamaica. In Jamaica, imports of dumped cement were curtalled after the Anti-Dumping and Subsidies Commission imposed imposed 88% duties on all future shipments from Thailand for five years. In Trinidad, the Anti-Dumping Unit of the Ministry of Trade has initiated an investigation into the dumping of Indonesian cement into Trinidad.

The profit margin declined to 21.3% from 25,5% attained last year, resulting in a decrease by $31.8 million In operating profit. The decline in operating profit was mainly attributable to Carib Cement, due to the cost of discounts and rebates, the strategic decision of the company not to increase prices due to the presence of dumped cement, and the delayed implementation of the eventual 14% price increase to counter the currency depreciation.

Also, during the first half of 2001, all cement plants carried out their annual planned maintenance stops on their kilns and the lower output of clinker had an impact on Group profitability.

Net finance costs decreased by $13.9 million, reflecting largely the absence of Interest expense on a bond which was repaid in August 2000 from the proceeds of the Rights issue. Group Net Profit was $49.0 million, a decrease of $9.0 million when compared to the same period last year. Similarly Earnings Per Share (EPS) reflected a decline of 8 cents. A prior period adjustment has been made in respect of Carib Cement's deferred tax asset and related charge for the year 2000 following a reassessment of stock obsolescence provisions used in determining those balances. This adjustment reduces 2000 Group Net Profit by $6.1 m and EPS by 2.7 cents.

## Outlook

The Group expects EPS for the year to exceed our originally reported 2000 level due to several factors. The Imposition of 88% Anti-Dumping Duties on cement from Thailand will allow Carib Cement to recapture most of the local market and while dumped cement maybe imported from another country, our experience In Trinidad has shown that the Importers are not likely to re-capture their market share. The Group has also successfully lobbied regional governments to amend dumping laws to be more punitive for repeat dumpers' and we expect positive action in this regard within the next quarter. The price increase in Jamaica and the withdrawal of discounts and rebates In Trinidad and Jamaica will Improve Group revenues. No major plant stops are planned for the second half of the year so that the Group will recover its clinker production. It is also expected that cement demand will remain strong In local and export markets for the rest of the year. All of our other businesses are performing well.

An interim dividend of seven (7) cents (2000 - 8 cents) per Ordinary Stock unit will be paid on October 12, 2001 to members on the Register of Members at the close of business on September 28, 2001. The Register will be closed from October 1, 2001 to October3, 2001 inclusive.

Andy J. Bhajan
03-Aug-01

## Consolidated Statement of Changes In Equity

| TTS '000 | UNAUDITED 30/06/2001 | UNAUDITED 30/06/2000 | RESTATED 31/12/2000 |
|---|---|---|---|
| Non - Current Assets | 1,974,545 | 2,102,455 | 1,975,902 |
| Current Assets | 422,027 | 399,526 | 426,046 |
| Current Liabilities | (357,396) | (365,357) | (366,907) |
| Non-Current Liabilities | (1,089,224) | (1,367,300) | (1,089,421) |
| Total Net Assets | 949,952 | 769,324 | 945,620 |
| | | | |
| Share Capital | 466,206 | 267,706 | 466,206 |
| Reserves | 260,542 | 246,082 | 250,783 |
| Shareholders' Equity | 726,748 | 513,788 | 716,989 |
| Minority Interests | 95,515 | 96,385 | 92,105 |
| Deferred Income | 127,689 | 159,151 | 136,526 |
| Group Equity | 949,952 | 769,324 | 945,620 |

## Consolidated Statement of Changes In Equity

| TTS '000 | UNAUDITED HALF YEAR ENDED | UNAUDITED HALF YEAR ENDED | RESTATED YEAR ENDED |
|---|---|---|---|

| | 30/06/2001 | 30/06/2000 | 31/12/2000 |
|---|---|---|---|
| Balance at beginning of period | 722,714 | 475,720 | 475,720 |
| Prior period adjustments (Note :3) | (5,725) | 0 | (2,894) |
| Balance restated | 716,989 | 475,720 | 472,826 |
| Net proceeds - Rights Issue | 0 | 0 | 198,500 |
| Settlement of options contract (Note 4) | (17,739) | 0 | 0 |
| Currency translation difference | (1,514) | 4 | (20,892) |
| Profit attributable to shareholders | 48,993 | 58,022 | 86,536 |
| Dividends | (19,981) | (19,958) | (19,981) |
| Balance at end or period | 726,748 | 513,788 | 716,989 |

# Consolidated Cash. Flow Statement

| | UNAUDITED HALF YEAR ENDED 30/06/2001 | UNAUDITED HALF YEAR ENDED 30/06/2000 | RESTATED YEAR ENDED 31/12/2000 |
|---|---|---|---|
| TT$ '000 | | | |
| Profit before taxation | 70,131 | 87,835 | 142,481 |
| Adjustment for non-cash Item s | 66,158 | 71,964 | 186,471 |
| | 136,289 | 159,799 | 328,952 |
| Changes In working capital | (25,290) | (85,956) | (131,971) |
| Net Interest and taxation paid | (48,354) | (43,426) | (153,267) |
| Not cash generated by/(used In) operating activities | 62,645 | 30,417 | 43,714 |
| Net cash generated by/(used In) Investing activities | 46,235 | (28,326) | 11,346 |
| Net cash (used In)/generated by financing activities | (47,592) | (12,328) | (116,278) |
| (Decrease)/Increase In cash and short term funds | (31,182) | (10,237) | (61,218) |
| Cash and short term funds -beginning of period | (24,874) | 38,613 | 38,613 |

| | | | |
|---|---|---|---|
| Currency adjustment - opening balance | (81) | 0 | (2,242) |
| Cash and short term funds -end of period | (56,110) | 28,376 | (24,847) |

## Notes:

1. Accounting Policies
The accounting policies used In the preparation or these financial statements are consistent with those used In the audited financial statements for the year ended December 31, 2000

2. Earnings Per Share
Basic Earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary share in issue during the period. As a result of the rights issue in August 2000 the share capital of the parent company Increased by 40,284,699 shares to 249,765,136 ordinary shares.

3. Prior period adjustment
The prior period adjustment in 2001 relates to the deferred tax adjustment at Caribbean Cement Company Limited. The prior period adjustment In 2000 was for a change, in accounting policy arising from revised IAS 38.

4. Settlement of option contract
A charge of $17.7m has been made against retained earnings resulting from the settlement of the put and call options in the parent company's own shares. This transaction is being accounted for as one involving the company's own equity instruments.