



TRINIDAD CEMENT LIMITED

**CONSOLIDATED INTERIM FINANCIAL REPORT**  
FOR THE SIX MONTHS ENDED JUNE 30, 2008

**CONSOLIDATED STATEMENT OF EARNINGS**

TT\$'000	UNAUDITED Three Months Apr – Jun		UNAUDITED Six Months Jan – Jun		AUDITED Year Jan – Dec 2007
	2008	2007	2008	2007	
<b>REVENUE</b>	<b>561,660</b>	<b>484,177</b>	<b>1,083,123</b>	<b>963,791</b>	<b>1,922,957</b>
<b>OPERATING PROFIT – before cement claims</b>	<b>78,253</b>	<b>83,799</b>	<b>165,939</b>	<b>176,960</b>	<b>351,374</b>
Cement claims – CCCL	–	–	–	–	(1,982)
<b>OPERATING PROFIT – after cement claims</b>	<b>78,253</b>	<b>83,799</b>	<b>165,939</b>	<b>176,960</b>	<b>349,392</b>
Finance costs – net	(16,088)	(26,783)	(37,302)	(52,284)	(103,666)
<b>Profit before Taxation</b>	<b>62,165</b>	<b>57,016</b>	<b>128,637</b>	<b>124,676</b>	<b>245,726</b>
Taxation	(10,954)	(10,724)	(25,531)	(22,354)	(34,283)
<b>Profit after taxation</b>	<b>51,211</b>	<b>46,292</b>	<b>103,106</b>	<b>102,322</b>	<b>211,443</b>
<b>Attributable to:</b>					
Shareholders of the Parent	44,834	40,346	90,363	90,095	187,795
Minority Interests	6,377	5,946	12,743	12,227	23,648
	<b>51,211</b>	<b>46,292</b>	<b>103,106</b>	<b>102,322</b>	<b>211,443</b>
<b>Earnings per Share – basic and diluted, cents</b>	<b>18</b>	<b>17</b>	<b>37</b>	<b>37</b>	<b>77</b>

**DIRECTORS' STATEMENT**

**PERFORMANCE**

The Group's performance for the first half of 2008 was consistent with the prior year period, despite the challenges associated with global increases in energy costs, freight rates and other input costs. Notwithstanding these challenges, sales volume for the six months grew by 4% over the corresponding prior year period, resulting in increased revenue of \$119.3 million or 12% reflecting a continuation of favourable market conditions.

Trinidad Cement Limited and Readymix (West Indies) Limited surpassed their 2007 performances, while Caribbean Cement Company Limited (CCCL) maintained its level of profitability. However, Arawak Cement Company Limited (ACCL) continued to face rising input costs, amplified by the removal of the petroleum subsidy by the Barbados Government in April 2008. In addition, issues centred around the new petcoke fuel system negatively affected production. These factors undermined ACCL's ability to meet its targets for the half year and as a consequence the Group's earnings per share for the period was negatively impacted by approximately 7 cents earnings per share. The technical issues relating to the new fuel system at Arawak Cement Company Limited have been corrected and a price adjustment will be implemented from August 2008.

For the half year, the Group generated cash from operations of \$249.3 million and invested \$237 million, mainly in its expansion project at CCCL in Jamaica. Our debt to equity ratio at the half year was 87 percent which represented an improvement over the 93% reported for the first quarter.

**OUTLOOK**

Price adjustments will be implemented in all our markets where deemed necessary to mitigate the rising input costs. Commissioning of CCCL's Kiln 5 process commenced on 11th July, 2008 and clinker production is expected during the first week of August. Construction works for the new Mill 5 is progressing smoothly and the completion date for this plant is now schedule for the first quarter of 2009. With these developments, we fully expect to exceed our first half performance in the second half of 2008.

*Andy J. Bhajan*

**Andy J. Bhajan**  
Group Chairman  
July 31, 2008

*Dr. Rollin Bertrand*

**Dr. Rollin Bertrand**  
Director/Group CEO  
July 31, 2008

www.tclgroup.com

**CONSOLIDATED BALANCE SHEET**

TT\$'000	UNAUDITED	UNAUDITED	AUDITED
	30.06.2008	30.06.2007	31.12.2007
Non-Current Assets	2,902,906	2,555,326	2,748,717
Current Assets	872,035	924,688	872,876
Current Liabilities	(670,529)	(576,420)	(591,873)
Non-Current Liabilities	(1,596,340)	(1,539,008)	(1,587,466)
<b>Total Net Assets</b>	<b>1,508,072</b>	<b>1,364,586</b>	<b>1,442,254</b>
Share Capital	466,206	466,206	466,206
Reserves	900,703	777,020	847,529
<b>Equity attributable to the Parent</b>	<b>1,366,909</b>	<b>1,243,226</b>	<b>1,313,735</b>
Minority Interests	141,163	121,360	128,519
<b>Total Equity</b>	<b>1,508,072</b>	<b>1,364,586</b>	<b>1,442,254</b>

**CONSOLIDATED CASH FLOW STATEMENT**

TT\$'000	UNAUDITED	UNAUDITED	AUDITED
	Six Months Jan – Jun 2008	Six Months Jan – Jun 2007	Year Jan – Dec 2007
<b>Profit before taxation</b>	<b>128,637</b>	<b>124,676</b>	<b>245,726</b>
Adjustment for non-cash items	120,699	108,630	209,121
	249,336	233,306	454,847
Changes in working capital	(40,462)	(23,714)	(29,034)
	208,874	209,592	425,813
Net interest and taxation paid	(44,397)	(57,103)	(117,577)
Net cash generated by operating activities	164,477	152,489	308,236
Net cash used in investing activities	(237,360)	(190,071)	(433,429)
Net cash (used in)/generated by financing activities	(48,495)	94,292	122,406
Increase/(decrease) in cash and short term funds	(121,378)	56,710	(2,787)
Currency adjustment – opening balance	–	–	2,873
Cash and short term funds – beginning of period	31,881	31,795	31,795
<b>Cash and short term funds – end of period</b>	<b>(89,497)</b>	<b>88,505</b>	<b>31,881</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

TT\$'000	UNAUDITED	UNAUDITED	AUDITED
	Six Months Jan – Jun 2008	Six Months Jan – Jun 2007	Year Jan – Dec 2007
<b>Balance at beginning of period</b>	<b>1,313,735</b>	<b>1,158,981</b>	<b>1,158,981</b>
Currency translation and other adjustments	(23,360)	1,775	(12,043)
Allocation to employees and sale of ESOP shares, net of dividend	–	–	3,235
Change in fair value of swap, net of tax	171	7,343	(9,247)
Profit attributable to shareholders of the Parent	90,363	90,095	187,795
Dividends	(14,000)	(14,968)	(14,986)
<b>Balance at end of period</b>	<b>1,366,909</b>	<b>1,243,226</b>	<b>1,313,735</b>

**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, 2007.

**2. Earnings Per Share**

Earnings per share (EPS) is calculated by dividing the net profit attributable to shareholders of the Parent by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares in issue for the period has been determined, by deducting from the total number of issued shares of 249.765M, the 4.617M (2007: 5.087M) shares that were held as unallocated shares by our ESOP.