



**CARIBBEAN
CEMENT
COMPANY
LIMITED**

CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30TH JUNE 2006

CONSOLIDATED STATEMENT OF EARNINGS

J\$'000	UNAUDITED 3 Months 30.06.2006	UNAUDITED 3 Months 30.06.2005	UNAUDITED 6 Months 30.06.2006	UNAUDITED 6 Months 30.06.2005	AUDITED Year Ended 31.12.2005
SALES (CEMENT TONNES)	229,230	229,833	442,598	461,182	856,162
REVENUE	1,747,249	1,556,522	3,259,104	3,096,172	5,999,295
OPERATING PROFIT/(LOSS)	(48,771)	189,541	(134,937)	412,316	245,293
Finance Cost – Net	(32,517)	(11,287)	(84,360)	(15,854)	(29,842)
Claims – non-conforming cement	–	–	(160,000)	–	–
Profit/(Loss) Before Taxation	(81,288)	178,254	(379,297)	396,462	215,451
Taxation	37,614	(39,330)	144,995	(102,683)	(46,524)
GROUP NET PROFIT/(LOSS) AFTER TAXATION	(43,674)	138,924	(234,302)	293,779	168,927
Earnings per ordinary stock unit					
Cents – Basic & Diluted	(5.13)	16.32	(27.53)	34.52	19.85
Operating Profit/Revenue Ratio	-3%	12%	-4%	13%	4%

DIRECTORS' STATEMENT

For the second quarter to June 30, 2006, the Group's Net Loss was \$43.7M which, when added to the first quarter loss of \$190.6M that includes \$160M for claims relating to non-conforming cement, results in a Group Net Loss of \$234.3M for the first six months, compared to a Group Net Profit of \$293.8M for the prior year six month period.

Second quarter 2006 sales volume of 229,000 tonnes was comparable to the 230,000 tonnes which was sold in the prior year second quarter. The half-year sales volume of 443,000 tonnes was 18,000 tonnes [4%] lower than the prior period half year. Sales revenue for the half year was \$162.9M [5%] more than prior period following, price increases implemented to partially recover the rising costs of energy and its consequent impact.

Financing costs of \$84.4M at the half year were \$68.6M more than the prior period, as borrowings increased to support the operating losses and the depreciation of the Jamaica dollar compared to prior period half-year.

The Company has successfully resolved the quality problems incurred during the first quarter of the year and payments to affected consumers are being settled as independent valuers assess claims. Production approached normal levels but still could not satisfy the extremely buoyant market. Importation of cement to close the deficit has been very challenging given the current worldwide shortage of cement. During the second quarter, 38,000 tonnes of cement were imported to bring the total for the half-year to 80,000 tonnes. However, in most instances, the cost of imported cement was higher than the local sales value.

OUTLOOK

The Company continues to incur operating losses as the continuously rising costs of energy outpace price increases as well as the internal efficiencies garnered from better operating procedures. Consequently, a further price increase of 15% was put into effect on July 24, 2006. This price increase is expected to result in an improved performance for the remainder of 2006, however, it is not anticipated that the year's results will be satisfactory.

The expansion and modernization programme continues to be on schedule for production to commence in 2008.

Brian Young
Chairman
July 28, 2006

Dr. Rollin Bertrand
Director/Group CEO
July 28, 2006

CONSOLIDATED BALANCE SHEET

J\$'000	UNAUDITED As At 30.06.2006	UNAUDITED As At 30.06.2005	AUDITED As At 31.12.2005
Non-Current Assets	3,947,769	2,905,034	3,701,729
Current Assets	2,190,238	1,665,221	1,930,639
Current Liabilities	(2,563,141)	(1,332,610)	(1,983,900)
Non-Current Liabilities	(1,099,363)	(289,213)	(881,775)
Total Net Assets	2,475,503	2,948,432	2,766,693
Share Capital	425,569	425,569	425,569
Reserves	1,691,521	2,050,675	1,925,823
Shareholders' Equity	2,117,090	2,476,244	2,351,392
Deferred Gain	358,413	472,188	415,301
Group Equity	2,475,503	2,948,432	2,766,693

CONSOLIDATED CASH FLOW STATEMENT

J\$'000	UNAUDITED 6 Months 30.06.2006	UNAUDITED 6 Months 30.06.2005	AUDITED Year Ended 31.12.2005
Group Net Profit/(Loss) after Taxation	(234,302)	293,779	168,927
Adjustment for non-cash items	(62,009)	183,682	216,971
	(296,311)	477,461	385,898
Change in working capital	490,254	(379,523)	(1,787)
Taxation paid	–	(207,188)	(207,188)
Net cash (used in)/generated by operating activities	193,943	(109,250)	176,923
Net cash (used in)/provided by investing activities	(432,352)	(103,239)	(906,817)
Net cash generated by/(used in) financing activities	278,127	(61,959)	701,147
Increase/(Decrease) in cash and short term funds	39,718	(274,448)	(28,747)
Cash and short term funds – beginning of period	(7,000)	21,747	21,747
Cash and short term funds – end of period	32,718	(252,701)	(7,000)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

J\$'000	UNAUDITED 6 Months 30.06.2006	UNAUDITED 6 Months 30.06.2005	AUDITED Year Ended 31.12.2005
Balance at beginning of period	2,351,392	2,242,045	2,242,045
Net Profit/(Loss) for period	(234,302)	293,779	168,927
Dividends	–	(59,580)	(59,580)
Balance at end of period	2,117,090	2,476,244	2,351,392

Note:

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, 2005.

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Website: www.tclgroup.com