



## THE DIRECTORS OF CARIBBEAN CEMENT COMPANY LIMITED REPORT THE CONSOLIDATED AUDITED RESULTS FOR THE TWELVE MONTHS ENDED 31ST DECEMBER 2004

CONSOLIDATED PROFIT AND LOSS ACCOUNT				
J\$'000	UNAUDITED Three Months December 31, 2004	UNAUDITED Three Months December 31, 2003	AUDITED Year Ended December 31, 2004	AUDITED Year Ended December 31, 2003
SALES (CEMENT TONNES)	227,001	157,872	803,855	605,400
<b>REVENUE</b>	<b>1,529,859</b>	<b>1,067,422</b>	<b>5,452,759</b>	<b>4,016,643</b>
<b>OPERATING PROFIT</b>	<b>355,860</b>	<b>251,577</b>	<b>888,777</b>	<b>811,894</b>
Finance Cost- Net	Note 2 12,378	(34,564)	(29,765)	(179,594)
<b>Profit Before Taxation</b>	<b>368,238</b>	<b>217,013</b>	<b>859,012</b>	<b>632,300</b>
Taxation	Note 3 100,853	(60,347)	(16,651)	(177,416)
<b>GROUP NET PROFIT AFTER TAXATION</b>	<b>469,091</b>	<b>156,666</b>	<b>842,361</b>	<b>454,884</b>
Earnings per ordinary stock unit				
Cents - Basic & Diluted	55.11	18.41	98.97	53.44
Operating Profit/Revenue Ratio	24%	24%	16%	20%

### DIRECTORS' STATEMENT

The company's performance for the year 2004 has shown significant improvements in production, sales, turnover and profitability when compared with the prior year. Carib Cement's market share increased from 77% to 93% for the period under review and, with a 13% market growth, sales volume increased by 33%. In the last quarter of 2004, with the temporary trade tariff of 25.83% in place (added to 15% CET), the company recaptured 100% market share for the first time since the first quarter of 2001.

Additionally, the subsidiary Jamaica Gypsum and Quarries Limited (JGQ) has shown consistent improvement over the last three years and has returned to profitability. Within the next five years, this Company is expected to realize profits that will utilize the existing accumulated losses. Deferred tax is now being accounted for, in compliance with International Financial Reporting Standards. The impact of this reduces the tax charge by \$231 million.

Consolidated profit after tax increased to \$842 million in 2004, an 85% or \$387 million improvement over 2003. It should be noted that \$311 million of this improvement is due to JGQ. Moreover, of the \$311 million, a one-time recognition of the deferred tax accounts for \$231 million. Cash generated from operating activities increased by \$258 million and financing costs fell by \$150 million, following the restructuring of the operating lease and a much more stable foreign exchange regime. Working capital has become positive for the first time in many years, increasing by \$465 million to \$119 million.

In December 2004, Parliament enacted legislation to increase the Common External Tariff on cement to 40%. This effectively clears the way for the Company's expansion and modernization programme.

Over the next three years the Company intends to spend approximately US\$100 million in capital programmes, which will result in significant improvements in clinker and cement production capacity, and in overall plant efficiency by 2008. This will enable the company to continue to satisfy the increasing demand in the Jamaican market and to compete more effectively in the liberalized markets in the near future.

### OUTLOOK

The medium term economic outlook is very positive and the market is expected to remain robust. The Directors have approved a final dividend of seven cents and this will be proposed for approval at the upcoming Annual General Meeting.

**Brian Young**  
Chairman  
2005/02/25

**Dr. Rollin Bertrand**  
Director /Group CEO

CONSOLIDATED BALANCE SHEET		
J\$'000	AUDITED Year Ended December 31, 2004	AUDITED Year Ended December 31, 2003
Non-Current Assets	2,939,680	2,863,465
Current Assets	1,517,678	1,224,336
Current Liabilities	(1,399,013)	(1,571,082)
Non-Current Liabilities	(287,224)	(414,604)
<b>Total Net Assets</b>	<b>2,771,121</b>	<b>2,102,115</b>
Share Capital	425,569	425,569
Reserves	1,816,476	1,033,695
<b>Shareholders' Equity</b>	<b>2,242,045</b>	<b>1,459,264</b>
Deferred Gain	529,076	642,851
<b>Group Equity</b>	<b>2,771,121</b>	<b>2,102,115</b>

CONSOLIDATED CASH FLOW STATEMENT		
J\$'000	AUDITED YEAR ENDED DECEMBER 31, 2004	AUDITED YEAR ENDED DECEMBER 31, 2003
<b>Group Net Profit after Taxation</b>	<b>842,361</b>	<b>454,884</b>
Adjustment for non-cash items	143,897	281,531
	986,259	736,415
Change in working capital	(423,867)	(432,105)
Net cash generated by operating activities	562,391	304,310
Net cash used by investing activities	(349,994)	(466,970)
Net cash used by financing activities	(138,005)	(46,562)
Increase/(Decrease) in cash and short term funds	74,392	(209,222)
Cash and short term funds - beginning of period	(52,645)	156,577
<b>Cash and short term funds - end of period</b>	<b>21,747</b>	<b>(52,645)</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY		
J\$'000	AUDITED YEAR ENDED DECEMBER 31, 2004	AUDITED YEAR ENDED DECEMBER 31, 2003
<b>Balance at beginning of period</b>	<b>1,459,264</b>	<b>1,063,960</b>
Net Profit for period	842,361	454,884
Dividends	(59,580)	(59,580)
<b>Balance at end of period</b>	<b>2,242,045</b>	<b>1,459,264</b>

### Notes:

#### 1. Accounting Policies

The 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 31st, 2004.

#### 2. Finance Costs

- (i) The YTD finance costs include loss on exchange amounting to \$2.998M for 2004 compared with \$95.858M for 2003.
- (ii) In accordance with IAS 23 YTD interest expense totalling \$19.108M for 2004 relating to capital projects have been capitalised.

#### 3. Taxation

The YTD taxation expense includes deferred tax credit of \$127.68M and corporation tax of \$144.33M for 2004 compared with deferred tax charge of \$177.41M for 2003. Included in 2004 is a deferred tax credit of \$231M for Jamaica Gypsum and Quarries Limited.

