TRINIDAD CEMENT LIMITED

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2010

CONSOLIDATED STATEMENT OF INCOME

TT$'000	UNAUDITED Three Months Apr to Jun		UNAUDITED Six Months Jan to Jun		AUDITED Year Jan to Dec
	2010	2009	2010	2009	2009
REVENUE	**405,803**	**469,407**	**831,279**	**929,805**	**1,755,837**
CONTINUING OPERATIONS:					
Operating Profit	**35,777**	**63,308**	**100,759**	**162,192**	**254,597**
Foreign exchange gain/(loss)	6,711	(5,952)	5,872	(18,434)	(24,842)
Finance costs - net	(39,089)	(39,187)	(77,641)	(73,438)	(139,218)
Profit before Taxation	**3,399**	**18,169**	**28,990**	**70,320**	**90,537**
Taxation	9,923	(1,922)	10,979	(789)	10,239
Profit after Taxation from Continuing Operations	**13,322**	**16,247**	**39,969**	**69,531**	**100,776**
DISCONTINUED OPERATIONS:					
Loss after Taxation from Discontinued Operations	–	–	(1,028)	(3,178)	(6,495)
Gain on sale of Discontinued Operations	–	–	8,949	–	–
	–	–	7,921	(3,178)	(6,495)
Total Profit after Taxation	**13,322**	**16,247**	**47,890**	**66,353**	**94,281**
Attributable to:					
Shareholders of the Parent	16,302	13,588	47,441	60,017	95,820
Minority Interests	(2,980)	2,659	449	6,336	(1,539)
	13,322	**16,247**	**47,890**	**66,353**	**94,281**
Earnings per Share - basic and diluted, cents	**7**	**6**	**20**	**25**	**39**
Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA)	**67,890**	**101,882**	**174,103**	**236,678**	**406,246**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT$'000	UNAUDITED Three Months Apr to Jun		UNAUDITED Six Months Jan to Jun		AUDITED Year Jan to Dec
	2010	2009	2010	2009	2009
Profit after Taxation	**13,322**	**16,247**	**47,890**	**66,353**	**94,281**
Currency translation	13,114	(2,622)	14,026	(48,128)	(32,134)
Change in fair value of swap, net of tax	(4,755)	10,182	(6,230)	11,615	12,650
	21,681	**23,807**	**55,686**	**29,840**	**74,797**
Attributable to:					
Shareholders of the Parent	25,183	21,827	55,151	35,422	85,525
Minority Interests	(3,502)	1,980	535	(5,582)	(10,728)
	21,681	**23,807**	**55,686**	**29,840**	**74,797**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT$'000	UNAUDITED 30.06.2010	UNAUDITED 30.06.2009	AUDITED 31.12.2009
Non-Current Assets	3,205,437	3,132,539	3,252,829
Current Assets	834,979	805,287	781,547
Current Liabilities	(856,868)	(720,150)	(835,668)
Non-Current Liabilities	(1,544,862)	(1,691,839)	(1,619,421)
Total Net Assets	**1,638,686**	**1,525,837**	**1,579,287**
Share Capital	466,206	466,206	466,206
Reserves	1,048,684	927,344	993,533
Equity attributable to Shareholders of the Parent	**1,514,890**	**1,393,550**	**1,459,739**
Minority Interests	123,796	132,287	119,548
Total Equity	**1,638,686**	**1,525,837**	**1,579,287**

DIRECTORS' STATEMENT

Revenue for the second quarter was $63.6M (or 13.5%) lower than the prior year period as the Group continues to be challenged by weak demand across markets. Operating profit for the quarter, which included a gain of $8.9M from the partial settlement of an insurance claim, was $27.5M below that for the prior year quarter. In addition to weakened demand in the quarter, the state of emergency declared in Jamaica and the May general elections in Trinidad and Tobago negatively impacted business. In an effort to counter the effects of weak demand in our traditional markets, our Jamaican subsidiary sold clinker, an intermediate product with much lower margins, in order to reduce mounting inventories. The combination of these factors has resulted in the compression of EBITDA margin for the quarter to 16.7% but EPS remained steady at 7 cents compared with 6 cents in the prior year quarter.

Revenue for the half year was $98.5M (or 10.6%) below that for the prior year period whilst Earnings per Share was 20 cents compared with 25 cents. Also in the half year, net cash flow from operations was a positive $19.1M after settling interest and tax obligations and utilising $92.1M for funding higher inventories and outstanding project vendor payments.

OUTLOOK

The challenging business environment is expected to prevail well into next year. Accordingly, the Group is focused on increasing its exports, rationalizing its operations and restructing its debt portfolio.

Andy J. Bhajan

Andy J. Bhajan
Chairman
July 30, 2010

Dr. Rollin Bertrand
Director/Group CEO
July 30, 2010

CONSOLIDATED STATEMENT OF CASH FLOWS

TT$'000	UNAUDITED Six Months Jan to Jun	UNAUDITED Six Months Jan to Jun	AUDITED Year Jan to Dec
	2010	2009	2009
Profit before Taxation from Continuing Operations	**28,990**	**70,320**	**90,537**
Gain on sale of Discontinued Operations	8,949	–	–
Loss after Taxation from Discontinued Operations	(1,028)	(3,178)	(6,495)
Profit before Taxation	**36,911**	**67,142**	**84,042**
Adjustment for non-cash items	155,348	208,921	310,611
	192,259	276,063	394,653
Changes in working capital	(92,139)	(88,527)	(12,563)
	100,120	187,536	382,090
Net Interest, taxation and pension contributions paid	(80,979)	(67,994)	(154,312)
Net cash generated by operating activities	19,141	119,542	227,778
Net cash used in investing activities	(22,130)	(102,136)	(241,488)
Net cash (used in)/generated by financing activities	(53,455)	(33,406)	869
Decrease in cash and cash equivalents	(56,444)	(16,000)	(12,841)
Currency adjustment - opening balance	275	–	6,967
Cash and cash equivalents – beginning of period	(20,696)	(14,822)	(14,822)
Cash and cash equivalents – end of period	**(76,865)**	**(30,822)**	**(20,696)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	PARENT		
	UNAUDITED Six Months Jan to Jun	UNAUDITED Six Months Jan to Jun	AUDITED Year Jan to Dec
	2010	2009	2009
Balance at beginning of period	**1,459,739**	**1,372,153**	**1,372,153**
Currency translation and other adjustments	13,940	(50,235)	(22,945)
Allocation to employees and sale of ESOP shares, net of dividend	–	–	913
Change in fair value of swap, net of tax	(6,230)	11,615	12,650
Profit after taxation	47,441	60,017	95,820
Dividends forfeited	–	–	1,148
Balance at end of period	**1,514,890**	**1,393,550**	**1,459,739**

SEGMENT INFORMATION

TT$ '000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
UNAUDITED SIX MONTHS JAN TO JUN 2010					
Revenue					
Total	890,274	82,207	49,268	–	1,021,749
Intersegment	(146,161)	–	(44,309)	–	(190,470)
Third Party	744,113	82,207	4,959	–	831,279
Profit before tax from continuing operations	14,992	3,104	7,629	3,265	28,990
Depreciation	80,286	4,929	1,193	(2,723)	83,685
Segment Assets	4,421,418	172,154	102,893	(656,049)	4,040,416
Segment Liabilities	2,677,108	56,486	31,726	(363,590)	2,401,730
Capital expenditure	19,804	2,026	300	–	22,130
UNAUDITED SIX MONTHS JAN TO JUN 2009					
Revenue					
Total	1,007,229	111,535	44,386	–	1,163,150
Intersegment	(196,170)	–	(37,175)	–	(233,345)
Third Party	811,059	111,535	7,211	–	929,805
Profit before tax from continuing operations	45,230	18,676	3,233	3,181	70,320
Depreciation	73,084	5,699	1,501	(2,620)	77,664
Segment Assets	4,244,155	185,082	95,295	(586,707)	3,937,825
Segment Liabilities	2,617,731	76,697	26,959	(309,398)	2,411,989
Capital expenditure	96,521	4,883	732	–	102,136
AUDITED YEAR JAN TO DEC 2009					
Revenue					
Total	1,842,287	210,850	82,838	–	2,135,975
Intersegment	(311,072)	–	(69,066)	–	(380,138)
Third Party	1,531,215	210,850	13,772	–	1,755,837
Profit before tax from continuing operations	55,265	22,125	6,459	6,688	90,537
Depreciation	144,635	9,798	2,581	(5,365)	151,649
Segment Assets	4,445,176	176,078	95,778	(682,656)	4,034,376
Segment Liabilities	2,810,720	68,065	30,253	(453,949)	2,455,089
Capital expenditure	233,159	7,561	1,086	–	241,806

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, 2009, except as indicated in note 4 below. The Group has adopted all the new and revised accounting standards and interpretations that are mandatory for annual accounting periods beginning on or after January 01, 2010 and which are relevant to the Group's operations. The adoption of these standards and interpretations did not have any material effect on the Group's financial position or results.

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 4.294M (2009: 4.451M) shares that were held as unallocated shares by our ESOP.

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

4. Loan Covenants
Due to the delay in the issue of a new US$20M bond,which is part of the funding plan for the year to limit short term borrowings, the Group did not comply by US$10.2M with a loan covenant that restricted short term borrowings to US$45M. However, net short term borrowings (debt less cash) were $51.6M and total debt was US$260M, the same as it was at December 2009. Waivers were received from lenders after the balance sheet date allowing the higher borrowings until the new bond is issued now expected by September 30, 2010. In accordance with IAS 1, long term debt should have been re-classified as short term as at June 30, 2010. In view of the waivers received this was not followed.

5. Discontinued Operations
Effective March 31, 2010, our two concrete subsidiaries in St Maarten, with third party net assets of $1.2M were sold for $10.1M resulting in a gain of $8.9M. For the six months ended June 30, 2010, the subsidiaries recorded losses of TT$1.0M (2009 - $3.2M), which are included in the Group's results for the period.