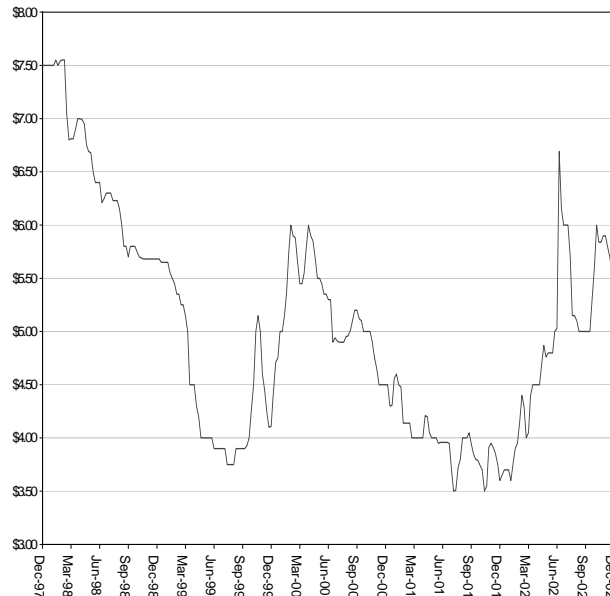




Trinidad Cement Limited

Recent Price	\$ 5.95	EPS(est.2002)	\$ 0.45
52 Wk Range	\$ 3.60 - 6.69	Div.(est.2002)	\$ 0.15
Shares O/s	249,765,136	Yld(est.)	2.52%
Float	173,022,846	P/E (est.)	13.22 X
Market Cap.	\$ 1,486,102,559	Fiscal Yr End	December
ACTUAL	2001	2000	1999
P/E Ratio	10.00 X	10.10 X	12.79 X
EPS	\$ 0.37	\$ 0.41	\$ 0.34
Div. Payout	37.83%	39.02%	35.29%
ROE% (Avg)	11.59%	12.36%	14.60%
ROA% (Avg)	4.79%	4.31%	4.32%
B.V. / Share	\$ 2.80	\$ 2.86	\$ 1.90
LT Debt	\$ 918,438,000	\$ 917,718,000	\$ 1,240,147,000
Pref. Equity	Nil	Nil	Nil
Comm. Equity	\$ 699,022,000	\$ 715,138,000	\$ 475,720,000



The Group is projecting that its earnings per share would be higher than 2002. Until we see a fuller picture at the half year we would remain with a full year estimate of 50 cents per share, the same as last year. Our cautiousness is based on the current global uncertainty and also the fact that in 2002 the Group benefited from a lower effective tax rate. Thus based on our earnings estimate of 50 cents per share and the current price of \$5.60, the PE ratio is 11.2, which means there is some long term growth potential in the share if investors look beyond the short term uncertainty.

The Company

Established in 1951, the group is the largest manufacturer and distributor of cement in the Caribbean. It is involved in the manufacture and sale of cement and lime, premixed concrete, packaging materials and the winning and sale of sand and gravel.

The Group's manufacturing operations are divided into three main industry sectors. The Cement manufacturing Sector which comprises Trinidad Cement Limited (TCL) with operations in Claxton Bay (Trinidad), and Arawak Cement Company Limited (ACCL) which is based in Barbados. The Packaging Sector which comprises TCL Packing Limited, a multi-wall paper sack manufacturer and TCL Ponsa Manufacturing Limited, a manufacturer of polypropylene slings used in export packing. The Quarrying and concrete Production Sector which comprises Readymix (WI) Limited. Additionally in 1999 the Group acquired a 74.4% shareholding in Caribbean Cement Company Limited (CCCL) of Jamaica. This acquisition consolidated the Group's position as the dominant player in the Caribbean cement market.

The major shareholders are Sierra Trading (CEMEX SA de CV) 20%, National Insurance Board 8.4% and Unit Trust Corporation 5.9%.



Trinidad Cement Limited

Update – Q 1 ended March 31, 2003.

As expected Trinidad Cement's (TCL) profit attributable to shareholders declined for the quarter ended March 31, 2003. TCL indicated in its *2002 Annual Report* that there were planned stoppages at Arawak and Caribbean Cement due to major plant refurbishment. There was a reduction of 47,915 tonnes of clinker in this quarter compared with the corresponding period in 2002. The Chairman in his report stated that the Group has already started to see the benefits from the plant refurbishment. Arawak was also affected by interruptions in the supply of lower cost Orimulsion due to the unrest in Venezuela. The situation has since abated.

The Group was still able to increase revenue by 6.84 per cent for the quarter ended March 31, 2003 moving from \$266.749 million in 2002 to \$285.002 million in 2003. The Chairman stated that this was achieved despite the stoppage because of:

1. Higher sales volume in Trinidad and Tobago; The maintenance of prior year sales levels in Barbados and Jamaica;
2. In Jamaica there was a change in the sales mix and a price increase to compensate for the significant deterioration of the Jamaican dollar; and
3. Premixed concrete revenue was higher because of the recovery of the Trinidad market and the addition of sales from the recently acquired Premix & Precast Concrete Inc, in Barbados.

Operating profit declined by 14.04 per cent moving from \$65.910 million in 2002 to \$56.655 million in 2003. The Chairman attributed the decline to the increase in expenses due to the under-absorption of overheads and repairs and maintenance costs arising from the plant stoppage. Profit before tax declined by 33.48 per cent moving from \$44.662 million in 2002 to \$29.710 million in 2003. Finance cost moved from \$21.248 million in 2002 to \$26.945 million in 2003, an increase of 26.81 per cent. The Chairman stated that this was largely due to foreign exchange losses of \$7.8 million incurred by Caribbean Cement as the Jamaican dollar continues to depreciate. The effective tax rate increased from 23.80 per cent in 2002 to 27.93 per cent in 2003. Overall profit attributable to shareholders declined by 33.96 per cent moving from \$29.650 million in 2002 to \$19.581 million in 2003. The earnings per share was 8 cents which is 33.33 per cent less than the corresponding 2002 figure of 12 cents.

The Chairman has stated that the Group remains optimistic on the outlook for the rest of 2003 given the favourable economic conditions in Trinidad and Tobago and the potential resurgence of the tourism sector in Jamaica, Barbados and the wider Caribbean as other high risk destinations are avoided. We believe that the rest of the year should be better for the Group. However the current global uncertainty remains the most ominous threat. In 2002 the Group benefited from a lower effective tax rate because of the \$24.242 million credit to deferred taxation from the change in the tax rate. On the positive side the extraordinary charge of \$11.107 million for costs incurred in connection with the takeover bid by Cemex would not recur.

**Trinidad Cement Limited****Income Statement Analysis (TT\$ millions)**

	2001	2000	1999	1998	1997
Rev.	1,053.953	1,096.994	2,333.119	2,466.659	2,495.625
Op. Inc.	204.464	231.987	198.616	146.973	124.153
Depr.	75.052	74.243	56.997	35.514	29.058
Int. Exp.	88.522	123.378	128.397	46.169	31.793
Pretax Inc.	139.769	138.511	102.909	116.902	102.704
Eff. Tax Rate	23.15%	25.41%	24.81%	23.37%	24.71%
Net Inc.	93.021	84.573	70.195	85.244	74.591

Bal. Sheet & Other Fin. Data (TT\$ millions)

Cash	31.602	29.642	54.677	15.219	5.836
Curr. Assets	414.492	426.046	350.814	197.119	156.734
Total Assets	2,356.024	2,403.196	2,471.510	946.930	860.625
Curr. Lia.	346.950	370.652	343.787	110.508	146.935
LT Debt	918.438	917.718	1,240.147	327.017	268.703
Common Eq.	699.022	715.138	475.720	389.777	311.815
Total Cap.	1,610.633	1,624.090	1,759.382	766.758	697.091
Cap Exp.	-115.624	-68.477	-363.212	-97.908	-85.748
Cash Flow	-4.728	-57.043	-357.242	-19.680	2.560

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