

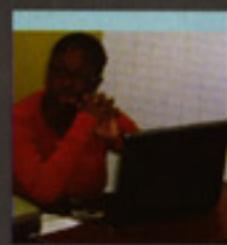


UPGRADE

The TLA Asphalt Cement facility, when completed will provide Lake Asphalt with the capacity to meet ...



BEDROCK
ROCKS! pg6



DEVELOPMENT

Implementation of quality management system.



CERTIFICATION

Refurbishment of research and Technical Service Unit.

OFFICIAL NEWSLETTER OF LAKE ASPHALT

LAKE VISION

Celebrating



yrs

“

As we began to consider the content of this article in recognition of our thirteenth year anniversary, we were reminded of part of a calypso chorus that simply states in part "How yuh feel"? So Lake Asphalt of Trinidad and Tobago (1978) Limited (Lake Asphalt) is thirty years old; how yuh feel?

Wayne Wood, CEO

”

TURNAROUND

contents

International
Business News

pg5

Celebrating World
Environment Day

pg7

Hurricane
Preparedness

pg8



Lake Asphalt

OF TRINIDAD AND TOBAGO (1978) LIMITED

CEO'S MESSAGE

Mr. Wayne Wood



Thirty Years Old, “How yuh feel?”

As we began to consider the content of this article in recognition of our thirtieth year anniversary, we were reminded of part of a calypso chorus that simply states in part “How yuh feel”. So Lake Asphalt of Trinidad and Tobago (1978) Limited (Lake Asphalt) is thirty years old, *how yuh feel?*

Lake Asphalt was established after its predecessor company went into receivership so at this time, thirty years on, it is a time for reflection and review of the events and activities of the past thirty years, but more important,

we all need to understand the imperatives for future success and the direction that should now be taken to ensure that we continue to exist now and beyond the next thirty years.

As the company went into receivership, unable to meet its commitments, *How yuh feel?* Employees and indeed the community of La Brea were devastated. During the period that the Receiver, Mr. John Hunte operated the company, he achieved profitable performance. He was able to control cost by the engagement of resources at reasonable rates, restored markets in Germany and the United King-

dom thereby obtained revenue and gained the support of stakeholders who were all very willing to do what was required to ensure the survival of the business.

The profitable performance of the business and the economic circumstances of the community proved a case for the continuation of the business, *How yuh feel?* The Trade Union, the employees and community all rejoiced. To continue the business, a state enterprise was formed, Lake Asphalt of Trinidad and Tobago (1978) Limited. The local management took charge and had to rebuild the business.

Over the years, we have had mixed financial fortunes. *How yuh feel?* Concerned! We must never forget the circumstances that led us to receivership, our inability to meet our financial commitments. In 2007, we have earned the highest turnover (TT\$ 152m) and Operating Profit (TT\$ 25m) in the company's history. *How yuh feel?* Good! While cash flow has improved, costs continue to increase. We must all strive to contain costs and do all that is necessary to have consistently excellent financial performance.

► We have acquired and developed new technology in the Emulsion Plant and Pelletization Plant. *How yuh feel?* Good! These investments have helped us to remain at the forefront of the industry. These plants form the basis of future development of new products to meet ever-changing market demands. We must be able to manufacture these new products and indeed our existing products at reduced unit cost.

We cannot be increasing our labour and other operating costs with every request for changes in work practices or improvement in our processes. We must be able to increase production without excessive overtime. *How yuh feel?* Concerned! We can produce more within the current shift arrangements by the re-introduction of continuous production. The additional third Still every other day. It was done in past and more recently when production workers wanted to attend an entertainment event.

We must get the priorities right. We can achieve the additional production output and thereby reduce the cost per tonne.

We have to reduce the cost of overtime. *How yuh feel?* Again concerned! It must not be that when we have production on weekends and public holidays that everyone wants to be called in to work with the Production Department. Nor must it happen, that work is delayed to be done on weekends.

We will introduce a Performance Management System, so when targets for increased production, reduced overtime, project completion and outstanding performance are met employees can benefit through incentives and bonuses. The Performance Management System must result in the termination of the existing Casual Labour Bonus. This bonus is not based on production and must be paid despite the financial performance of the company. (2007 Casual Labour Bonus: \$ 571k).

The environment and the conditions under which we ask our employees to work have been improving. *How yuh feel?* Really Glad! We have seen the improvements in infrastructure and continuing renovation works in Administration, Corporate Services, Research and Technical Services, Production and Procurement and Logistic. Plans are being developed for relocation of the Finance Department and Business Units along with renovation works at the Engineering Department.

We have proposed improvements to our Medical Plan and Pension Plans. *How yuh feel?* These were long overdue and it is taking a long time to be implemented. The increased cost for the Medical Plan is approximately TT\$ 720k per annum. The improved benefits to the Pension Plans and retirees pensions would also have cost implications. Some units are holding out for clarification but others for greater benefits that would also mean added cost. *How you feel?* Concerned! Do the employees truly understand the financial and market conditions of the business?

We are developing markets in India and Brazil. *How yuh feel?* Good! Shipments of Trinidad Lake Asphalt Pellets [pTLA] were sent to India and Brazil for the laying of test strips for evaluation of our product. While the Chinese market has been good in 2007, its 2008 performance has been sluggish, as a result of the natural disasters and a slow down of construction activity in the capital city for the Olympics Games. We need to establish other markets and thereby improve sales volumes.

While financial performance has been good in 2007 there still remain areas of concern in the running of the business of Lake Asphalt. We need to address the areas of concern, increasing output, reducing the level of overtime, and increasing cost. We must not wait, as was done prior to 1978, for circumstance to get the better of us, but rather to act now as our destiny is in our hands.

UPGRADE OF PHYSICAL FACILITIES

As the transformation of Lake Asphalt continues infrastructural works continued apace in the following areas:-



TLA Asphalt Cement Upgrade Project

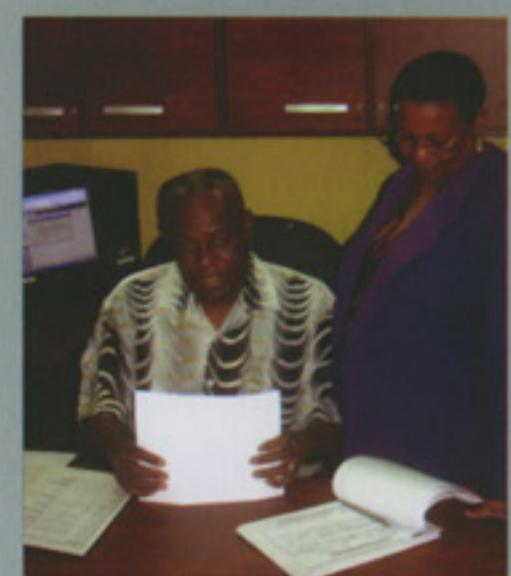
The TLA Asphalt Cement facility, when completed will provide Lake Asphalt with the capacity to meet projected demands for Asphalt Cement for local road paving works in a timely manner.

This project which is essentially the creation of a storage facility will not only provide Lake Asphalt with the ability to store the finished product but also feedstock to ensure continuous production.

The facility which is scheduled to be completed in August 2008, represents the achievement on a

milestone for Lake Asphalt in that it represents a change in the way we do business.

Prior to this project, the Plant was used for both production and storage which negatively impacted on the company's productive capacity as well as its ability to respond to changing demands for its products. The introduction of this facility will allow the Company to separate storage from production thereby improving the level of efficiency in the manufacture and deliverability of TLA Asphalt Cement.



DEVELOPMENTS IN THE PRODUCTION DEPARTMENT

**The modernization
of the Production
Department has
commenced**

On June 5th, 2008, the Production Superintendent, Assistant Production Superintendent and Production Administration Staff officially moved into their new offices located on the Mezzanine Floor of the Pelletization Plant.

Under the guidance of the Opus Consulting Group, the Department is currently engaged in a number of initiatives designed to cultivate a culture of continuous improvement. By far the most significant of the initiatives was the introduction of the Q-Board. The main objective of the Q-Board is to facilitate the measurement of productivity within the Department.

These initiatives are in keeping with the overall thrust of the organization to become a world class Company. ▲

UPGRADE AND CERTIFICATION OF LABORATORY

The laboratory facility housed within the Research and Technical Service Unit at Lake Asphalt has undergone a complete refurbishment with the acquisition of new flooring, cabinets and general furniture and is in the process of completing the preparation for laboratory certification for International Standards Organization (ISO) 17025.

It is anticipated that certification should be obtained by August. When certified, this facility will be the only asphalt laboratory ISO certified in the entire Caribbean region. This will provide Lake Asphalt with



the opportunity to offer services to the asphalt industry both at the national and regional levels.

The laboratory facility, when certified, will offer tests on asphalt mixes which are not currently available locally. Currently, the laboratory facility focuses on the binder

component of mixes.

Some of the testing are specialized ones and over the years, Lake Asphalt has been developing the capabilities. These services are currently offered to the local asphalt consultants and the Ministry of Works and Transport.

NEGOTIATIONS CONCLUDED WITH THE ESTATE POLICE



At long last, negotiations were concluded with the Estate Police Association (EPA) for the period 2005-2008.

The negotiations were conducted in a cordial manner within the guidelines established by the Public Sector Negotiating Committee.

Agreement was also reached on the proposed Medical Plan.

As we end this phase of our relationship with the EPA, we look forward to beginning a new phase with the receipt of proposals for the new bargaining period.

INTERNATIONAL BUSINESS NEWS

Earlier this year, Mr. Wayne Wood, Chief Executive Officer and Mr. Nigel Minors, Team Leader, International Business Unit visited India and China.

The visit to India was in keeping with Lake Asphalt's Strategic Objectives of establishing markets in the Southern Hemisphere to stabilize revenue flows.

Arising out of that visit was an agreement to lay a test strip in the City of Pune for which an order was



placed for TLA and TLA Cold Mix.

The visit to China, our largest customer was for the purpose of concluding a new Distributorship Agreement as well as confirming price and volume issues for 2008.

The visit was a success



BEDROCK THE EXPERIENCE

It was billed as South's Best "All Inclusive" fete; however, "Bedrock the Experience" can be voted among the best ever all inclusive fetes in the Caribbean. Lake Asphalt administration grounds provided the perfect ambience for an evening with

good music provided by Roy Cape All Stars, Stalin and Explainer were also on the cast.

Lake Asphalt administration grounds provided the perfect ambience for an evening with good music provided by Roy Cape All Stars, Stalin and Explainer were also on the cast. ▶



ADMINISTRATIVE PROFESSIONALS TRIBUTE

During Administrative Professionals Week this year, Lake Asphalt paid tribute to its Administrative Professionals by planning a week of activities. Some of the treats were:

Session held with Jacqui Koon How

Session on "The Role of the Administrative Professional" conducted by Mr. Keith McDonald

Distribution of gift vouchers
Treasure Hunt

Lunch at Soong's Great Wall



EMPLOYEE CORNER

WELCOME

The Management and Staff of Lake Asphalt welcome the newest members of staff:

Ms. Shivaun Alexander
Business Development Officer

Ms. Ezra Vaughn
Accountant

CONDOLENCES

On behalf of the Lake Asphalt family, we extend condolences to:

Ezra Vaughn on the death of her Mother.

Thomas Francois on the death of his Brother.

Precious in the sight of the Lord is the death of his saints - Ps. 116:15

BIRTHDAYS

We extend a very happy belated birthday to all of our employees whose birthdays fell in the months of April to June, 2008

april may june

Trevor Aberdeen

Ann Marie Balgobin

Patrick Barzey

George Campbell

Newton Jones

Paul Phillip

Barry Regis

Michael Roberts

Owin Stanley

Theophilus Victor

Gerald Debesette

Keston Morrison

Nigel Minors

Wayne Wood

Victor Benjamin

Richard Charles

Randolph Joseph

Suzette La Borde

Rhea Mitchell

Curtis Mulcare

Ian Nagassar

Raeburn Noble

Peter Phillip

Cynthia Ann Phillips

Ainsworth Ross

Michelle Sookram

Derrick Stanley

Junior Thompson

Wayne Victor

Lesley Ann Williams

Ezra Vaughn

Alon Cooper

Oliver Arthur

Bobby Jaggernauth

Michael Julien

Avon Modeste

Ethelbert Rennie



CELEBRATING WORLD ENVIRONMENT DAY

Chief Security Officer – Mr. Ronald Ross plants a tree in commemoration of World Environment Day.

In commemoration of World Environment Day on June 5th 2008, Alutrint Limited conducted a tree planting exercise on the Buffer Zone of its Vessigny Site. This exercise was in keeping with the agenda of the United Nations to promote the greening of the global economy to reduce carbon emissions.

Lake Asphalt participated in this auspicious event signaling this Company's commitment to the preservation of the environment for the generations to come.



HEALTH AND SAFETY

As the Hurricane Season has begun, in this issue, we present to you a special feature on:

Hurricane Preparedness Tips

Things to do before a storm or hurricane

Keep your radio or television on and listen for the latest warnings and advisories.

Board up or install shutters over all windows, doors, skylights and open vents.

Secure all doors by bolting and wedging.

Lower television and radio antennae.

Protect appliances and furniture by elevating them off the floor and covering them with plastic.

Remove loose objects from the yard and patio.

Tie down large objects that cannot be brought indoors.

Recharge appropriate equipment (such as cell phones and rechargeable flashlights).

Close all outside electrical outlets and cover with duct tape.



Turn off electricity at the main box before a storm hits.

Store as much drinking water as possible in clean, closed containers.

Prepare a hurricane Supplies kit (see below).

Put personal papers and other important documents in a waterproof container and keep nearby.

Keep your vehicle filled with gas.

Get extra cash from the bank.

Have a plan in case family members are separated.

Unless advised to evacuate, stay at home. Remain indoors in the middle of the house, away from windows and doors.

Beware of the calm conditions (a lull in the wind lasting from a few minutes to about half an hour) when the eye of the storm passes over. Stay indoors until the entire storm has passed.

Hurricane Disaster Supplies Kit

Water: Store one gallon of water per person in plastic containers such as soft drink bottles. Avoid using containers that will decompose or break. Keep at least a three-day supply of water per person (two quarts for drinking, two quarts for each person in your household for food preparation/sanitation)

Food: Store at least a three-day supply of non-perishable food. Use foods that require no refrigeration, preparation or cooking, and little or no water.

First Aid Kit: Assemble a first aid kit for your home and one for each car.

Clothing and bedding

Tools and emergency supplies e.g. radio, flashlight and extra batteries.

Special items for medical conditions e.g. prescription drugs.

DEVELOPMENT AND IMPLEMENTATION OF QUALITY MANAGEMENT SYSTEMS (QMS)

LAKE ASPHALT, as a leading provider of asphalt and asphalt-based products for a wide cross section of industry world-wide, has recognized the importance of ensuring that our valued customers are satisfied 100% of the time.

As a means of achieving this objective, the Company has embarked on the development and implementation of QMS for three (3) departments: Pelletization Operations, Procurement & Logistics and the Research & Technical Services Unit. The QMS being developed for each department will be against the requirement of the applicable ISO Standard. Certification/ accreditation of these standards will thereafter be sought.

A QMS can be defined as: "A set of coordinated activities to direct and control an organization in order to continually improve the effectiveness and efficiency of its performance."

A QMS enables an organization to achieve the goals and objectives set out in its policy and strategy. It provides consistency and satisfaction in terms of methods, materials, equipment, etc, and interacts with all activities of the organization, beginning with the identification of customer requirements and



ending with their satisfaction, at every transaction interface.

It can be envisaged as a "wedge" that both holds the gains achieved along the quality journey, and prevents good practices from slipping.

How does having a quality management system benefit us from an **EXTERNAL** standpoint?

Satisfies the demands of current or prospective customers for registration

Improves customer focus

Boost international acceptance and credibility

Expand/retain markets

Places you in an elite category of businesses

Keeps you prepared for external audits and inspections

Facilitates continual improvement

Provides competitive advantage

How does quality management system benefit us from an **INTERNAL** standpoint?

Transforms your operation from detection mode to prevention mode

Creates consistency throughout the organization

Improves business performance

Lessens dependency on key individuals

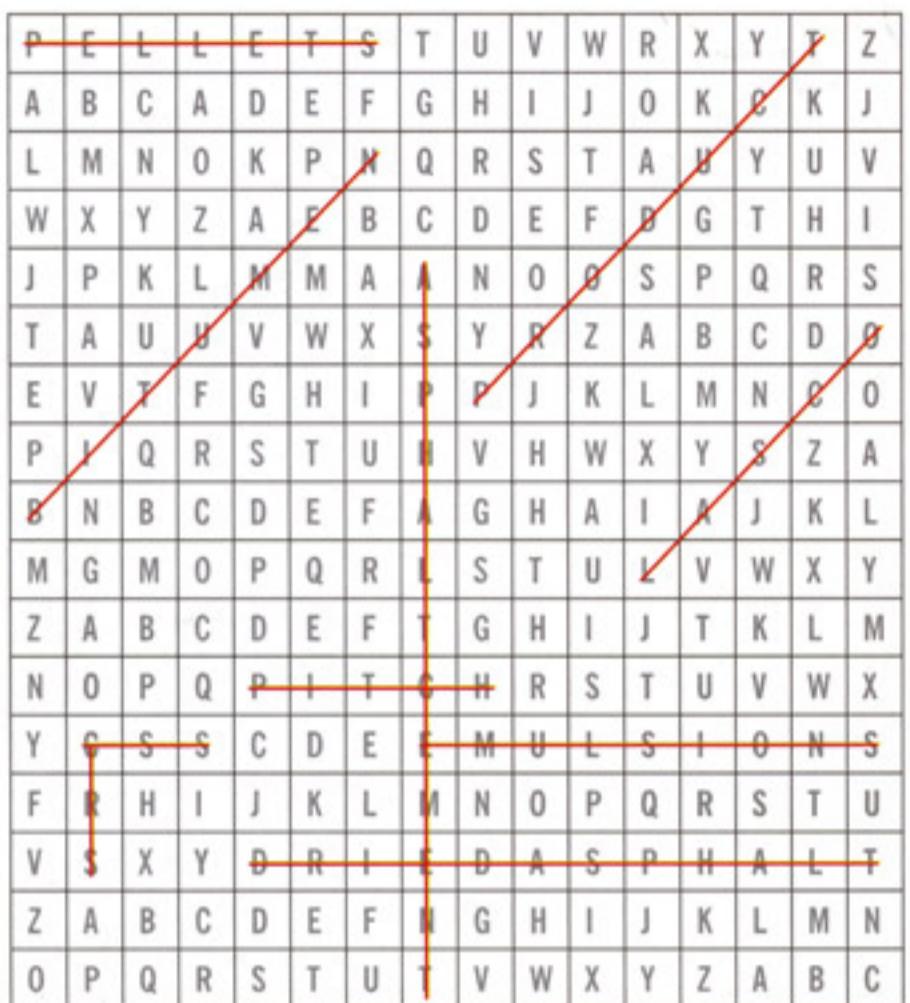
Provides blueprint for controlled, disciplined growth

Ensures consistent training

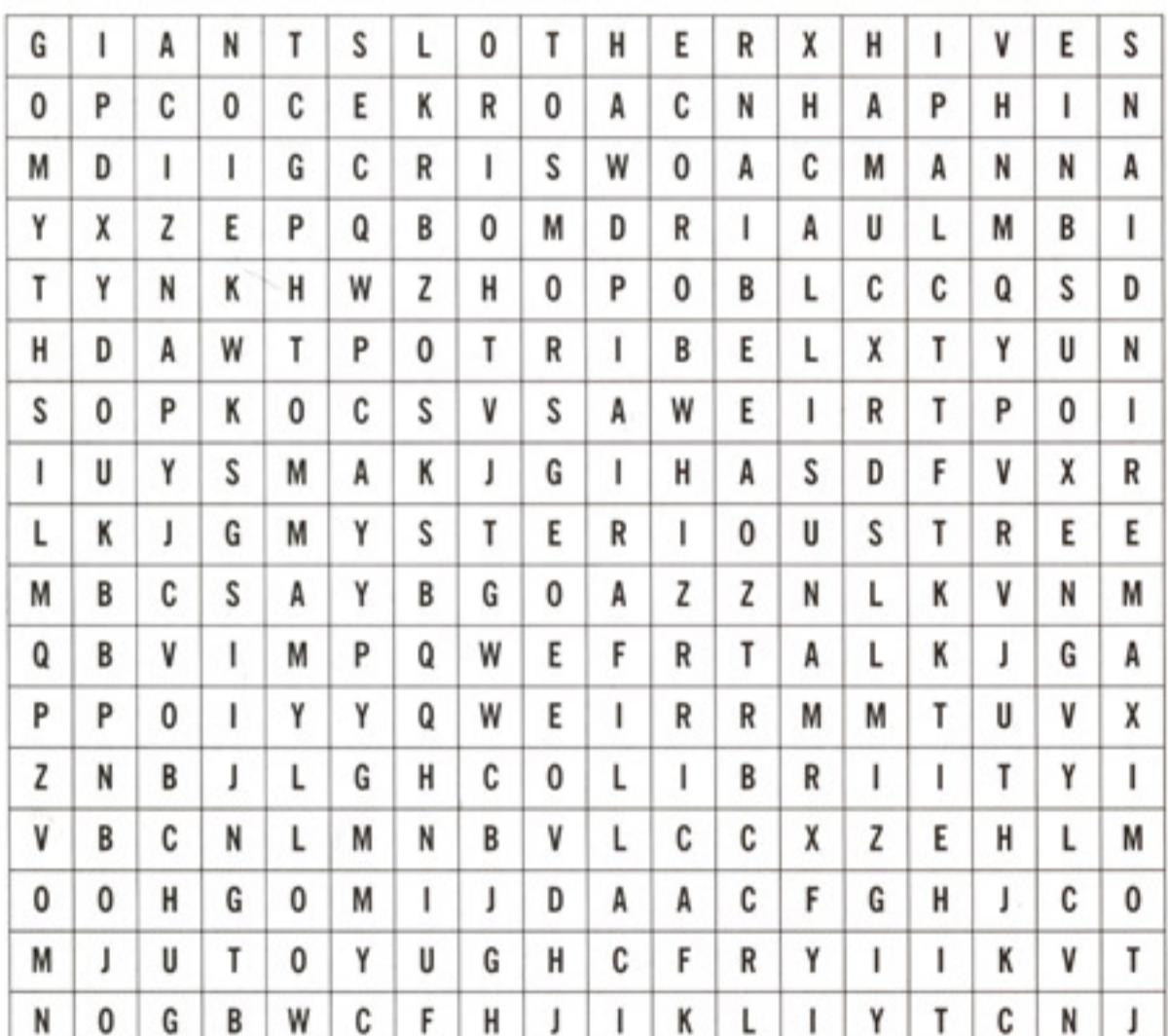
Improves management oversight

LAKE SEARCH

Answers to last Lake Search



Test your ability to find the words that will take you back in history to the Legends and Myths of the Pitch Lake.



MYTHS

LEGENDS

AMERINDIANS

CALLIFARIA

CALLISUNA

TRIBE

COLIBRI

CHIMA

MASTODON

GIANT SLOTH

WOOLLY MAMMOTH

MYSTERIOUS TREE

Put on your thinking caps, can you find these familiar words that are unique to Lake Asphalt? Look out for the answers in the next issue of Lake Vision.

SPORTS & FAMILY DAY

Lake Asphalt held its Sports and Family day on 2008 Sunday July 06 at Forest Reserve Grounds, Fyzabad.

Employees and their families came out in their numbers and had a day of fun and games.

Here are some highlights of what took place.

